

# RATOS



## Telephone conference

CEO Susanna Campbell

7 November 2014

# Q1-3 2014: High level of transaction activity and continued improvement in holdings

- Increased operating profit in majority of holdings
- Increased market activity continues, but not gaining momentum
- Q4 expected to be in line with Q3
- Major transactions: SB Seating and Inwido
- Net cash approximately SEK 3.8 billion

# Increased market activity

- Increased activity from mid-February
- Increase in order bookings, higher customer activity
- In half of the holdings
- Q3: trend continues but not gaining momentum
- Many markets remain sluggish/stable
- No effect from increased macro uncertainty

# Improvement in holdings

- Majority of holdings increase operating profit
- Action programmes having an impact
- A couple of companies drag down total (Aibel, Bisnode)
- Focus on change continues in many companies

# Performance in holdings Q3 2014

	100%	Ratos's share	<i>Ratos's share excl. Aibel</i>
Sales	-11%	-1%	+7%
EBITA	-17%	-4%	+4%
EBITA excluding items affecting comparability	-11%	0%	+7%
EBT	-13%	+11%	+23%
EBT excluding items affecting comparability	-9%	+8%	+15%

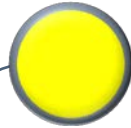
# Performance in holdings Q1-3 2014

	100%	Ratos's share	<i>Ratos's share excl. Aibel</i>
Sales	-9%	-2%	+5%
EBITA	-21%	-10%	+1%
EBITA excluding items affecting comparability	-10%	-2%	+5%
EBT	-45%	-12%	+14%
EBT excluding items affecting comparability	-10%	+11%	+23%

# Overall view of performance



Arcus-Gruppen  
Biolin Scientific  
GS-Hydro  
HENT  
Inwido  
KVD  
Mobile Climate Control  
Nebula  
Nordic Cinema Group  
(SB Seating)



Aibel  
Bisnode  
DIAB  
Euromaint  
HL Display



AH Industries  
Hafa Bathroom Group  
Jøtul

# Strong transaction market

- Higher pressure – demand for acquisition candidates
- IPO market functioning well
- Very good access to bank financing
- No signs of slowdown
- High level of activity for Ratos
  - Exits
  - Acquisitions more challenging

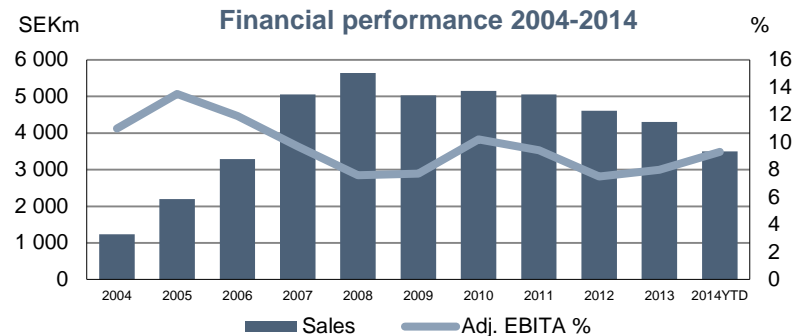


# Two major exits for Ratos

- Two exits
  - Inwido IPO
  - Sale SB Seating (completed in October)
- Exit gains total approx. SEK 1,374m (SEK 1,174m in Q3)
- Strong financial position: cash approx. SEK 3.8 billion

# Inwido IPO – Europe’s leading window manufacturer

- First trading day 26 September
  - SEK 68 per share
  - Ratos sold shares for SEK 2,579m
  - Ratos’s holding today 31%
- Value creation approx. SEK 2.6 billion for Ratos
  - Exit gain approx. SEK 1,174m, IRR 15%, Money multiple 3.3x
- From leading in Sweden to leading in Europe
  - Decisive steps during Ratos’s 10 years as owner
  - 2004-2007 – 32 acquisitions
  - 2007-2013 – Integration and efficiency improvements
    - Financial crisis and recession
    - Profitability before volume
  - 2014 – Take advantage of effects
    - Extensive improvement initiatives carried out
    - Good position, business climate and operating leverage
    - Continued development potential



# Portfolio pro forma, after exits: performance in holdings Q1-3 2014

	100%	Ratos's share	<i>Ratos's share excl. Aibel</i>
Sales	-9%	-4%	+4%
EBITA	-22%	-10%	+4%
EBITA excluding items affecting comparability	-10%	-7%	+1%
EBT	-53%	-2%	+55%
EBT excluding items affecting comparability	-9%	+1%	+21%

# Remainder of 2014

- Steady, slow market recovery
- Increased overall macro uncertainty
- Changed portfolio after exits: pro forma
- Q4 expected to be in line with Q3

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