

An aerial photograph of a modern cable-stayed bridge spanning a vast, deep blue body of water. The bridge features two tall, slender concrete pylons that support the deck with multiple stay cables. The deck is a light grey color and has several vehicles, including a white truck, visible on it. The water is a rich, dark blue, and the sky is a clear, pale blue. The overall scene is bright and clear, suggesting a sunny day.

Interim report Q2 2021

RATOS

Interim report January–June 2021

Continued positive performance in the business group – the Group's earnings impacted by revaluation of shareholding

Performance Ratios business group, adjusted for Ratos's holdings

- EBITA increased to SEK 1,055m (1,045). In the previous year's profit, the divested Bisnode was included by SEK 91m
- Net sales decreased to SEK 6,949m (7,221). Net sales increased 2% organically
- Cash flow from operations amounted to SEK 1,105m (1,232)

Performance Ratios Group

- The revaluation of shares in Dun & Bradstreet Holding Inc. had a negative impact of SEK 113m on earnings in the quarter
- Profit for the period for the Ratos Group amounted to SEK 679m (780)
- Operating profit from continuing operations for the Ratos Group amounted to SEK 915m (955)
- Diluted earnings per share decreased to SEK 1.90 (2.18)
- Cash and cash equivalents in the parent company totalled SEK 2,338m (1,245)

Significant events during and after the end of the period

- On 1 April, HL Display acquired the company CoolPresentation, thus strengthening its market position in the Netherlands.
- On 17 May, Diab acquired production of ULTEM™ foam from SABIC in order to expand the product offering and better serve high-end core material applications.
- On 20 May, Ratos announced that Aibel's owners, including Ratos, are considering the possibility of diversifying the company's ownership, preferably through a listing on the Oslo Stock Exchange.
- On 30 June, the wholly owned KVD Group signed an agreement to acquire 100% of Forsbergs Fritidscenter, which is the largest mobile home and caravan dealer in the Nordics.

Financial performance

SEKm	Q2 2021	Q2 2020	Change%	Q1-2 2021	Q1-2 2020	Change%	LTM Full Year Rolling 2020	Full Year 2020	Change %
Ratos Group									
Net sales	6,994	6,525	7%	11,426	11,229	2%	21,138	20,941	1%
Profit/loss for the period ¹⁾	679	780	-13%	2,412	667	pos	2,629	883	pos
Operating profit/loss, continuing operations	915	955	-4%	1,069	941	14%	1,585	1,457	9%
Profit/loss before tax, continuing operations	827	790	5%	894	663	35%	1,104	873	27%
Diluted earnings per share total group, SEK ¹⁾	1.90	2.18	-13%	7.14	1.80	pos	7.51	2.17	pos
Diluted earnings per share, continuing operations, SEK	1.84	1.87	-2%	1.85	1.47	26%	1.96	1.58	24%
Cash and cash equivalents in the parent company, at period end				2,338	1,245	88%		1,166	
Ratos business group, Ratos's holding^{1) 2)}									
Net sales	6,949	7,221	-4%	11,615	12,809	-9%	22,859	24,053	-5%
EBITDA	1,300	1,323	-2%	1,705	1,708	0%	3,038	3,041	0%
EBITA	1,055	1,045	1%	1,228	1,153	7%	1,986	1,910	4%
EBITA margin	15.2%	14.5%		10.6%	9.0%		8.7%	7.9%	
Profit/loss before tax	921	907	2%	999	816	22%	1,368	1,185	15%
Cash flow from operations	1,105	1,232	-10%	580	1,124	-48%	1,224	1,768	-31%
Leverage ³⁾				-1,1x	1,5x			1,1x	

¹⁾ 2020 includes Bisnode that was divested in January 2021.

²⁾ Tables in a tinged background are alternative performance measures, refer to Note 3 Alternative performance measures, page 23 for reconciliation and page 29 for definitions.

³⁾ Excluding financial lease liability and including cash and cash equivalents in the parent company.

Continued positive earnings trend in the Ratos business group

The positive trend in the business group continued in the second quarter. 11 of 12 companies reported stronger or significantly stronger earnings than in the year-earlier period. EBITA rose 1%, despite the fact that the comparative figures for 2020 include SEK 91m from Bisnode. For the current business group, EBITA increased 11%. This means that we reported EBITA growth for the eighth consecutive quarter. Net sales increased 2% organically.

All companies in the Ratos business group performed well with the exception of Diab. Aibel, TFS, HL Display, Oase Outdoors, Speed Group, airteam and LEDiL reported particularly strong earnings growth. Plantasjen's earnings improvement of SEK 62m in the quarter was particularly impressive given the challenges the company has faced, with store closures and unfavourable weather at the beginning of the quarter, which caused sales to decrease 2%. This improvement in earnings was achieved through reduced costs for logistics, for example, and an improved product range mix. I am also pleased to report that the newly acquired company Vestia delivered a strong performance compared with the year-earlier period, more than doubling its net sales and reporting an even better earnings trend.

Diab, on the other hand, faced major challenges due to a sharp increase in raw material prices in the second quarter and a decline in the demand in the wind power market as a result of the discontinuation of subsidies, particularly in China. Combined with declining sales, the fact that the price increases implemented by the company failed to yield results in the quarter resulted in a major drop in earnings. We previously underestimated the short-term impact of the discontinuation of subsidies, and our new assessment is that the market will normalise in 2022. We still believe in the long-term potential of the wind power market. Two new production sites were put into operation in the first half of 2021, an important achievement in the company's transition to meet the market demand for new materials.

While the impact of the pandemic subsided in most companies, Aibel and HENT continued to be affected by travel restrictions preventing foreign labour from entering the country, which among others resulted in costs for construction delays. However, most companies faced significantly higher costs for input goods and transportation, which put pressure on our management teams to implement price adjustments.

The Ratos Group's earnings were negatively affected in an amount of SEK -113m due to an unrealised change in value in the listed holding in Dun & Bradstreet Holding, Inc.

High rate of M&A activity

The level of transaction activity in the quarter was high. In early April, HL Display acquired CoolPresentation, thus strengthening its market position in the Netherlands. In May, Diab acquired production of ULTEM™ foam from SABIC in order to expand the product offering and better serve high-end core material applications. On 30 June, the wholly owned KVD Group signed an agreement to acquire, 100% of Forsbergs Fritidscenter, which is the largest mobile home and caravan dealer in the Nordics. All of these acquisitions have a strong commercial rationale and are fully in line with our strategy to combine organic growth with add-on acquisitions in the business group in order to strengthen our market position and leverage synergies. A number of other candidates for both add-on acquisitions and platform acquisitions were assessed during the quarter.

In May, we also announced that we are considering the possibility of diversifying Aibel's ownership, preferably through a listing on the Oslo Stock Exchange. Aibel's development is impressive. Its operations are stable, and nearly half of the order book now comprises projects related to offshore wind power and electrification. We are very positive about further improving the company's financial conditions in order to accelerate its transition into the renewable energy industry.

Despite the development in Diab, I am pleased with the work our management teams, other employees and the Ratos team have accomplished in our business group. For the past three years, our focus has been on improving the companies' operational profitability and efficiency. We are now shifting our focus to achieving industry-leading profitability in each company combined with organic growth and acquisitions.

Jonas Wiström, President and CEO

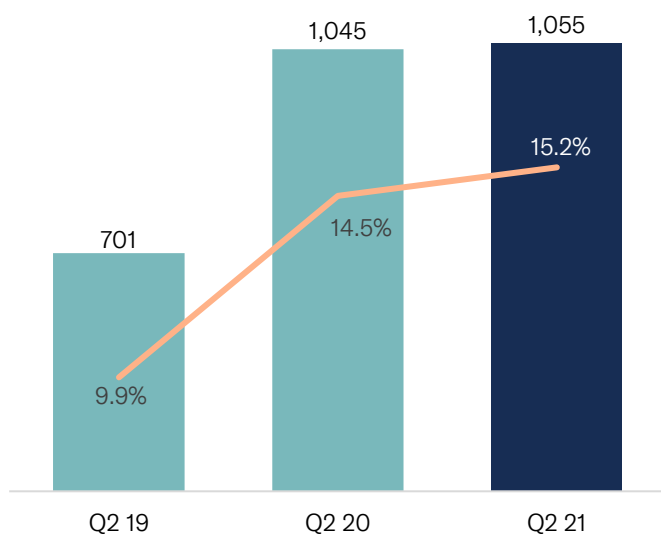
Overview, Ratos's business areas

The Ratos business group is divided into three business areas: Construction & Services, Consumer and Industry. Net sales for the last 12-month period for the Ratos business group, adjusted for Ratos's holdings, amounted to SEK 22,859m (24,981), down 8%. Organic net sales increased by 2% during the quarter. EBITA for the last 12-month period increased to SEK 1,986m (1,573), adjusted for Ratos's holdings. In this years last 12 month period, Bisnode is only included for two quarters.

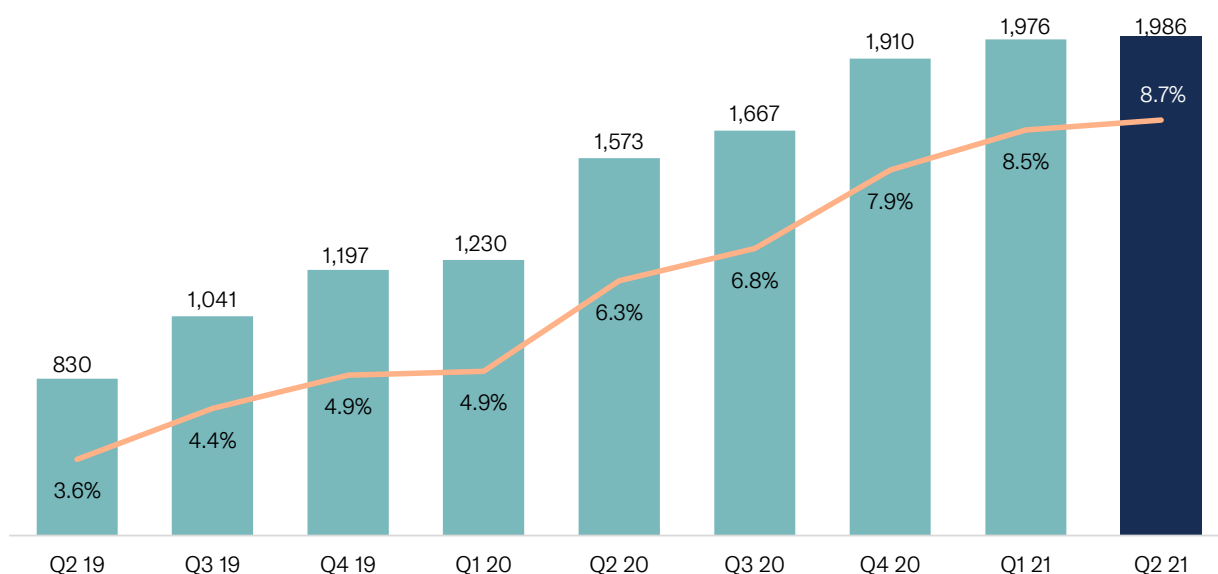
Net sales and EBITA in Ratos's business areas

LTM refers to the last 12-month period. The diagrams below are based on figures adjusted for the size of Ratos's holding.

EBITA (SEKm) and EBITA margin (%), Q2



EBITA (SEKm) and EBITA margin (%), LTM¹⁾



1) The effects of the transition to IFRS 16 impact the periods up to and including the third quarter of 2019.

Construction & Services

Business area development

During the second quarter of 2021, net sales for Construction & Services increased by 9% (organically 0.5%). EBITA increased to SEK 129m (79), primarily due to higher EBITA in Aibel and Speed Group as well as the acquisition of Vestia. For details, see each company section.

SEKm	Net sales						EBITA					
	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	LTM Rolling	Full Year 2020	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	LTM Rolling	Full Year 2020
Companies in its entirety												
Aibel	2,889	2,831	5,989	6,148	11,863	12,022	161	94	303	185	565	447
airteam	332	346	631	621	1,340	1,331	35	26	54	35	145	126
HENT	2,164	2,122	4,054	4,388	8,310	8,644	30	27	72	75	169	172
Speed Group	252	181	473	354	845	726	33	16	57	24	95	62
Vestia	248		248		248		14		14		14	
Companies total	5,886	5,480	11,395	11,512	22,607	22,723	272	163	500	319	988	807
Adjustment for Ratos's holding	-2,821	-2,657	-5,596	-5,661	-11,066	-11,131	-143	-84	-264	-164	-508	-407
Total, adjusted for Ratos's holding	3,065	2,822	5,799	5,851	11,540	11,592	129	79	236	155	481	400
Growth, net sales ¹⁾	9%	-5%	-1%	5%	0%	-5%	4.2%	2.8%	4.1%	2.6%	4.2%	3.4%
EBITA margin ¹⁾												

¹⁾ Adjusted for Ratos's holding



The level of market activity remains high in all of Aibel's segments. The order intake during the second quarter amounted to NOK 3.1 billion, of which NOK 1.9 billion was related to extension and increase in the scope of framework agreements within maintenance and modifications. The order intake for the first half of 2021 was NOK 8.2 billion.

The backlog of orders amounted to NOK 13 billion by the end of the second quarter, which is in line with the end of the first quarter of 2021. The portion of the backlog related to the growing area of offshore wind power and electrification grew to NOK 5.8 billion, an increase of approximately 20% compared with the year-earlier period.

Net sales and EBITA vary from quarter to quarter, depending on when deliveries are completed. Sales decreased somewhat compared with the previous quarter, but were in line with the year-earlier period. Profitability increased due to successful implementation in the project portfolio.

NOKm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	2,873	2,932	6,016	6,181	12,120
EBITDA	222	163	434	314	838
EBITA	160	97	305	186	576
Cash flow from operations	-313	-243	-306	-307	447
Interest-bearing net debt			2,362	2,841	
-whereof leasing liability			594	738	
Growth, Net sales	-2%	12%	-3%	26%	
- whereof currency effect	0%	1%	0%	0%	
Growth, Organic	-2%	11%	-3%	26%	
EBITDA margin	7.7%	5.6%	7.2%	5.1%	6.9%
EBITA margin	5.6%	3.3%	5.1%	3.0%	4.7%

Amounts referring to 100% of the company.

Holding

32%

Aibel is active within the offshore wind, oil and gas space. The company provides their customers with optimal and innovative solutions within engineering, construction, modifications and maintenance. Aibel's 4,000 skilled employees are located close to their customers at the company's offices in Norway and South East Asia. In addition, they operate two modern yards, one in Haugesund and one in Thailand, with complete prefabrication and construction capabilities. The average number of employees in the company amounted to 4,068 in 2020.



Growth continued during the second quarter, primarily in Denmark, where airteam has a market-leading position. Sweden grew in the right direction. The order book rose 17% compared with the year-earlier period and totalled DKK 1,035m at the end of the quarter, equivalent to approximately a year's worth of sales.

EBITA increased 37% in the second quarter compared with the year-earlier quarter, despite a 10% increase in employees at airteam during the second quarter in order to meet growing demand for airteam's services. The higher profitability is primarily attributable to a larger share of advanced projects in the project portfolio than in the year-earlier period.

A strong environmental trend combined with legislative initiatives is increasing demand for energy-efficient solutions and the optimisation of energy consumption in previously installed ventilation solutions. airteam developed an offering in this area early on and is well equipped to meet demand.

During the quarter, an office was opened in Malmö, which will also serve as a base for airteam's Swedish ventilation engineers, who are responsible for providing customer support.

HENT

The order book increased significantly during the quarter to NOK 18.4 billion and is now twice as large as the company's sales for the last 12-month period. Two-thirds of the company's assignments are carried out on behalf of government agencies and municipalities, whereof a number of major, prestigious projects. More than half of the order book comprises partnering projects with a low risk profile.

Net sales decreased 2% in the second quarter compared with the year-earlier period, mainly due to project restrictions and postponements as a result of the Covid-19 pandemic. At the same time, profitability increased slightly due to higher average profitability in the project portfolio, despite significant price increases for input goods and cost increases related to the Covid-19 pandemic.

The company's negative cash flow was attributable to variations in invoicing between quarters depending on when invoicing for major projects takes place.

The Covid-19 pandemic continues to impact the operations. However, the situation gradually improved during the second quarter.

DKKm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	243	242	463	435	974
EBITDA	27	20	43	29	113
EBITA	25	19	40	24	105
Cash flow from operations	12	54	10	85	57
Interest-bearing net debt			30	70	
-whereof leasing liability			16	14	
Growth, Net sales	1%	29%	6%	22%	
- whereof currency effect	0%	-1%	0%	0%	
- whereof acquisition				3%	
Growth, Organic	1%	30%	6%	20%	
EBITDA margin	11.2%	8.5%	9.4%	6.6%	11.6%
EBITA margin	10.4%	7.7%	8.6%	5.6%	10.7%

Amounts referring to 100% of the company.

Holding

70%

airteam offers high-quality, effective ventilation solutions in Denmark and Sweden. With the most talented employees in the industry, airteam develop advanced systems for a wide range of industries and are solely focused on ventilation, unlike certain competitors. The company focuses on project development, project management and procurement where the projects, to a large extent, are carried out by a broad network of quality-assured subcontractors. Furthermore, airteam offers maintenance and service of its installed ventilation solutions. The average number of employees in the company amounted to 326 in 2020.

NOKm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	2,156	2,192	4,072	4,412	8,494
EBITDA	50	48	112	113	251
EBITA	29	28	73	75	173
Cash flow from operations	-152	-157	-336	15	-187
Interest-bearing net debt			-144	-389	
-whereof leasing liability			217	189	
Growth, Net sales	-2%	0%	-8%	5%	
- whereof currency effect	-1%	4%	0%	3%	
Growth, Organic	-1%	-4%	-8%	3%	
EBITDA margin	2.3%	2.2%	2.7%	2.6%	3.0%
EBITA margin	1.4%	1.3%	1.8%	1.7%	2.0%

Amounts referring to 100% of the company.

Holding

73%

HENT is a leading construction company that mainly works with new construction of public and commercial real estate. HENT focuses on project development, project management and purchasing. Its projects are carried out with their own project administration and in collaboration with a knowledgeable network of quality-assured subcontractors. They conduct projects throughout Norway and in selected segments in Sweden and Denmark. The average number of employees in the company amounted to 1,012 in 2020.



The high activity level in the logistics and staffing segments had a positive impact on the operations, and net sales for the quarter rose 39% compared with the year-earlier period. To meet the increased demand, the business expanded its logistics facility to include an additional 10,000 square metres.

EBITA and profitability increased substantially as a result of high volumes, improved productivity and higher capacity. The Covid-19 pandemic had a limited effect on the operations.

SEKm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	252	181	473	354	845
EBITDA	60	38	110	68	204
EBITA	33	16	57	24	95
Cash flow from operations	56	8	77	23	116
Interest-bearing net debt			651	475	
-whereof leasing liability			717	428	
Growth, Net sales	39%	4%	34%	3%	
Growth, Organic	39%	4%	34%	3%	
EBITDA margin	23.6%	21.1%	23.3%	19.2%	24.1%
EBITA margin	13.0%	8.6%	12.0%	6.7%	11.2%

Amounts referring to 100% of the company.

Holding

70%

Speed Group is one of the Nordic region's leading third-party logistics providers, with effective automation solutions and a total of approximately 150,000 square meters of warehouse space in Borås, Gothenburg and Stockholm. With solutions for fast integration, balancing of volume fluctuations, smart distribution, and revenue-driving follow-ups, the company offers both warehouse space but also a full-service takeover and responsibility of its customers' logistics. Within staffing, Speed Group offers flexible staffing services of both blue and white-collar personnel. The average number of employees in the company amounted to 699 in 2020.



Net sales for the second quarter more than doubled compared with the year-earlier period and EBITA nearly tripled.

The order intake during the quarter was strong and the order book amounted to SEK 2.5 billion at the end of the period, including early-stage projects.

The construction market in the Gothenburg area is stable and is expected to remain so for the long term. The supply of partnering projects in the quarter exceeded Vestia's bidding capacity.

SEKm	Q2	Q1-2
	2021	2021
Net sales	248	248
EBITDA	15	15
EBITA	14	14
Cash flow from operations	37	37
Interest-bearing net debt		-88
-whereof leasing liability		5
EBITDA margin	5.9%	5.9%
EBITA margin	5.6%	5.6%

Amounts referring to 100% of the company.

Holding

62%

Vestia is an expansive construction operating in Gothenburg, Sweden and its surrounding municipalities. With several of the best on-site organisations in the region, the company works to strengthen its customers' brands. Vestia works according to a so-called "partnering model," whereby the customer and Vestia work transparently, and make all key decisions jointly to achieve the best total economy and effective implementation. The process creates a large amount of comfort for all parties, the financial risks are minimised and the projects are delivered with a high level of quality and using long-term sustainable solutions. The average number of employees in the company amounted to 80 in 2019/2020.

Consumer

Business area development

During the second quarter of 2021, net sales for Consumer decreased by 18% (+1.6% organically). Excluding Bisnode, net sales increased 2%. EBITA decreased to SEK 817m (825), primarily due to the divestment of Bisnode. Excluding Bisnode, EBITA increased 11%. For details, see each company section.

SEKm	Net sales						EBITA					
	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	LTM Rolling	Full Year 2020	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	LTM Rolling	Full Year 2020
Companies in its entirety												
Bisnode		906		1,843	1,831	3,673		130		213	291	504
KVD	142	101	245	194	444	393	13	7	21	11	46	37
Oase Outdoors	224	167	343	295	466	418	62	43	87	56	78	48
Plantasjen	2,341	2,380	2,988	2,928	4,642	4,582	763	700	665	530	702	566
Companies total	2,708	3,554	3,576	5,259	7,383	9,067	838	880	773	810	1,117	1,155
Adjustment for Ratos's holding	-70	-331	-102	-646	-695	-1,240	-21	-55	-25	-81	-111	-167
Total, adjusted for Ratos's holding	2,638	3,223	3,474	4,613	6,688	7,827	817	825	748	729	1,006	987
Growth, net sales ¹⁾	-18%	9%	-25%	4%	-15%	2%						
EBITA margin ¹⁾							31.0%	25.6%	21.5%	15.8%	15.0%	12.6%

¹⁾ Adjusted for Ratos's holding



During the second quarter, net sales rose 41%. During the quarter, KVD began purchasing cars for its own use and selling them at a fixed price online, which had a positive effect on net sales.

Profitability improved and EBITA increased 93% in the second quarter compared with the year-earlier period. This improvement is mainly attributable to economies of scale increasing in pace with net sales and generally improved margins.

On 30 June, the KVD Group signed an agreement to acquire Forsbergs Fritidscenter, a market-leading dealer of mobile homes and caravans. Closing is expected to take place in early August. With this acquisition, KVD expanded its range and strengthened its offering to the end consumer. Forsbergs Fritidscenter's sales for the last 12-month period amounted to SEK 936m as of May 2021, with EBITA of approximately SEK 51m.

SEKm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	142	101	245	194	444
EBITDA	20	14	37	27	77
EBITA	13	7	21	11	46
Cash flow from operations	-45	8	-48	20	-10
Interest-bearing net debt			75	60	
-whereof leasing liability			53	59	
Growth, Net sales	41%	7%	26%	5%	
Growth, Organic	41%	7%	26%	5%	
EBITDA margin	14.4%	14.3%	14.9%	13.7%	17.4%
EBITA margin	8.8%	6.5%	8.5%	5.8%	10.4%

Amounts referring to 100% of the company.

Holding

100%

At KVD, the belief is that a car trade should feel good – and be good – whether you are buying or selling a vehicle. KVD is Sweden's largest online marketplace offering valuation and broker services for second-hand vehicles (company cars and private cars), machines and heavy vehicles as well as sales of related products and services. Every week more than 500 second-hand cars are sold via the online marketplace. KVD handles the entire transaction from client order to end customer and guarantees the quality of the brokered car by means of testing. The average number of employees in the company amounted to 199 in 2020.

Demand for outdoor leisure products remained high during the second quarter. Organic net sales increased by 41% compared with the year-earlier and the order book is strong.

EBITA increased 51% compared with the year-earlier period, with an improved EBITA margin, despite rising transportation prices due to insufficient global transportation capacity. The improvement is primarily due to higher sales as a result of continued efforts related to category management and a focus on products with higher gross margins.

During the quarter, Oase Outdoor's innovative solutions for brands such as Robens, Outwell and Easy Camp received several industry awards.

DKKm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	165	117	252	206	343
EBITDA	47	31	66	42	63
EBITA	46	30	64	40	58
Cash flow from operations	67	71	-6	14	73
Interest-bearing net debt			117	178	
-whereof leasing liability			12	14	
Growth, Net sales	40%	9%	22%	-10%	
- whereof currency effect	0%	-1%	0%	0%	
Growth, Organic	41%	10%	22%	-10%	
EBITDA margin	28.3%	26.8%	26.2%	20.4%	18.4%
EBITA margin	27.7%	25.7%	25.3%	19.2%	17.0%

Amounts referring to 100% of the company.

Holding

78%

Oase Outdoors develops, designs and sells innovative camping and outdoor equipment under three strong brands, namely Outwell®, Easy Camp® and Robens®. Oase Outdoors offers a broad product range mainly comprising tents, camping furniture, sleeping bags and other outdoor equipment. The three independent brands clearly cater to different target groups – for example, families, beginners, festival goers and experienced adventurers – who have different requirements in terms of quality and price, and who want to enjoy the outdoors with high-quality equipment. The average number of employees in the company amounted to 79 in 2020.

PLANTASJEN®

During the second quarter, which is the strongest quarter seasonally, organic net sales declined 2% compared with the year-earlier period. April was colder than usual, which meant that the season started late. In addition, store closures in Norway due to the Covid-19 pandemic had a negative impact of approximately NOK 80m on sales. However, sales in May and June were at an all-time high and up to 38 stores previously closed in Norway reopened.

“Click & collect” and “click & deliver” e-commerce services grew significantly in the first half of the year.

EBITA increased NOK 68m during the quarter compared with the year-earlier period. This improvement was attributable to lower costs, higher efficiency in logistics, for example, and an improved product range mix.

Due to limited delivery capacity from Asia, Plantasjen has scheduled its deliveries for an earlier date to ensure its products are available before the start of the school year and the Christmas season. Cash flow from operations decreased 1% compared with the year-earlier period as a result of the earlier deliveries.

NOKm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	2,346	2,406	3,001	2,943	4,740
EBITDA	893	823	912	776	1,205
EBITA	767	699	668	532	714
Cash flow from operations	1,122	1,137	778	755	487
Interest-bearing net debt			4,071	4,335	
-whereof leasing liability			3,825	3,630	
Growth, Net sales	-3%	24%	2%	17%	
- whereof currency effect	-1%	5%	0%	4%	
- whereof divestment		-6%		-9%	
Growth, Organic	-2%	25%	2%	22%	
EBITDA margin	38.1%	34.2%	30.4%	26.4%	25.4%
EBITA margin	32.7%	29.1%	22.3%	18.1%	15.1%

Amounts referring to 100% of the company.

Holding

99%

Plantasjen is the Nordic region's leading chain for the sale of plants, flowers and related products. The company operates in a market with stable underlying growth and many committed customers. With just over 130 stores in Norway, Sweden and Finland, the vision is to create the Nordic region's loveliest greenhouse, which brings customers closer the positive power of nature. Plantasjen's employees provide customers with inspiration, knowledge and tools that serve as a natural spring for a growing life. The average number of employees in the company amounted to 1,185 in 2020.

Industry

Business area development

During the second quarter of 2021, net sales for Industry increased by 6% (7% organically). EBITA decreased to SEK 109m (141) due to a weaker earnings trend in Diab. For details, see each company section.

SEKm	Net sales						EBITA					
	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	LTM Rolling	Full Year 2020	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	LTM Rolling	Full Year 2020
Companies in its entirety												
Diab	505	585	949	1,065	2,006	2,121	14	88	62	157	184	280
HL Display	441	352	848	757	1,610	1,520	58	42	118	79	202	163
LEDiL	124	94	238	204	423	389	29	21	58	42	92	76
TFS	219	202	409	434	803	828	18	1	29	12	59	42
Companies total	1,289	1,233	2,444	2,460	4,842	4,858	118	152	266	290	538	561
Adjustment for Ratos's holding	-43	-57	-102	-115	-211	-224	-9	-11	-21	-21	-38	-38
Total, adjusted for Ratos's holding	1,246	1,176	2,342	2,345	4,631	4,634	109	141	245	269	499	524
Growth, net sales ¹⁾	6%	1%	0%	3%	0%	1%						
EBITA margin ¹⁾							8.8%	12.0%	10.5%	11.5%	10.8%	11.3%

¹⁾ Adjusted for Ratos's holding



EBITA fell 85% during the second quarter as a result of a significant increase in raw material costs and 33% lower sales in the wind segment. While the company implemented price adjustments to offset these increased costs, they did not yield results during the quarter.

The subsidies for wind power in China were discontinued at the end of 2020. As a result, investments in wind power in China in 2020 exceeded the total capacity installed over the past three years. These high investments in capacity and discontinued subsidies meant that investments in wind power have decreased significantly since the end of 2020. We previously underestimated the impact this would have on current year, but now expect the market to normalise in 2022.

The marine segment performed well in the second quarter, with sales growth of 74% compared with the second quarter of 2020. Diab's net sales decreased a total of 14% compared with the year-earlier period.

Diab's planned transition to the production of new materials continued in an effort to meet future demand in the wind market. While this transition will strengthen the company in the long term, it will also entail increased costs in 2021 and have a negative impact on cash flow.

SEKm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	505	585	949	1,065	2,006
EBITDA	39	112	113	205	288
EBITA	14	88	62	157	184
Cash flow from operations	-52	-17	-66	-18	16
Interest-bearing net debt				1,017	971
-whereof leasing liability				117	117
Growth, Net sales	-14%	20%	-11%	15%	
- whereof currency effect	-5%	-1%	-6%	1%	
Growth, Organic	-9%	21%	-5%	14%	
EBITDA margin	7.7%	19.2%	11.9%	19.2%	14.3%
EBITA margin	2.7%	15.0%	6.5%	14.8%	9.2%

Amounts referring to 100% of the company.

Holding

98%

Diab supports manufacturers in making products more competitive and sustainable, offering the broadest range of stronger, lighter, smarter core materials for sandwich composite structures. Diab's high-performance core materials can be found in applications all over the world, in industries like marine, aerospace, wind energy and transport. The core materials have a unique combination of characteristics such as low weight, high strength, insulation properties and chemical resistance. The company has production units in Sweden, Italy, US, China, Lithuania and Ecuador combined with 14 sales units around the world. The average number of employees in the company amounted to 1,234 in 2020.



Net sales in the second quarter increased 22% organically compared with the year-earlier period. The companies acquired during the year contributed 8 percentage points. The growth was partly attributable to strong sales growth in France.

During the first quarter of 2021, costs for raw materials and shipping increased rapidly in HL Display's markets, which the company compensated for through price increases early in the second quarter. The increases in costs continued during the rest of the second quarter.

EBITA rose 38% in the second quarter compared with the year-earlier period due to increased sales and continued efficiency improvements.

SEKm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	441	352	848	757	1,610
EBITDA	77	63	152	119	285
EBITA	58	42	118	79	202
Cash flow from operations	74	56	87	96	244
Interest-bearing net debt			216	354	
-whereof leasing liability			103	88	
Growth, Net sales	25%	-12%	12%	-5%	
- whereof currency effect	-5%	-1%	-6%	1%	
- whereof acquisition	8%		5%		
Growth, Organic	22%	-11%	13%	-6%	
EBITDA margin	17.4%	18.0%	17.9%	15.7%	17.7%
EBITA margin	13.3%	12.0%	13.9%	10.4%	12.6%

Amounts referring to 100% of the company.

Holding

99%

HL Display help retailers and brands around the world to create attractive and profitable in-store environments that strengthen the consumer's shopping experience. The vision is to be the preferred partner in their industry leading the development of innovative and sustainable solutions for a better shopping experience around the world. From store communication, merchandising and secondary displays to bespoke design and services, HL Display is an expert in improving the shopping experience whilst increasing cost efficiency and maintaining environmental sustainability. HL Display has production sites in Sweden, Poland, China and the UK combined with sales units across more than 20 countries. The average number of employees in the company amounted to 995 in 2020.



Net sales in the second quarter rose 42% organically compared with the year-earlier period, driven by strong sales in the outdoor and indoor segments, particularly in Europe and the US.

The order book remained at a high level during the year, 32% higher than in the year-earlier period. The order intake is expected to remain strong during the next few quarters.

EBITA increased by 43% over the year-earlier period, driven by higher sales and continued operating efficiency despite unusually high transportation costs.

Global problems with raw materials and component availability could create short-term uncertainty that will impact demand.

EURm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	12.2	8.8	23.5	19.1	41.5
EBITDA	3.7	2.7	7.4	5.5	12.4
EBITA	2.8	2.0	5.7	4.0	9.1
Cash flow from operations	3.6	2.0	5.3	4.2	8.7
Interest-bearing net debt			10.4	17.2	
-whereof leasing liability			1.4	1.4	
Growth, Net sales	39%	-6%	23%	-4%	
- whereof currency effect	-3%	1%	-3%	1%	
Growth, Organic	42%	-7%	26%	-5%	
EBITDA margin	30.0%	30.3%	31.5%	28.7%	30.0%
EBITA margin	23.1%	22.5%	24.3%	20.7%	21.8%

Amounts referring to 100% of the company.

Holding

66%

LEDiL designs, develops and sells secondary optics for LED lighting globally. Secondary optics process light from the LED to achieve the luminaries' optimal function, with the highest energy efficiency possible. Development and design are carried out in Salo, Finland. Products are sold worldwide through the company's own sales force, agents and distributors. Most production is performed by subcontractors in Finland, China and the US. The company's products are primarily used in commercial applications such as street lighting, retail and offices. The average number of employees in the company amounted to 107 in 2020.



Revenue from service sales* increased 11% compared with the year-earlier period. This improvement was attributable to strong sales and efficiency combined with a diminished impact from the Covid-19 pandemic.

EBITA rose EUR 1.7m, mainly driven by higher sales combined with a lower cost structure. It should be noted that EBITA in the second quarter of 2020 was unusually low due to the Covid-19 pandemic.

The higher activity level is expected to continue in the coming quarters, fuelled by a strong order book and continued high market growth.

*According to IFRS, TFS and other contract research organisations (CROs) generate two types of revenue:

1) Service sales (actual revenue-generating sales) and 2) re-invoicing of expenditure (for example, travel expenses, laboratory costs and other overheads) at no or a very low margin. In all material respects, service sales are the most important when it comes to the company's performance and earnings.

EURm	Q2		Q1-2		LTM
	2021	2020	2021	2020	21/20
Net sales	21.6	18.9	40.4	40.7	78.6
EBITDA	2.3	0.7	4.0	2.5	8.0
EBITA	1.7	0.1	2.8	1.1	5.7
Cash flow from operations	6.5	1.1	6.6	2.1	6.5
Interest-bearing net debt			-1.9	2.3	
-whereof leasing liability			2.8	4.1	
Growth, Net sales	14%	-14%	-1%	-6%	
- whereof currency effect	0%	0%	0%	0%	
Growth, Organic	14%	-15%	-1%	-7%	
EBITDA margin	10.6%	4.0%	10.0%	6.1%	10.1%
EBITA margin	8.0%	0.3%	7.0%	2.7%	7.3%

Amounts referring to 100% of the company.

Holding

100%

TFS is a global, mid-sized, clinical contract research organisation (CRO) that supports biotech companies through the entire clinical development process. TFS focuses its scientific and medical competence across a broad therapeutic spectrum, with industry-leading capabilities in dermatology, oncology and haematology. TFS has two business Areas: Clinical Development Services (CDS), which offers clinical trials for small pharmaceutical companies during the development process, and Strategic Resourcing Solutions (SRS), which offers resource solutions featuring clinical professionals and targeting major pharmaceutical companies. Over the past five years, TFS has been involved in approximately 1,100 studies in 40 countries across Europe and North America. The average number of employees in the company amounted to 636 in 2020.

Ratos's companies

Adjusted for Ratos's holdings

SEKm	Net sales						EBITDA					
	Q2	Q2	Q1-2	Q1-2	LTM	Full Year	Q2	Q2	Q1-2	Q1-2	LTM	Full Year
	2021	2020	2021	2020	Rolling	2020	2021	2020	2021	2020	Rolling	2020
Aibel	924	906	1,916	1,967	3,795	3,846	71	51	138	100	263	225
airteam	232	242	442	435	938	932	26	20	41	29	109	96
Diab	507	563	934	1,024	1,950	2,040	40	108	111	197	279	365
HENT	1,579	1,548	2,958	3,201	6,062	6,306	36	33	81	82	180	181
HL Display	437	349	841	752	1,598	1,508	76	63	151	118	283	250
KVD	142	101	245	194	444	393	20	14	37	27	77	67
LEDiL	82	62	158	135	281	258	25	19	50	39	84	73
Oase Outdoors	176	131	269	231	366	328	50	35	70	47	66	43
Plantasjen	2,319	2,357	2,960	2,900	4,599	4,539	881	812	899	765	1,171	1,037
Speed Group	177	127	331	247	592	508	42	27	77	48	143	113
TFS	219	201	409	434	802	827	23	8	41	26	82	67
Vestia	153		153		153		9		9		9	
Bisnode												
		633		1,288	1,279	2,567		132		232	292	524
Total	6,949	6,588	11,615	11,521	21,580	21,486	1,300	1,191	1,705	1,476	2,746	2,518
Change	-4%	7,221	11,615	12,809	22,859	24,053	1,300	1,323	1,705	1,708	3,038	3,041
Margin			-9%		-5%		-2%	18.3%	0%	13.3%	13.3%	12.6%

SEKm	EBITA						Profit/loss before tax					
	Q2	Q2	Q1-2	Q1-2	LTM	Full Year	Q2	Q2	Q1-2	Q1-2	LTM	Full Year
	2021	2020	2021	2020	Rolling	2020	2021	2020	2021	2020	Rolling	2020
Aibel	51	30	97	59	181	143	13	19	44	-4	81	33
airteam	24	19	38	24	101	88	23	18	36	23	96	83
Diab	14	84	61	151	179	269	26	28	73	96	144	167
HENT	22	20	53	55	124	126	22	23	53	46	108	100
HL Display	58	42	117	78	201	162	48	35	108	62	177	131
KVD	13	7	21	11	46	37	12	6	21	10	44	33
LEDiL	19	14	39	28	61	51	18	13	37	26	58	47
Oase Outdoors	49	34	68	44	62	38	47	31	65	38	53	27
Plantasjen	756	694	659	525	695	561	674	613	511	355	380	225
Speed Group	23	11	40	17	66	43	18	7	30	10	47	27
TFS	18	1	29	12	59	42	12	1	16	10	37	32
Vestia	9		9		9		5		5		5	
Bisnode												
		91		149	203	352		115		144	136	280
Total	1,055	954	1,228	1,004	1,783	1,558	921	793	999	673	1,231	905
Change	1%	1,045	1,228	1,153	1,986	1,910	921	907	999	816	1,368	1,185
Margin	15.2%	14.5%	10.6%	9.0%	8.7%	7.9%	13.3%	12.6%	8.6%	6.4%	6.0%	4.9%

SEKm	Cash flow from operations						Interest-bearing net debt				Ratos's holding (%)
	Q2	Q2	Q1-2	Q1-2	LTM	Full Year	2021-06-30	2020-06-30	2020-12-31	2021-06-30	
	2021	2020	2021	2020	Rolling	2020					
Aibel	-100	-77	-98	-98	140	140	751	872	620	32	
airteam	12	54	9	85	55	131	29	69	21	70	
Diab	-51	-16	-65	-17	14	62	1,000	934	899	98	
HENT	-112	-117	-244	11	-138	118	-104	-272	-368	73	
HL Display	73	56	86	95	243	251	215	351	215	99	
KVD	-45	8	-48	20	-10	58	75	60	22	100	
LEDiL	25	14	36	30	59	53	70	120	99	66	
Oase Outdoors	71	80	-6	16	81	103	125	197	125	78	
Plantasjen	1,104	1,131	767	744	473	451	4,009	4,120	4,785	99	
Speed Group	39	6	54	16	81	44	456	333	533	70	
TFS	66	11	66	22	65	21	-20	24	18	100	
Vestia	23		23		23		-55			62	
Bisnode											
		82		200	137	337		1,116	1,181		
Total	1,105	1,150	580	924	1,087	1,430	6,551	6,807	6,968		
Change	-10%	1,232	580	1,124	1,224	1,768	6,551	7,923	8,149		
			-48%		-31%		-17%				

Financial information

Ratos Group results April–June

Operating profit for the period was impacted in an amount of SEK -113m by the revaluation of shares in Dun & Bradstreet. Operating profit from continuing operations amounted to SEK 915m (955). All companies, with the exception of Diab and Aibel, reported better earnings compared with the year-earlier period. Plantasjen and Oase Outdoors accounted for the greatest improvements in absolute figures, while Speed Group, TFS and KVD accounted for the greatest improvements in terms of percentage.

Operating profit from continuing operations includes profit and shares of profit from the companies of SEK 1,076m (991).

Ratos's income and expenses attributable to the parent company and central companies amounted to SEK -49m (-37). The higher expenses are connected to incentive programmes, although the underlying personnel costs and overheads are lower than in the year-earlier period.

Net financial items from continuing operations amounted to SEK -88m (-166). This improvement in net financial items is attributable to lower interest expenses to banks of SEK -13m (-40) and positive effects of SEK 11m (-37) from the remeasurement/redemption of financial instruments.

For continuing operations, profit before tax amounted to SEK 827m (790), including profit and shares of profit from the companies of SEK 980m (835). Tax expense for the period amounted to SEK -166m (-155).

Since the agreement to divest Bisnode was signed in October 2020 and the transaction was completed in January 2021, Bisnode is recognised as a discontinued operation. This means that's Bisnode's earnings after tax are included in "Profit for the period from discontinued operations" for 2020 in the consolidated income statement.

Refer to Note 5 on page 27 for more details on earnings for the period.

Ratos Group results January–June

Operating profit for the period was impacted in an amount of SEK -131m by the revaluation of shares in Dun & Bradstreet. Operating profit from continuing operations amounted to SEK 1,069m (941). All companies, with the exception of Diab and HENT, reported better earnings compared with the year-earlier period. Plantasjen and Aibel accounted for the greatest improvements in absolute figures, while Speed Group, TFS and KVD accounted for the greatest improvements in terms of percentage.

Operating profit from continuing operations includes profit and shares of profit from the companies of SEK 1,280m (1,010).

Ratos's income and expenses attributable to the parent company and central companies amounted to SEK -81m (-72). The higher expenses for the period are connected to incentive programmes.

Net financial items from continuing operations amounted to SEK -175m (-278). The change in net financial items is attributable to lower interest expenses to banks of SEK -33m (-78), remeasurement/redemption of financial instruments of SEK -3m (-27) and lower currency effects and currency derivatives of SEK 4m (-31).

For continuing operations, profit before tax amounted to SEK 894m (663), including profit and shares of profit from the

companies of SEK 1,099m (729). Tax expense for the period amounted to SEK -197m (-152). Since the agreement to divest Bisnode was signed in October 2020 and the transaction was completed in January 2021, Bisnode is recognised as a discontinued operation. This means that's Bisnode's earnings after tax are included in "Profit for the period from discontinued operations" for all periods in the consolidated income statement. Bisnode Belgium, which was acquired in January 2021 as part of the divestment of Bisnode to Dun & Bradstreet, was divested on 31 March. Bisnode Belgium is also included in "Profit for the period from discontinued operations," as are the profit or loss effects and costs attributable to the divestment of Bisnode and Bisnode Belgium.

Refer to Note 5 on page 27 for more details on earnings for the period.

Ratos Group's cash flow April–June

Cash flow for the quarter amounted to SEK 699m (579), of which cash flow from operating activities accounted for SEK 1,461m (1,681). Cash flow from investing activities amounted to SEK -215m (-146) and cash flow from financing activities to SEK -548m (-956).

The improvement in cash flow for the quarter was mainly due to financing activities and the sale of treasury shares as well as reduced loan repayments. Cash flow from operating activities declined as a result of higher tied-up capital. The acquisition of companies during the quarter had a negative effect on cash flow from investing activities.

Ratos Group's cash flow January–June

Cash flow for the period amounted to SEK 1,239m (562), of which cash flow from operating activities accounted for SEK 1,072m (1,940). Cash flow from investing activities amounted to SEK 2,312m (-327) and cash flow from financing activities to SEK -2,145m (-1,050).

The improvement in cash flow for the period was mainly due to investing activities and the sale of Bisnode. Cash flow from operating activities declined as a result of higher tied-up capital. Increased amortisation of loans and dividends paid during the period had a negative impact on cash flow from financing activities.

Financial position and leverage

The Group's cash and cash equivalents at the end of the period amounted to SEK 4,492m (3,182 at 31 December 2020) and interest-bearing net debt totalled SEK 2,543m (7,269 at 31 December 2020). The Group's leverage at the end of the period amounted to 0.5x (2.3x at 31 December 2020). The leverage excluding financial lease liabilities at the end of the period amounted to -0.7x (1.1x at 31 December 2020). The total translation effect of currency for interest-bearing liabilities amounted to approximately SEK 140m, of which approximately SEK 50m related to liabilities to credit institutions and approximately SEK 90m to financial lease liabilities.

When divesting Bisnode to Dun & Bradstreet at the beginning of the year, 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

to an amount of SEK 924m. The fair value and book value of the shares at the end of the period amounted to SEK 793m and is included in financial assets.

Ratos's equity

At 30 June 2021, Ratos's equity (attributable to owners of the parent) amounted to SEK 11,683m (9,366 at 31 December 2020), corresponding to SEK 36 per share outstanding (29 at 31 December 2020).

Parent company

The parent company posted an operating loss of SEK -77m (-71) for the period. The parent company's profit before tax amounted to SEK 1,730m (167), of which SEK 1,878m (65) pertains to capital gains. The capital gains pertain to the divestment of Bisnode and Bisnode Belgium, which differs from the Group's capital gains due to different accounting methods. The preceding year's capital gains pertain to the liquidation of dormant companies and had no impact on the group's consolidated profit. Cash and cash equivalents in the parent company amounted to SEK 2,338m (1,166 at 31 December 2020).

Parts of Ratos's business group are financed centrally, initially with the parent company's own funds and in time, as loan requirements increase, with funds borrowed from external banks. The aim is to achieve savings for the Group. During the period, loans were issued by the parent company to HL Display, Diab, LEDiL and KVD. More companies, such as Plantasjen, will be financed by Ratos AB during the course of the year.

Ratos's share

Earnings per share for the period amounted to SEK 7.20 (1.81) before dilution and to SEK 7.14 (1.80) after dilution. Earnings per share for continuing operations amounted to SEK 1.86 (1.47) before dilution and to SEK 1.85 (1.47) after dilution. The closing price for Ratos's Class B shares on 30 June 2021 was SEK 51.90. The total return on Class B shares in the first quarter amounted to 37.6%, compared with the performance for the SIX Return Index, which was 22.4%.

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 10 March 2021. In total, 752,500 warrants and 908,100 convertibles were issued.

Number of shares and repurchased/sold shares

At the beginning of the year, Ratos owned 5,126,262 Class B shares (corresponding to 1.6% of the total number of shares). During the period, call option programmes from 2016 and part of 2017 were redeemed whereby 478,000 treasury shares were divested through the redemption of call options. After the redemption, Ratos owned 4,648,262 Class B shares (corresponding to 1.4% of the total number of shares). On 29 March, Ratos's Board decided to transfer 4,430,762 treasury shares. The sales process was carried out by Skandinaviska Enskilda Banken AB (publ) and resulted in the shares being transferred to Carnegie Fonder and Nordea Fonder. After the transfer of treasury shares, Ratos owned 217,500 shares (corresponding to 0.1% of the total number of shares). After

the redemption and divestment of Ratos treasury shares, the total number of Class A and B shares amounted to 323,923,396. On 30 June 2021, the total number of shares in Ratos (Class A and B shares) amounted to 324,140,896 and the number of votes to 108,587,444.

Important events during and after the end of the period

On 9 April, Ratos acquired 63% of Vestia Construction Group, which is active in the Gothenburg market. Vestia's sales for the current financial year are estimated to be approximately SEK 750m. The acquisition of Vestia is a complement to Ratos's existing construction company, HENT, both geographically and in terms of expertise.

On 1 April, the transfer of Ratos's treasury shares was completed. On 29 March, Ratos's Board decided to transfer treasury shares, pursuant to the authority granted by the AGM on 10 March 2021, representing 1.37% of the total number of shares outstanding. The sales process was carried out by Skandinaviska Enskilda Banken AB (publ) and resulted in the shares being transferred to Carnegie Fonder and Nordea Fonder. The transaction was completed with a discount of 4.05% compared with the closing price on 29 March 2021 and a discount of 3.97% compared with the volume-weighted average share price in the month prior to the transaction as well as a premium of 2.61% compared with the volume-weighted average share price in the three months prior to the transaction.

On 1 April, HL Display acquired the company CoolPresentation, thus strengthening its market position in the Netherlands. CoolPresentation has established a position in the Dutch market with high-quality products and services for grocery retailers, pharmacies and brand manufacturers. CoolPresentation has approximately SEK 40m in sales.

On 17 May, Diab acquired production of ULTEM™ foam from SABIC, a global chemicals company, in order to expand the product offering and better serve high-end core material applications. ULTEM™ resin-based foam has excellent fire, smoke and toxicity (FST) properties, making the material especially well-suited for aerospace applications. Diab will relocate the acquired production line equipment to its manufacturing site in DeSoto, TX, USA. During 2021, Diab will assume responsibility for sales, marketing, production and product management for the product portfolio.

On 20 May, Ratos announced that Aibel's owners, including Ratos, were considering the possibility of diversifying the company's ownership, preferably through a listing on the Oslo Stock Exchange, in order to further accelerate the company's transition into the renewable energy industry. However, a final decision has not been taken.

On 30 June, the wholly owned KVD Group signed an agreement to acquire 100% of Forsbergs Fritidscenter (Forsbergs), which is the largest mobile home and caravan dealer in the Nordics. With this acquisition, KVD expanded its range and strengthened its offering to the end consumer. The transaction has a strong commercial rationale based on the growing importance of online sales, opportunities for knowledge sharing and significant synergy potential. The purchase price is SEK 275m, corresponding to a 5.6 multiple of EV/EBITA, with financing taking place through a long-term loan agreement from Ratos to KVD.

Key figures

For definitions, see page 29

SEKm	Q1-2 2021	Q1-2 2020	Full Year 2020
Leverage, Ratos Group	0,5x	2,4x	2,3x
Leverage, Ratos business group incl. parent company cash ¹⁾	-1,1x	1,5x	1,1x
Equity ratio, Ratos Group %	49.4	39.2	39.4
Return on equity, Ratos Group %	22.2	6.1	7.3
Return on capital employed, Ratos Group %	17.5	9.9	9.3
Return on capital employed, Ratos business group %	11.7	8.5	10.6
Key figures per share ²⁾			
Total return, %	37.6	-25.4	17.3
Dividend yield, %			2.5
Market price, SEK	51.90	24.92	38.48
Dividend, SEK			0.95
Equity attributable to owners of the parent, SEK ³⁾	36.04	30.13	29.36
Basic earnings per share, SEK	7.20	1.81	2.17
Diluted earnings per share, SEK	7.14	1.80	2.17
Average number of ordinary shares outstanding:			
– before dilution	321,501,344	319,014,634	319,014,634
– after dilution	324,737,389	320,639,067	321,037,084
Total number of registered shares	324,140,896	324,140,896	324,140,896
Number of shares outstanding ⁴⁾	323,923,396	319,014,634	319,014,634
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	239,286,336	234,377,574	234,377,574

¹⁾ Excluding financial leasing liability

²⁾ Relates to Class B shares unless specified otherwise

³⁾ Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period

⁴⁾ After redemption and transfer of Ratos own shares

Financial statements

Consolidated income statement

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Net sales	6,994	6,525	11,426	11,229	20,941
Other operating income	24	24	68	38	70
Cost of goods and services sold	-3,979	-3,774	-6,552	-6,694	-12,624
Employee benefit costs	-1,315	-1,176	-2,439	-2,290	-4,358
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets and right-of-use assets	-252	-237	-485	-473	-966
Other external costs	-461	-429	-873	-864	-1,650
Capital gain/loss from Group companies				0	0
Share of profit/loss from investments recognised according to the equity method	17	24	55	-5	44
Revaluation listed shares	-113		-131		
Operating profit	915	955	1,069	941	1,457
Financial income	4	3	32	20	26
Financial expenses	-92	-168	-207	-298	-610
Net financial items	-88	-166	-175	-278	-584
Profit before tax	827	790	894	663	873
Income tax	-166	-155	-197	-152	-258
Profit for the period, continuing operations¹⁾	661	634	697	511	614
Profit for the period, discontinued operations	18	145	1,716	156	269
Profit for the period	679	780	2,412	667	883
<i>Profit/loss for the period attributable to:</i>					
Owners of the parent	620	700	2,316	576	693
Non-controlling interests	59	80	96	91	191
Earnings per share, SEK					
- basic earnings per share	1.91	2.19	7.20	1.81	2.17
- diluted earnings per share	1.90	2.18	7.14	1.80	2.17
Earnings per share from continuing operations, SEK					
- basic earnings per share	1.86	1.87	1.86	1.47	1.58
- diluted earnings per share	1.84	1.87	1.85	1.47	1.58

¹⁾ Profit for the period from continuing operations attributable to the owners of the parent for Q2 amounts to SEK 602m (598), Q1-2 to SEK 597m (467) and for full year 2020 to SEK 505m. Profit for the period from continuing operations attributable to non-controlling interests for Q2 amounts to SEK 59m (36), Q1-2 to SEK 100m (44) and for full year 2020 to SEK 109m.

Consolidated statement of comprehensive income

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Profit for the period	679	780	2,412	667	883
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of defined benefit pension obligations, net	-0	-22	-44	-30	-30
Tax attributable to items that will not be reclassified to profit or loss		5		5	5
	-0	-17	-44	-25	-25
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation differences for the period	-91	-247	147	-275	-480
Change in hedging reserve for the period	13	-7	45	-28	-34
Tax attributable to items that may be reclassified subsequently to profit or loss	-3	-3	-10	5	2
	-81	-257	182	-299	-512
Other comprehensive income for the period	-82	-275	138	-324	-537
Total comprehensive income for the period	597	505	2,550	343	346
<i>Total comprehensive income for the period attributable to:</i>					
Owners of the parent	555	476	2,437	326	278
Non-controlling interest	42	29	113	17	69

Summary consolidated statement of financial position

SEKm	2021-06-30	2020-06-30	2020-12-31
ASSETS			
Non-current assets			
Goodwill	7,339	11,351	6,958
Other intangible non-current assets	1,198	1,846	1,123
Property, plant and equipment	1,267	1,206	1,198
Right-of-use assets	4,591	4,248	4,677
Financial assets	1,985	1,097	1,072
Deferred tax assets	174	438	156
Total non-current assets	16,554	20,185	15,185
Current assets			
Inventories	1,357	1,174	1,075
Current receivables	3,764	4,188	3,094
Cash and cash equivalents	4,492	3,712	2,826
	9,613	9,074	6,995
Assets held for sale			6,458
Total current assets	9,613	9,074	13,453
Total assets	26,167	29,259	28,638
EQUITY AND LIABILITIES			
Equity including non-controlling interests	12,923	11,466	11,281
Non-current liabilities			
Interest-bearing liabilities	5,180	7,525	6,760
Non-interest bearing liabilities	269	285	257
Pension provisions	86	676	86
Other provisions	28	23	28
Deferred tax liabilities	311	360	275
Total non-current liabilities	5,875	8,869	7,405
Current liabilities			
Interest-bearing liabilities	1,850	2,234	1,601
Non-interest bearing liabilities	5,093	6,248	4,403
Provisions	426	443	447
	7,369	8,925	6,451
Liabilities attributable to assets held for sale			3,501
Total current liabilities	7,369	8,925	9,952
Total liabilities	13,244	17,793	17,357
Total equity and liabilities	26,167	29,259	28,638

Summary statement of changes in consolidated equity

	2021-06-30			2020-06-30			2020-12-31		
	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
SEKm									
Opening equity	9,366	1,915	11,281	9,298	1,920	11,218	9,298	1,920	11,218
Total comprehensive income for the period	2,437	113	2,550	326	17	343	278	69	346
Dividends	-303		-303		-75	-75	-207	-75	-283
Non-controlling interests' share of capital contribution and new issue		-0	-0		2	2		2	2
Transfer of treasury shares	218		218						
The value of the conversion option of the convertible debentures	5		5	2		2	2		2
Option premiums	5		5	0		0	0		0
Share options redeemed by employees	-4		-4						
Put options, future acquisitions from non-controlling interests		-17	-17	-16	-2	-18		-5	-5
Acquisition of shares in subsidiaries from non-controlling interests	-34	-5	-39	1	-7	-6	-12	-7	-19
Disposal of shares in subsidiaries to non-controlling interests	-8	14	6	-0	-0	-0	7	11	19
Non-controlling interests at acquisition		140	140						
Non-controlling interests in disposals		-918	-918						
Closing equity	11,683	1,240	12,923	9,611	1,855	11,466	9,366	1,915	11,281

Consolidated statement of cash flows

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Operating activities					
Operating profit, continuing operations	915	955	1,069	941	1,457
Operating profit, discontinued operations	18	122	1,721	197	472
Adjustment for non-cash items	305	277	-1,289	678	1,332
	1,238	1,354	1,501	1,816	3,261
Income tax paid	-55	-39	-137	-133	-223
Cash flow from operating activities before change in working capital	1,183	1,315	1,364	1,683	3,038
Cash flow from change in working capital					
Increase (-)/Decrease (+) in inventories	93	187	-250	-153	-109
Increase (-)/Decrease (+) in operating receivables	-90	156	-301	79	264
Increase (+)/Decrease (-) in operating liabilities	275	22	259	330	7
Cash flow from operating activities	1,461	1,681	1,072	1,940	3,201
Investing activities					
Acquisition, group companies	-117		-116	-28	-38
Disposal, group companies	5	1	2,621	1	2
Investments and disposal, intangible assets/property, plant and equipment	-103	-146	-195	-304	-664
Investments and disposal, financial assets		-0		0	0
Interest received	0		1	4	6
Cash flow from investing activities	-215	-146	2,312	-327	-694
Financing activities					
Non-controlling interests' share of issue/capital contribution		2	0	2	2
Transfer of treasury shares	196		218		
Option premiums paid	2		2	3	3
Repurchase/final settlements options	-19	-5	-236	-6	-39
Acquisition and disposal of shares in subsidiaries from non-controlling interests	-34	-6	-31	-6	-0
Dividends paid			-303		-207
Dividends paid, non-controlling interests					-75
Borrowings	82	89	524	587	795
Amortisation of loans	-531	-749	-1,836	-1,056	-1,832
Interest paid	-81	-111	-171	-225	-439
Amortisation of financial lease liabilities	-163	-177	-313	-350	-673
Cash flow from financing activities	-548	-956	-2,145	-1,050	-2,467
Cash flow for the period	699	579	1,239	562	40
Cash and cash equivalents at the beginning of the period	3,789	3,184	3,182	3,219	3,219
Exchange differences in cash and cash equivalents	4	-51	71	-69	-77
Cash and cash equivalents at the end of the period	4,492	3,712	4,492	3,712	3,182
- attributable to continuing operations	4,492	3,712	4,492	3,712	2,826
- attributable to discontinued operations					356

Parent company income statement

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Other operating income	3	0	3	0	5
Administrative expenses	-48	-37	-80	-71	-155
Depreciation of property, plant and equipment	-0	-0	-0	-0	-0
Operating profit/loss	-45	-37	-77	-71	-150
Gain from sale of participating interests in group companies	18		1,878	65	134
Dividends from group companies				175	175
Result from other securities and receivables accounted for as non-current assets			-70		1
Other interest income and similar profit/loss items	17	1	10	9	0
Interest expenses and similar profit/loss items	-11	-9	-12	-10	-18
Profit/loss after financial items	-21	-46	1,730	167	142
Income tax	0	0	0	0	0
Profit/loss for the period	-20	-46	1,730	168	143

Parent company statement of comprehensive income

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Profit/loss for the period	-20	-46	1,730	168	143
Other comprehensive income for the period	0	0	0	0	0
Total comprehensive income for the period	-20	-46	1,730	168	143

Summary parent company balance sheet

SEKm	2021-06-30	2020-06-30	2020-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	1	1	1
Financial assets	6,919	7,588	7,602
Receivables from group companies	1,336	1	
Total non-current assets	8,255	7,590	7,603
Current assets			
Current receivables	43	24	16
Receivables from group companies	72	180	7
Cash and cash equivalents	2,338	1,245	1,166
Total current assets	2,453	1,449	1,189
Total assets	10,708	9,039	8,792
EQUITY AND LIABILITIES			
Equity	9,870	8,452	8,219
Non-current liabilities			
Interest-bearing liabilities, group companies	585	355	391
Interest-bearing liabilities	52	35	48
Non-interest bearing liabilities	6	8	14
Convertible debentures	92	53	54
Deferred tax liabilities	2	1	1
Total non-current liabilities	738	453	508
Current provisions	66	2	10
Current liabilities			
Interest-bearing liabilities, group companies		92	
Interest-bearing liabilities	0	0	1
Non-interest bearing liabilities	33	40	53
Total current liabilities	34	132	54
Total equity and liabilities	10,708	9,039	8,792

Summary statement of changes in parent company's equity

SEKm	2021-06-30	2020-06-30	2020-12-31
Opening equity	8,219	8,281	8,281
Comprehensive income for the period	1,730	168	143
Dividends	-303		-207
Transfer of treasury shares	218		
Exercise of options	-4		
The value of the conversion option of the convertible debentures	6	3	3
Deferred tax, conversion option	-1	-1	-1
Option premiums	5	0	0
Closing equity	9,870	8,452	8,219

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 2020 Annual Report. The new and revised IFRS standards which came into force in 2021 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 and 2020. In the statement of financial position, Bisnode's assets and related liabilities are reported on separate rows for 31 December 2020. Bisnode had no effect on the second quarter of 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.

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-creating 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 2020 Annual Report.

Parts of Ratos's business group are financed centrally going forward, initially with the parent company's, Ratos AB, own funds and in time, as loan requirements increase, with funds borrowed by Ratos AB from external banks. The aim is to achieve savings in the form of a return on Ratos's existing funds, and in time, lower financing costs for the Group. Work is also under way to streamline liquidity management and surplus liquidity by establishing a so-called cash pool for different currencies and companies in the Group. This means that Ratos AB's taxation under the rules for investment companies will cease, and instead the company will be taxed under the rules for limited companies. The date of the transition to the new tax rules, and the effects of the transition, are unknown at present.

The ongoing Covid-19 pandemic had an impact on earnings for the period and creates uncertainty for Ratos's financial development for the rest of 2021. The impact of Covid-19 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.

Note 3 Alternative performance measures

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. The tables displayed with a tinted background are APMs. 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 and on page 29 of this report.

Net sales

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Ratos business group, Net sales	6,949	7,221	11,615	12,809	24,053
Net sales in subsidiaries, holding not owned by Ratos	970	1,120	1,727	2,241	4,419
Subsidiaries divested during current year		-906		-1,843	-3,673
Investments recognised according to the equity method	-924	-906	-1,916	-1,967	-3,846
Eliminations	-0	-5	-0	-11	-12
Ratos Group, Net sales continued operations	6,994	6,525	11,426	11,229	20,941

Organic growth, Ratos's holding

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Ratos business group, Growth Net Sales, %	-3.8%	1.7%	-9.3%	4.1%	-1.8%
Ratos business group, Net sales	6,949	7,221	11,615	12,809	24,053
Acquired net sales	182	4	187	19	40
Effects from change in currency	35	-377	-144	-457	-1,227
Ratos business group, adjusted Net Sales	6,732	7,594	11,571	13,246	25,240
Divested net sales in the comparison period	633	102	1,288	198	231
Ratos business group, adjusted Net Sales in the comparison period	6,588	6,995	11,521	12,112	24,251
Ratos business group, Organic growth	144	599	50	1,134	989
Ratos business group, Organic growth, %	2.0%	8.6%	0.4%	9.4%	4.0%

EBITDA, EBITA and Group operating profit

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Ratos business group, EBITDA	1,300	1,323	1,705	1,708	3,041
Depreciation and impairment	-245	-278	-476	-555	-1,131
Ratos business group, EBITA	1,055	1,045	1,228	1,153	1,910
Ratos business group, EBITA margin	15.2%	14.5%	10.6%	9.0%	7.9%
EBITA in subsidiaries, holding not owned by Ratos	63	86	104	140	308
Subsidiaries divested during current year		-130		-213	-504
Investments recognised according to the equity method	-35	-7	-42	-64	-100
Income and expenses attributable to the parent company and central companies	-162	-37	-213	-72	-151
Other	1	1	2	2	3
Ratos Group, EBITA continued operations	923	958	1,080	947	1,468
Amortisation and impairment of intangible assets in connection with company acquisitions	-8	-3	-11	-6	-12
Ratos Group, Operating profit continued operations	915	955	1,069	941	1,457

Cash flow from operations

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Ratos business group, Cash flow from operations	1,105	1,232	580	1,124	1,768
Cash flow from operations in subsidiaries, holding not owned by Ratos	37	57	-26	160	327
Cash flow from operations, holdings divested during current year	-0		40		
Investments recognised according to the equity method	100	77	98	98	-140
Investment and disposals, intangible assets/property, plant and equipment	103	146	195	304	664
Lease payment	224	236	435	469	932
Income tax paid	-55	-39	-137	-133	-223
Attributable to the parent company and central companies	190	-27	58	-83	51
Eliminations	-242	-1	-170	-0	-180
Ratos Group, Cash flow from operating activities	1,461	1,681	1,072	1,940	3,201

Interest-bearing net debt

SEKm	2021-06-30	2020-06-30	2020-12-31
Ratos business group, Interest-bearing net debt	6,551	7,923	8,149
Interest-bearing net debt in subsidiaries, holding not owned by Ratos	261	746	777
Investments recognised according to the equity method	-751	-872	-620
Internal loans	-1,331		
Attributable to the parent company and central companies	-2,209	-1,154	-1,061
Other	23	22	23
Ratos Group, Interest-bearing net debt	2,543	6,664	7,269

	2021-06-30	2020-06-30	2020-12-31
Interest-bearing liabilities, other	1,937	5,048	4,503
Interest-bearing liabilities, leasing	5,094	4,711	5,362
Provisions for pensions	86	676	629
Interest-bearing assets	-82	-59	-43
Cash and cash equivalents	-4,492	-3,712	-3,182
Ratos Group, Interest-bearing net debt	2,543	6,664	7,269

Note 4 Acquired and divested businesses

Acquisitions within subsidiaries

On 4 March, HL Display acquired Concept Group, a UK supplier of store solutions and services with sales of approximately GBP 5.4m and 65 employees.

On 1 April, HL Display acquired the company CoolPresentation, thus strengthening its market position in the Netherlands. CoolPresentation has established a strong position in the Dutch market with high-quality products and services for grocery retailers, pharmacies and brand manufacturers. CoolPresentation has approximately SEK 40m in annual sales. Refer to the preliminary purchase price allocation for the acquisitions below.

Preliminary purchase price allocation (PPA), add-on acquisition HL Display

	SEKm
Intangible assets	4
Property, plant and equipment	6
Deferred tax asset	1
Trade receivables	16
Current assets	13
Cash and cash equivalents	20
Deferred tax liability	-0
Current liabilities	-14
Net identifiable assets and liabilities	44
Goodwill	30
Consideration transferred	74
of which, paid in cash	67
of which, contingent consideration	8

Acquisition of Vestia

In March, Ratos signed an agreement to acquire 62.8% of the shares of the construction company Vestia Construction Group, active in the Gothenburg market. Vestia works in accordance with a so-called "partnering model", whereby work is based on a target budget and Vestia is paid running costs coupled with a predetermined fee. The acquisition was completed on 9 April.

The total payment made for the shares in Vestia Construction Group amounted to SEK 254m, of which Ratos contributed SEK 159m. A maximum contingent consideration of SEK 68m (fair value, which corresponds with the book value) may be paid, depending on EBITA from July 2020 to June 2023. Goodwill in the preliminary purchase price allocation amounts to SEK 225m and is attributable to the company's growth and business model. This goodwill is not expected to be tax-deductible.

Vestia has been included in the Ratos Group from the date of acquisition, with net sales of SEK 248m and profit before tax of SEK 9m. For the January to June period, net sales amounted to SEK 426m and profit before tax to SEK 11m. Acquisition-related transaction costs amounted to approximately SEK 3.3m.

Preliminary purchase price allocation (PPA), Vestia

	SEKm
Customer contracts	43
Property, plant and equipment	0
Right-of-use assets	6
Trade receivables	79
Current assets	5
Cash and cash equivalents	33
Deferred tax liability	-10
Non-current liabilities and provisions	-23
Current liabilities	-105
Net identifiable assets and liabilities	28
Goodwill	225
Consideration transferred	254
of which, paid in cash	149
of which, contingent consideration	68

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 amounts 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.

A specification of Bisnode's divested operations and the effect on the consolidated statement of financial position and statement of cash flows is presented on the next page.

Acquisitions and divestment of Bisnode Belgium

For the divestment of Bisnode to Dun & Bradstreet, Bisnode's Belgian operations were not included in the transaction. Bisnode Belgium was included in the Ratos Group in the first quarter. 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	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Income		914	105	1,853	3,691
Expenses		-749	-116	-1,648	-3,291
Profit/loss before tax		165	-10	205	400
Tax		-18	-1	-50	-131
Profit/loss after tax		145	-11	156	269
whereof Bisnode		145	9	156	269
Capital gain from divestment of discontinued operations whereof Bisnode	18		1,727 1,816		
Total profit/loss for the period	18	145	1,716	156	269
<i>Profit/loss for the period attributable to:</i>					
Owners of the parent	18	101	1,719	109	189
Non-controlling interests		44	-3	47	81
Earnings per share, SEK					
- basic earnings per share	0.06	0.32	5.35	0.34	0.59
- diluted earnings per share	0.06	0.32	5.30	0.34	0.59

Cash flow statement from discontinued operations

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Cash flow from operating activities		173	61	344	655
Cash flow from investing activities		-46	2,636	-120	-224
Cash flow from financing activities		-30	-191	-61	-192
Change in cash and cash equivalents		97	2,506	162	238

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

Note 5 Operating segments

SEKm	Net sales					EBITA and operating profit ¹⁾				
	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
Aibel						17	23	55	-5	43
airteam	332	346	631	621	1,331	35	26	54	35	126
HENT	2,164	2,122	4,054	4,388	8,644	30	27	72	75	172
Speed Group	252	181	473	354	726	33	16	57	24	62
Total Construction & Services	2,748	2,649	5,158	5,363	10,701	114	92	238	129	403
KVD	142	101	245	194	393	13	7	21	11	37
Oase Outdoors	224	167	343	295	418	62	43	87	56	48
Plantasjen	2,341	2,380	2,988	2,928	4,582	763	700	665	530	566
Total Consumer	2,708	2,648	3,576	3,416	5,393	838	750	773	597	651
Diab	505	585	949	1,065	2,121	14	88	62	157	280
HL Display	441	352	848	757	1,520	58	42	118	79	163
LEDiL	124	94	238	204	389	29	21	58	42	76
TFS	219	202	409	434	828	18	1	29	12	42
Total Industry	1,289	1,233	2,444	2,460	4,858	118	152	266	290	561
Total companies all reported periods	6,746	6,530	11,178	11,240	20,952	1,070	994	1,277	1,016	1,615
Vestia	248		248			14		14		
Total companies acquired during reported periods	248		248			14		14		
Elimination of sales internal	-0	-5	-0	-11	-12					
Total Net Sales and EBITA, companies	6,994	6,525	11,426	11,229	20,941	1,084	994	1,291	1,016	1,615
Revaluation listed shares						-113		-131		
Income and expenses in the parent company and central companies						-49	-37	-81	-72	-151
Other						1	1	2	2	3
Consolidated EBITA continued operations						923	958	1,080	946	1,468
Amortisation and impairment of intangible assets in connection with company acquisitions						-8	-3	-11	-6	-12
Consolidated operating profit continued operations						915	955	1,069	941	1,457
Bisnode		906	60	1,843	3,673		122	13	197	473
Bisnode Belgium			45					-19		
Total companies divested during reported periods		906	104	1,843	3,673		122	-6	197	473
Bisnode								1,816		
Other						18		-89		
Total exit gains						18		1,727		
Consolidated net sales and operating profit	6,994	7,431	11,530	13,072	24,614	933	1,077	2,789	1,138	1,929

¹⁾ Subsidiaries are included with 100% in consolidated profit/loss. Investments recognised according to the equity method are included with holding percentage of profit/loss including tax for the period.

SEKm	Q2 2021	Q2 2020	Q1-2 2021	Q1-2 2020	Full Year 2020
<i>Break down of net sales</i>					
Sales of goods	3,753	3,651	5,562	5,389	9,314
Service contracts	434	364	822	733	1,461
Construction contracts	2,744	2,462	4,933	4,999	9,964
Reimbursable expenditures	63	47	108	108	202
	6,994	6,525	11,426	11,229	20,941

Note 6 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 June 2021, the total value of financial instruments measured at fair value in accordance with level three was SEK 472m (643 at 31 December 2020). This change was mainly attributable to the exercising of synthetic options in conjunction with the sale of subsidiaries and additional contingent considerations in connection with the acquisition of subsidiaries.

In the statement of financial position at 30 June 2021, the net value of derivatives amounted to SEK -4m (-31 at 31 December 2020), of which SEK 4m (1 at 31 December 2020) was recognised as an asset and SEK 9m (33 at 31 December 2020) as a liability.

Note 7 Goodwill

Goodwill changed during the period as shown below.

SEKm	Accumulated cost	Accumulated impairment	Total
Opening balance 1 January 2021	8,302	-1,344	6,958
Business combinations	255		255
Translation differences for the period	148	-23	125
Closing balance 30 June 2021	8,705	-1,367	7,339

Note 8 Related party disclosures

Transactions with related parties are made on market terms.

Parent company

The parent company has a related party relationship with its Group companies. For more information, refer to Note 29 in the 2020 Annual Report. The parent company has no pledged assets. The parent company has contingent liabilities to subsidiaries and associates amounting to SEK 525m (554 at 31 December 2020).

The parent company's transactions with subsidiaries and associates for the period and the parent company's balance sheet items in relation to its subsidiaries and associates at the end of the period are presented below. During the period, the parent company commenced work for Ratos's business group to be financed centrally and issued loans to HL Display, Diab and LEDiL.

No unusual business transactions of material value occurred between Ratos and Board members or other senior executives of the Group.

SEKm	Financial income	Other income	Capital contribution	Dividend
2021 Q1-2	9			
2020 Q1-2			288	175
2020 Full Year		5	288	175

SEKm	Receivable	Provision	Liability	Contingent liability
2021-06-30	1,407	60	585	525
2020-06-30	181		448	557
2020-12-31	7		391	554

Note 9 Exchange rates

Exchange rates, average

SEK	Q1-2 2021	Q1-2 2020	Full Year 2020
Danish crowns, DKK	1.362	1.428	1.407
Euro, EUR	10.128	10.660	10.487
Norwegian crowns, NOK	0.996	0.995	0.979

Exchange rates, closing

SEK	2021-06-30	2020-06-30	2020-12-31
Danish crowns, DKK	1.362	1.406	1.349
Euro, EUR	10.125	10.480	10.038
Norwegian crowns, NOK	0.994	0.960	0.955

Definitions

Certain of the following performance measures are presented for Ratos's business group – both for the companies in their entirety (100%) regardless of Ratos's holding and also presented adjusted for the size of Ratos's holding in each company. When performance measures are presented adjusted for Ratos's holdings the performance measure is multiplied by the percentage of the holding. For example: Ratos's holding amounts to 70% and the company's EBITA is SEK 100m for the period, EBITA adjusted for Ratos's holdings then amounts to SEK 70m (70% x SEK 100m).

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 divided by average equity attributable to owners of the parent.

Return on capital employed

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.

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. Dilution resulting from convertible debt instruments is calculated by increasing the number of shares by the total number of shares to which the convertibles correspond and increasing earnings by the recognised interest expense after tax. Potential ordinary shares are considered to have a dilutive effect only during periods when they result in lower earnings or a higher loss per share.

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.

The six-month report provides a true and fair overview of the parent company's and the Group's operations, their financial position and performance, and describes material risks and uncertainties facing the parent company and other companies in the Group.

Stockholm, 16 July 2021
Ratos AB (publ)

Per-Olof Söderberg
Chairman

Ulla Litzén
Board member

Eva Karlsson
Board member

Karsten Slotte
Board member

Jan Söderberg
Board member

Jonas Wiström
Board member, CEO

THIS REPORT IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Auditor's review report

Ratos AB (publ), Corp. Reg. No. 556008-3585

Introduction

We have reviewed the condensed interim report for Ratos AB as at 30 June 2021 and for the six months period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, date as evidenced by our digital signature

Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Telephone conference

16 July 9:00 a.m. SE: +46 8 566 426 92
UK: +44 333 300 9032
US: +1 631 913 1422, PIN for US: 61959798#

Financial calendar

2021
Interim report Q3 2021 25 October (new date)

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Jonas Ågrup, CFO, +46 8 700 17 00

This is information that Ratos AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 7:00 a.m. CET on 16 July 2021.

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Reg. no. 556008-3585

Ratos is a business group consisting of 12 companies divided into three business areas: Construction & Services, Consumer and Industry. Our business concept is to develop companies headquartered in the Nordics that are or can become market leaders. We enable independent companies to excel by being part of something larger. A focus on people, leadership, culture and values is a key component of Ratos. Everything we do is based on Ratos's core values: Simplicity, Speed in Execution and It's All About People.