

Interim report January-March 2019



RATOS

Improved earnings and higher rate of growth

- Net sales for the period amounted to SEK 5,207m (4,530), an increase of 14% (2) adjusted for acquisitions and divestments
- Several of Ratos's companies demonstrated both increased net sales and an improved order situation
- EBITA, excluding IFRS 16, improved to SEK 44m (-19)
- For the rolling 12-month period, earnings from the company portfolio ³⁾ amounted to SEK 895m (838)
- Operating profit according to IFRS amounted to SEK 27m (-39)
- The board has decided on a new dividend policy

Financial performance

MSEK	Q1 2019	Q1 2018	Change	LTM 18/19	Full Year 2018	Change
Group, IFRS						
Net sales	5 505	4 911	12%	23 719	23 125	3%
Operating profit	27	-39	n/a	347	281	24%
Profit before tax	-94	-151	n/a	-50	-107	n/a
Diluted earnings per share, SEK	-0,35	-0,47	n/a	-1,28	-1,40	n/a
Cash and cash equivalents in the parent company	1 140	2 174	-48%		1 734	-22%
Ratos's business areas, Ratos's holding ¹⁾						
Net sales	5 207	4 530	15%	22 198	21 522	3%
EBITDA, excluding IFRS 16 ²⁾	138	77	79%	1 352	1 291	5%
EBITA, including IFRS 16	75			919		
EBITA, excluding IFRS 16 ²⁾	44	-19	n/a	889	825	8%
Earnings in the company portfolio ³⁾	44	-14	n/a	895	838	7%
Loss before tax, including IFRS 16 ²⁾	-98			-621		
Loss before tax, excluding IFRS 16 ²⁾	-73	-148	n/a	-597	-672	n/a
Cash flow from operations	-46	-377	n/a	673	341	97%

¹⁾ Tables in a tinged background are alternative performance measures, refer to note 3 Alternative performance measures page 23 for reconciliation. Page 28 contains definitions.

²⁾ Excluding IFRS 16 means that leases are reported according to the IFRS standards applicable up to and including 2018.

³⁾ Reported EBITA excluding IFRS 16 regarding actual portfolio respective period.

CEO comments on performance in the first quarter of 2019

Increased growth and improved earnings in a seasonally small quarter for Ratos

EBITA in the company portfolio improved while growth for the quarter amounted to 15%, primarily organic. It is gratifying to note that the action programmes implemented in 2018 is now beginning to generate results.

Growth is increasing and the order backlog is growing stronger, driven by favourable trends in the markets where Ratos's companies operate.

During the quarter, we divided our portfolio companies into three sectors which also comprise the three business areas into which Ratos was reorganised in order to further enhance the Group's efficiency: Construction & Services, Consumer & Technology and Industry.

Earnings trend adjusted for Ratos's holdings

For the first quarter of 2019, company portfolio sales increased 15%, while EBITA increased from SEK -19m to SEK 44m, pro forma and adjusted for Ratos's holdings.

Sales in **Construction & Services** increased by 21%, with a higher growth rate in all companies and a strong order intake. EBITA decreased from SEK 91m to SEK 69m primarily due to HENT, where project impairments carried out in 2018 results in no contributions for the revenue that is recognized in 2019. During the period, HENT increased its order backlog by approximately NOK 3 billion, an increase of 21%, by securing a number of major projects with negotiated contract partnerships. In these projects, the project team's experience and design suggestions are more important than price.

Aibel had a strong earnings trend based on sales that grew 20% and a somewhat improved margin. After the end of the period, Aibel won a major order, DoIWin5, within the strategically important offshore wind segment.

Speed Group continues to face profitability problems, and a larger cost-savings program is being implemented in the second quarter. In March Jan Krepp assumed the position of acting CEO of Speed Group.

airteam's add-on acquisition of Creovent & Thorszelius was completed during the period, providing airteam with an important market position in Stockholm and Uppsala.

Sales in **Consumer & Technology** increased by 8%, with favourable growth in the majority of the companies. All of the growth in the business area was organic. EBITA in the quarter was negative and amounted to SEK -112m, due to Plantasjens seasonal nature. The result improved by SEK 37m, driven primarily by Plantasjen and Kvdbil. In

January, Christer Åberg assumed the position of acting CEO of Plantasjen.

Oase Outdoors had a strong start to the year, with early deliveries and a good product mix, including a new generation of products.

Bisnode is following a plan that entails an accelerated transformation of products and expertise during the first half of 2019. The investment negatively impacted the company's results for the first quarter and will also be charged to earnings in the second quarter. The investments are expected to have a positive effect on sales as well as earnings beginning in autumn 2019.

Sales in **Industry** increased by 12%, with favourable growth in the majority of the companies. All of the growth in the business area was organic. EBITA increased by SEK 48m, and amounted to SEK 87m, driven by significantly improved earnings in Diab and HL Display, where previously implemented action programmes combined with a strong market had a positive effect. Ledil's sales decreased as a result of a weak start to the quarter. TFS continued to deliver weak profitability, but had satisfactory growth in its largest segment, Clinical Development Services.

Ratos

Underlying management costs at Ratos continue to decrease as a result of a more efficient new organisation.

Events after the closing date

Ratos signed a conditional sales agreement for its Stockholm Lejonet 4 property with the Swedish state at a purchase price of SEK 550m. The consolidated book value for the property at 31 December 2018 was SEK 56m.

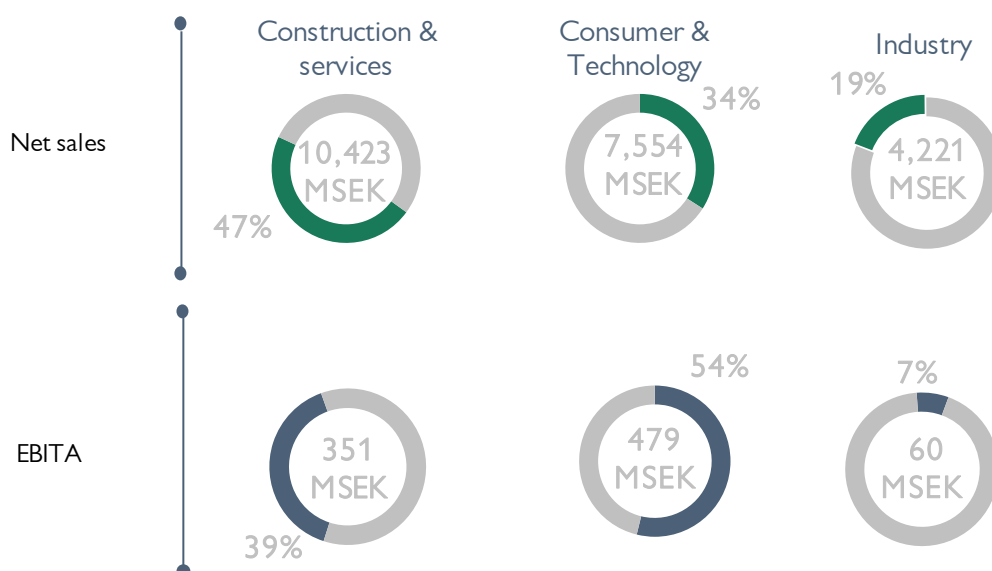
Jonas Wiström, Chief Executive Officer

Overview, Ratos's business areas

Ratos's companies are divided into three business areas: Construction & Services, Consumer & Technology and Industry. All figures displayed per business area and per company exclude the effects of IFRS 16. Net sales for the rolling 12-month period for Ratos's business areas amounted to SEK 22,198m (21,522), up 3%. EBITA increased by 8% to SEK 889m (825). During the period, the add-on acquisition in airteam was completed. No other acquisitions or divestments were completed.

Net sales and EBITA in Ratos's business areas, adjusted for Ratos's holdings

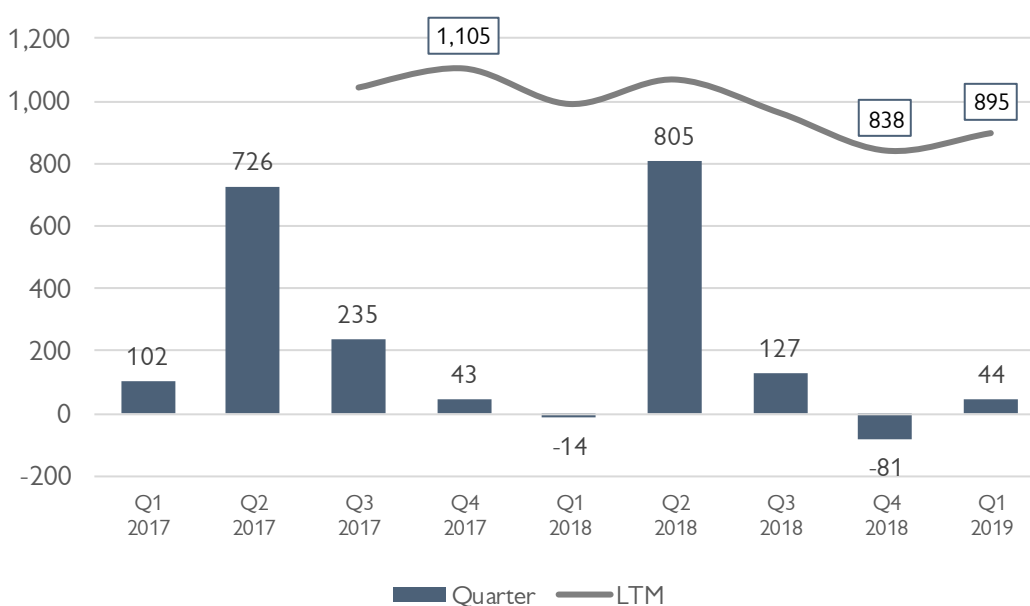
In absolute numbers and as a percentage of the Ratos Group's Net sales and EBITA, last 12-month period as of 31 March 2019.



Earnings in the company portfolio

One of Ratos's financial targets is for the earnings of the company portfolio to increase each year. The diagram below displays the development for this target, defined as reported EBITA excluding IFRS 16, for the relevant company portfolio and period. For the rolling 12-month period, earnings in the company portfolio amounted to SEK 895m (838), up 7%.

MSEK



Construction & Services

Business area development

During the first quarter of 2019, net sales for Construction & Services increased by 21%. EBITA decreased to SEK 69m (91), which is primarily explained by the lower earnings in HENT in connection with the project impairments that were carried out at the end of 2018.

MSEK	Net sales				EBITA			
	Q1 2019	Q1 2018	LTM 18/19	Full Year 2018	Q1 2019	Q1 2018	LTM 18/19	Full Year 2018
Companies in its entirety								
Aibel	2,444	1,972	8,921	8,450	156	121	683	648
airteam	235	183	970	918	4	10	83	89
HENT	2,123	1,786	8,731	8,394	24	66	114	155
Speed Group	169	145	763	738	-2	-4	-11	-12
Companies total	4,971	4,086	19,385	18,500	182	193	868	880
Adjustment for Ratos's holding	-2,361	-1,925	-8,962	-8,526	-113	-102	-518	-507
Total, adjusted for Ratos's holding	2,610	2,160	10,423	9,974	69	91	351	373
<i>Reported growth, % ¹⁾</i>	21%	-6%	5%	8%				
<i>EBITA margin, % ¹⁾</i>					2.6%	4.2%	3.7%	3.4%
¹⁾ Adjusted for Ratos's holding								

aibel®

- Reported growth in the quarter exceeded the year-earlier period thanks to a strong performance in the Modifications & Yard Services business area.
- The company's order intake in the quarter amounted to approximately NOK 3 billion, driven by growth in many existing contracts in both of Aibel's business areas (Modifications & Yard Services and Field Development & Offshore Wind).
- The order book at the end of the quarter amounted to approximately NOK 17 billion, up 77% compared with the year-earlier period.
- After the end of the period, Aibel won a major order within the strategically important offshore wind segment – DoWin5.

Aibel reclassified one operation from Assets held for sale to EBITA as of 1 January 2019. A corresponding adjustment was also made to the comparative figures for 2018. For full-year 2018, the positive effect on EBITA was NOK 70m.

MNOK	Q1		LTM
	2019	2018	18/19
Net sales	2,286	1,907	8,286
EBITDA	161	136	709
EBITA	146	117	635
Cash flow from operations	42	-253	203
Interest-bearing net debt	2,708	2,523	
Reported growth	20%		
- whereof currency effects	1%		
- whereof acquisitions			
EBITDA margin	7.1%	7.1%	8.6%
EBITA margin	6.4%	6.1%	7.7%

Amounts referring to 100% of the company, excluding IFRS 16

Leading service company within the oil and gas, and offshore wind power industries. The company provides optimal and innovative solutions in engineering, construction, modifications and maintenance throughout the entire life cycle. The company has operations along the Norwegian coast and in Asia. Customers are primarily the major oil companies operating on the Norwegian continental shelf.

Holding
32%

- Growth was driven by the acquisition of Swedish ventilation companies (Luftkontroll Energy Örebro and Creovent & Thorszelius).
- Net sales adjusted for acquisitions were lower than in the year-earlier period due to project delays that also affected EBITA.
- Record-high order book in the Danish operations. After the acquisition of Creovent & Thorszelius, the order book amounted to DKK 903m.
- The acquisition of Creovent & Thorszelius was completed in the first quarter of 2019. The sales and earnings of the acquired company include two months of figures for the first quarter of 2019.

MDKK	Q1		LTM
	2019	2018	18/19
Net sales	168	136	699
EBITDA	4	8	61
EBITA	3	8	60
Cash flow from operations	-15	-20	56
Interest-bearing net debt	208	132	
Reported growth	23%		
- whereof currency effects			
- whereof acquisitions	25%		
EBITDA margin	2.1%	5.8%	8.8%
EBITA margin	1.9%	5.6%	8.6%

Amounts referring to 100% of the company, excluding IFRS 16

Danish company that offers high-quality and effective ventilation solutions in Denmark and Sweden.

Holding
70%

HENT

- As expected, the EBITA margin was impacted by projects that were impaired last year.
- Growth in net sales of 15% driven by a strong order book. Order intake of approximately NOK 4.9 billion during the first quarter. New orders include a commission to build the University hospital in Narvik, with an order value of approximately NOK 1.1 billion, and an extension of IKEA Kungens Kurva. The order book at 31 March 2019 amounted to approximately NOK 16.3 billion, corresponding to two years of sales.
- HENT focuses on chosen segments in a strong market situation.
- Development in the majority of the order backlog is proceeding according to plan. A strengthened organisation is managing the projects that were impaired at the end of 2018 where significant challenges remain.

MNOK	Q1		LTM
	2019	2018	18/19
Net sales	1,986	1,727	8,114
EBITDA	25	66	114
EBITA	22	64	104
Cash flow from operations	19	-17	136
Interest-bearing net debt	-712	-629	
Reported growth	15%		
- whereof currency effects	0%		
- whereof acquisitions			
EBITDA margin	1.2%	3.8%	1.4%
EBITA margin	1.1%	3.7%	1.3%

Amounts referring to 100% of the company, excluding IFRS 16

Leading Norwegian construction contractor with projects in Norway, Sweden and Denmark. The company focuses on new builds of public and commercial real estate, and focuses its resources on project development, project management and procurement. The projects are largely carried out by a broad network of quality-assured subcontractors.

Holding
73%

- Reported growth amounted to 17%. The acquisition of Samdistribution, which was completed in March 2018, contributed 8%.
- Jan Krepp assumed the position of acting CEO. Previous acting CEO and CFO Anders Appelqvist returned to his role as CFO for Speed Group.
- Speed Group will carry out a cost-savings program in the second quarter, effective from July. This will entail a restructuring cost of approximately SEK 15m in the second quarter and cost-savings effects during the second half of the year that are expected to be on a par with the restructuring costs incurred.

MSEK	Q1		LTM
	2019	2018	18/19
Net sales	169	145	763
EBITDA	2	-2	5
EBITA	-2	-4	-11
Cash flow from operations	17	-14	-21
Interest-bearing net debt	72	35	
Reported growth	17%		
- whereof currency effects			
- whereof acquisitions	8%		
EBITDA margin	1.2%	-1.4%	0.7%
EBITA margin	-1.5%	-2.7%	-1.4%

Amounts referring to 100% of the company, excluding IFRS 16

Swedish provider of services that extend from staffing, recruitment and training to full-scale warehouse management.

Holding

70%

Consumer & Technology

Business area development

During the first quarter of 2019, growth in net sales for Consumer & Technology amounted to 8%. EBITA amounted to SEK -112m (-149), an improvement of SEK 37m driven primarily by Plantasjen. EBITA for Consumer & Technology in the first quarter was affected by Plantasjen's seasonal nature and is therefore negative.

MSEK	Net sales				EBITA			
	Q1 2019	Q1 2018	LTM 18/19	Full Year 2018	Q1 2019	Q1 2018	LTM 18/19	Full Year 2018
Companies in its entirety								
Bisnode	927	899	3,725	3,696	63	72	462	471
Kvdbil	91	71	352	332	5	-8	22	8
Oase Outdoors	172	141	452	421	28	25	39	36
Plantasjen	616	576	4,273	4,233	-185	-212	104	77
Companies total	1,806	1,687	8,802	8,682	-88	-123	627	591
Adjustment for Ratos's holding	-320	-305	-1,247	-1,232	-24	-26	-148	-150
Total, adjusted for Ratos's holding	1,486	1,382	7,554	7,450	-112	-149	479	441
<i>Reported growth, % ¹⁾</i>	8%	4%	1%	4%				
<i>EBITA margin, % ¹⁾</i>					-7.5%	-10.8%	5.9%	6.3%
¹⁾ Adjusted for Ratos's holding								



- Net sales increased by 3%. Adjusted for currency and acquisitions, net sales were marginally positive, while net sales in the first quarter of the comparative period declined by 3%. The planned streamlining of the production portfolio, where the growth rate is significantly higher for new products, had a positive effect on net sales growth.
- During the first half of 2019, Bisnode plans to accelerate the ongoing transformation of its offering through investments in new products and expertise. This had an impact of SEK -9m on EBITA in the first quarter. Additional investments of the same magnitude will be made during the second quarter.
- These investments are expected to have a positive effect on net sales and earnings starting in the second half of 2019.

MSEK	Q1		LTM
	2019	2018	18/19
Net sales	927	899	3,725
EBITDA	99	106	601
EBITA	63	72	462
Cash flow from operations	188	135	433
Interest-bearing net debt	1,290	1,524	
Reported growth	3%		
- whereof currency effects	3%		
- whereof acquisitions	0%		
EBITDA margin	10.7%	11.8%	16.1%
EBITA margin	6.8%	8.0%	12.4%

Amounts referring to 100% of the company, excluding IFRS 16

Leading European data and analysis company.
The customer base comprises companies and organisations in Europe which use Bisnode's services to convert data into knowledge for both day-to-day issues and major strategic decisions.

Holding
70%

- Positive net sales driven by early deliveries and invoicing, primarily to the UK.
- Improved EBITA driven by strong sales and a good mix of countries and products. Increased costs for quality control had a negative effect.

MDKK	Q1		LTM
	2019	2018	18/19
Net sales	123	105	323
EBITDA	21	19	29
EBITA	20	19	27
Cash flow from operations	-71	-57	-10
Interest-bearing net debt	285	267	
Reported growth	17%		
- whereof currency effects	1%		
- whereof acquisitions			
EBITDA margin	16.9%	18.3%	9.1%
EBITA margin	16.4%	18.0%	8.4%

Amounts referring to 100% of the company, excluding IFRS 16

Danish company that develops, designs and sells high-quality camping and outdoor equipment.

Holding

78%

- Reported growth of 29% compared with the year-earlier period, driven by strong sales in Private Cars and a positive product mix. The first quarter of 2018 was negatively affected by fewer auction days due to the construction of a new homepage, which affects the year-on-year comparison.
- Improved profitability thanks to increased sales and a lower general cost base driven by improved efficiency.

MSEK	Q1		LTM
	2019	2018	18/19
Net sales	91	71	352
EBITDA	9	-6	35
EBITA	5	-8	22
Cash flow from operations	13	-7	37
Interest-bearing net debt	30	158	
Reported growth	29%		
- whereof currency effects			
- whereof acquisitions	0%		
EBITDA margin	9.6%	-8.7%	10.0%
EBITA margin	5.9%	-11.8%	6.2%

Amounts referring to 100% of the company, excluding IFRS 16

Sweden's largest independent online marketplace offering broker services for second-hand vehicles. The company operates the auction sites kvd.se, kvdnorge.no, kvdpro.com and kvdcars.com, where cars, heavy vehicles and machines are offered for sale at weekly online auctions.

Holding

100%

PLANTASJEN®

- Reported growth of 3%. The first quarter of the year is Plantasjen's weakest in terms of both sales and earnings.
- Improvements in EBITA during the quarter were a result of higher sales, lower obsolescence and a better product mix. Non-recurring costs in EBITA amounted to NOK -5m (-23).
- During the quarter, Plantasjen reintroduced certain product categories, such as outdoor furniture and grills, which resulted in positive feedback from customers.
- In the first quarter, a capital contribution of NOK 200m was made to enable a lower leverage.

MNOK	Q1		LTM
	2019	2018	18/19
Net sales	576	557	3,980
EBITDA	-147	-176	208
EBITA	-173	-205	104
Cash flow from operations	-175	-268	22
Interest-bearing net debt	2,464	2,378	
Reported growth	3%		
- whereof currency effects	-1%		
- whereof acquisitions			
EBITDA margin	-25.6%	-31.6%	5.2%
EBITA margin	-30.0%	-36.8%	2.6%

Amounts referring to 100% of the company, excluding IFRS 16

The Nordic region's leading chain for sales of plants and gardening accessories with more than 140 stores in Norway, Sweden and Finland and a primary focus on consumers.

Holding
99%

Industry

Business area development

During the first quarter of 2019, growth in net sales for Industry amounted to 12%. EBITA amounted to SEK 87m (39), an improvement of SEK 48m driven primarily by Diab and HL Display.

MSEK	Net sales				EBITA			
	Q1 2019	Q1 2018	LTM 18/19	Full Year 2018	Q1 2019	Q1 2018	LTM 18/19	Full Year 2018
Companies in its entirety								
Diab	439	357	1,578	1,496	38	3	-120	-155
HL Display	400	374	1,579	1,554	31	21	106	96
LEDiL	110	117	432	439	27	34	102	109
TFS	223	199	864	841	2	-7	3	-6
Companies total	1,172	1,048	4,454	4,330	99	51	91	43
Adjustment for Ratos's holding	-61	-60	-233	-232	-11	-12	-32	-32
Total, adjusted for Ratos's holding	1,111	989	4,221	4,098	87	39	60	11
<i>Reported growth, % ¹⁾</i>	12%	-4%	3%	4%				
<i>EBITA margin, % ¹⁾</i>					7.9%	3.9%	0.3%	1.4%

¹⁾ Adjusted for Ratos's holding



- A favourable market and strong order intake in wind and marine in the first quarter contributed to reported growth of 23%.
- The higher EBITA result was driven by increased sales and the positive effects of the action programme that began in 2018, which was intended to increase production efficiency.
- Capital contributions of SEK 220m were carried out in the first quarter to enable future investments.

MSEK	Q1		LTM
	2019	2018	18/19
Net sales	439	357	1,578
EBITDA	52	20	21
EBITA	38	3	-120
Cash flow from operations	35	1	-34
Interest-bearing net debt	666	787	
Reported growth	23%		
- whereof currency effects	7%		
- whereof acquisitions			
EBITDA margin	11.8%	5.6%	1.3%
EBITA margin	8.7%	0.8%	-7.6%

Amounts referring to 100% of the company, excluding IFRS 16

Global company that develops, manufactures and sells core materials for sandwich composite structures including blades for wind turbines, hulls and decks for leisure boats, and components for aircraft, trains, industrial applications and buildings. The core materials have a unique combination of characteristics such as low weight, high strength, insulation properties and chemical resistance.

Holding
96%



- Reported growth of 7% driven by a good product mix.
- EBITA was affected positively by increased net sales and greater efficiency in factories driven by ongoing profitability-improving initiatives.

MSEK	Q1		LTM
	2019	2018	18/19
Net sales	400	374	1,579
EBITDA	40	31	142
EBITA	31	21	106
Cash flow from operations	-11	-12	98
Interest-bearing net debt	487	534	
Reported growth	7%		
- whereof currency effects	4%		
- whereof acquisitions			
EBITDA margin	10.0%	8.3%	9.0%
EBITA margin	7.8%	5.7%	6.7%

Amounts referring to 100% of the company, excluding IFRS 16

International supplier of store solutions for improved customer experience, profitability and sustainability. Installations in nearly 295,000 stores in 50 markets. Manufacturing takes place in Poland, Sweden, China and the UK.

Holding
99%

LEDiL[®]

- Lower net sales compared with a strong first quarter in 2018.
- EBITA was negatively impacted by lower net sales.
- Establishment in China concluded during the quarter.

MEUR	Q1		LTM
	2019	2018	18/19
Net sales	10.5	11.8	41.6
EBITDA	3.1	3.7	11.6
EBITA	2.6	3.4	9.8
Cash flow from operations	2.6	2.6	9.3
Interest-bearing net debt	27.4	35.0	
Reported growth	-10%		
- whereof currency effects	2%		
- whereof acquisitions	1%		
EBITDA margin	29.2%	31.6%	27.8%
EBITA margin	24.7%	28.8%	23.7%

Amounts referring to 100% of the company, excluding IFRS 16

Finnish leading global player within secondary optics for LED lighting. The products are sold by the company's own sales force as well as via agents and distributors in Europe, North America and Asia. Production is carried out by subcontractors in Finland and China.

Holding
66%

- Service sales in the first quarter amounted to EUR 14.8m (14.0).
- The higher service sales were driven by improved sales in Clinical Development Services (CDS), while sales in Strategic Resourcing Solutions (SRS) demonstrated weaker growth.
- In January, Ratos acquired the remaining shares (40%) in TFS for an equity value of EUR 11m. After the acquisition, Ratos's ownership share totals 100%.

MEUR	Q1		LTM
	2019	2018	18/19
Net sales	21.4	20.0	83.4
EBITDA	0.4	-0.5	1.3
EBITA	0.2	-0.7	0.3
Cash flow from operations	0.6	-0.9	-0.4
Interest-bearing net debt	7.5	5.3	
Reported growth	7%		
- whereof currency effects	0%		
- whereof acquisitions			
EBITDA margin	1.8%	-2.6%	1.6%
EBITA margin	0.9%	-3.6%	0.4%

Amounts referring to 100% of the company, excluding IFRS 16

Performs clinical trials in the human phase on behalf of the pharmaceutical, biotechnology and medical device industries.

Holding
100%

Ratos's companies

Adjusted for Ratos's holdings, excluding IFRS 16 ¹⁾

	Net sales				EBITDA			
	Q1 2019	Q1 2018	LTM 18/19	Full Year 2018	Q1 2019	Q1 2018	LTM 18/19	Full Year 2018
MSEK								
Aibel	779	629	2,846	2,695	55	45	243	233
airteam	163	127	675	638	3	7	59	63
Bisnode	648	628	2,603	2,583	69	74	420	425
Diab	422	343	1,516	1,437	50	19	20	-11
HENT	1,548	1,303	6,369	6,124	19	50	90	121
HL Display	394	369	1,556	1,531	40	31	140	131
Kvdbil	91	71	352	332	9	-6	35	20
LEDiL	73	77	285	290	21	24	79	83
Oase Outdoors	135	111	354	330	23	20	33	30
Plantasjen	612	573	4,244	4,205	-156	-181	215	191
Speed Group	118	101	534	517	1	-1	4	1
TFS	223	199	863	840	4	-5	13	4
Total	5,207	4,530	22,198	21,522	138	77	1,352	1,291
Change	15%				79%			

	EBITA				Profit/loss before tax			
	Q1 2019	Q1 2018	LTM 18/19	Full Year 2018	Q1 2019	Q1 2018	LTM 18/19	Full Year 2018
MSEK								
Aibel	50	39	218	207	21	12	118	110
airteam	3	7	58	62	3	6	54	58
Bisnode	44	50	323	329	19	8	240	229
Diab	37	3	-115	-149	29	3	-552	-579
HENT	18	48	83	113	21	47	94	120
HL Display	31	21	104	94	21	8	80	68
Kvdbil	5	-8	22	8	6	-9	21	6
LEDiL	18	22	68	72	17	20	62	66
Oase Outdoors	22	20	30	28	19	18	22	20
Plantasjen	-183	-211	103	76	-224	-247	-714	-738
Speed Group	-2	-3	-8	-9	-6	-7	-22	-23
TFS	2	-7	3	-6	1	-8	0	-8
Total	44	-19	889	825	-73	-148	-597	-672
Change	n/a				n/a			

	Cash flow from operations ²⁾			Interest-bearing net debt			Ratos's holding (%)
	Q1 2019	Q1 2018	Full Year 2018	2019-03-31	2018-03-31	2018-12-31	2019-03-31
MSEK							
Aibel	14	-84	-31	929	855	861	32
airteam	-15	-19	49	202	127	58	70
Bisnode	131	94	265	902	1,065	963	70
Diab	34	1	-65	640	756	855	96
HENT	15	-13	78	-558	-487	-519	73
HL Display	-11	-12	95	480	526	441	99
Kvdbil	13	-7	16	30	158	37	100
LEDiL	18	17	63	189	238	199	66
Oase Outdoors	-77	-60	4	312	289	214	78
Plantasjen	-186	-275	-76	2,631	2,511	2,418	99
Speed Group	12	-10	-36	50	24	49	70
TFS	6	-9	-20	78	54	72	100
Total	-46	-377	341	5,884	6,116	5,647	
Change	n/a			-4%			

¹⁾ Aibel has been restated for 2018, since a reclassification was made from "Assets held for sale" to "Share of profit recognised according to the equity method", which means that the result has changed. For 2018, TFS includes a holding of 100%, which reflects the current holding. These changes mean that EBITA now amounts to SEK 825m for the full year, instead of SEK 804m as published in the 2018 Year-end Report.

²⁾ 2019 includes IFRS 16, which means that cash flow from operations is not fully comparable with 2018.

Financial information

Ratos's results

Operating profit for the quarter amounted to SEK 27m (-39). In a comparison between the periods, the positive effects of IFRS 16, *Leases*, in operating profit for the year and the capital gain of SEK 26m from the sale of Jøtul in the preceding year balance each other out.

This includes profit/share of profits from the companies in the amount of SEK 75m (-16).

The loss before tax for the quarter amounted to SEK -94m (-151). Profit/share of profit from the companies amounted to SEK -67m (-119).

Ratos's operating management costs amounted to SEK -48m (-49). The underlying management costs continued to decrease, although they are charged to comparative items in both periods.

Refer to Note 5 on page 25 for more details.

The earnings improvement is attributable to the introduction of IFRS 16, *Leases*. The standard entailed an improvement in operating profit of approximately SEK 30m. Excluding IFRS 16, the operating loss is SEK -2m. The loss before tax deteriorated by SEK -22m. Excluding IFRS 16, the loss before tax for the quarter is SEK -72m.

Cash flow

Cash flow for the period was SEK -634m (-132), of which cash flow from operating activities accounted for SEK -40m (-324).

Cash flow from investing activities amounted to SEK -312m (-183) and cash flow from financing activities to SEK -282m (375).

Diab (-202), Plantasjen (-161) and HENT (-79) account for the largest negative change in cash flow for the period. The negative change is primarily attributable to amortisation of loans and repayment of bank overdraft facility.

The introduction of IFRS 16 *Leases* resulted in an improvement in cash flow from operating activities, since the cash flow from leases, corresponding to approximately SEK 200m, has been moved from operating activities to financial activities. IFRS 16 had no effect on total cash flow for the period.

Financial position and leverage

The Group's cash and cash equivalents at the end of the period amounted to SEK 2,840m (3,805) and interest-bearing net debt totalled SEK 8,572m (3,609). Taking IFRS 16 *Leases* into account, interest-bearing net debt in the Group increased. Interest-bearing net debt, excluding IFRS 16, amounted to SEK 4,345m.

Ratos has decided to stop using the debt ratio as a target, both for the Group and for the portfolio. The primary reason for this is that Ratos AB does not provide any guarantees for subsidiary or associated company

liabilities, so such a calculation is misleading. Ratos's companies are active within a wide variety of sectors, which also makes such a calculation misleading. What is clear is that Ratos strives to operate its companies with a well-balanced leverage. Profitability connected to leverage must be strengthened in Plantasjen and Diab.

Ratos's equity

At 31 March 2019, Ratos's equity (attributable to owners of the parent) amounted to SEK 8,751m (9,788), corresponding to SEK 27 per share outstanding (31).

Parent company

The parent company posted an operating loss of SEK -48m (-50). The parent company's profit before tax amounted to SEK 134m (-80), of which SEK 175m (0) pertains to dividends from Group companies.

Cash and cash equivalents in the parent company amounted to SEK 1,140m (1,734 per 31 December 2018).

Ratos's Class B share

Earnings per share before and after dilution amounted to SEK -0.35 (-0.47) for the period. The closing price for Ratos's Class B shares on 31 March 2019 was SEK 18.83. The total return on Class B shares in the first quarter amounted to -19%, compared with the performance for the SIX Return Index, which was 13%.

Treasury shares and number of shares

No Class B shares were repurchased. At 31 March, Ratos owned 5,126,262 Class B shares (corresponding to 1.6% of the total number of shares), repurchased at an average price of SEK 68. At 31 March 2019, 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. The number of outstanding Class A and B shares was 319,014,634.

Credit facilities and new issue mandate

The parent company has a credit facility of SEK 1 billion including a bank overdraft facility. The purpose of the facility is to be able use it as needed for bridge financing. The parent company should normally be unleveraged. The credit facility was unutilised at the end of the period. In addition, there is also a mandate from the 2018 AGM to issue a maximum of 35 million Ratos Class B shares in conjunction with agreements on acquisitions.

Impact of IFRS 16 Leases

The implementation of the new lease standard, IFRS 16 *Leases*, had a material impact on several financial key figures for the Ratos group. No comparative figures for 2018 have been recalculated. The report contains certain key figures where the figures for 2019 are presented excluding the effect of IFRS 16 in order to facilitate a better year-on-year comparison. For further details, refer to Note 1 Accounting principles and Note 10 Effect of IFRS 16.

Dividend policy

The Ratos share should be characterized by steadily increasing dividends over time linked to an increasing profit and a stable financial position. The Board of Directors makes the assessment that with a dividend share of 30–50 percentage of profit after tax attributable to the parent company's owners, these conditions are safeguarded.

Key figures for Ratos's share

MSEK	Q1 2019	Q1 2018	Full Year 2018
Key figures per share ¹⁾			
Total return, %	-19	-9	-30
Dividend yield, %			2.1
Market price, SEK	18.83	32.54	23.28
Dividend, SEK			0.50
Equity attributable to owners of the parent company, SEK ²⁾	27.43	30.69	27.27
Basic earnings per share, SEK ³⁾	-0.35	-0.47	-1.40
Diluted earnings per share, SEK ³⁾	-0.35	-0.47	-1.40
Average number of ordinary shares outstanding:			
– before dilution	319,014,634	319,014,634	319,014,634
– after dilution	319,424,669	319,014,634	319,424,669
Total number of registered shares	324,140,896	324,140,896	324,140,896
Number of shares outstanding	319,014,634	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	234,377,574	234,377,574	234,377,574

¹⁾ Relates to Class B shares unless specified otherwise.

²⁾ Equity attributable to owners of the parent company, divided by the number of ordinary shares outstanding, at the end of the period.

³⁾ For definition refer to page 28.

Financial statements

Consolidated income statement

MSEK	Q1 2019	Q1 2018	Full Year 2018
Net sales	5,505	4,911	23,125
Other operating income	20	23	115
Cost of goods and services sold	-3,050	-2,637	-12,957
Employee benefit costs	-1,580	-1,521	-6,107
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-290	-126	-1,167
Other costs	-599	-732	-3,010
Capital gain/loss from group companies		26	104
Impairment and capital gain from investments recognised according to the equity method		8	44
Share of profit/loss from investments recognised according to the equity method ¹⁾	23	9	133
Operating profit/loss	27	-39	281
Financial income	20	8	62
Financial expenses	-141	-120	-450
Net financial items	-121	-112	-388
Loss before tax	-94	-151	-107
Tax	10	26	-155
Loss for the period	-84	-125	-262
<i>Loss for the period attributable to:</i>			
Owners of the parent	-112	-149	-448
Non-controlling interests	28	25	186
Basic earnings per share, SEK	-0.35	-0.47	-1.40
Diluted earnings per share, SEK	-0.35	-0.47	-1.40

¹⁾ For the year 2018 tax regarding profit/loss from investments recognized according to the equity method has been reclassified from Tax to Share of profit/loss from investments recognised according to the equity method. Regarding full year 2018 the amount reclassified is -38 MSEK and regarding Q1 2018 -3 MSEK is reclassified. Loss for the period remains unchanged.

Consolidated statement of comprehensive income

MSEK	Q1 2019	Q1 2018	Full Year 2018
Loss for the period	-84	-125	-262
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit pension obligations, net			-15
Tax attributable to items that will not be reclassified to profit or loss			1
	0	0	-14
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation differences for the period	214	384	209
Change in hedging reserve for the period	-12	-14	-10
Tax attributable to items that may be reclassified subsequently to profit or loss	2	2	2
	204	372	201
Other comprehensive income for the period	204	372	187
Total comprehensive income for the period	120	248	-75
<i>Total comprehensive income for the period attributable to:</i>			
Owners of the parent	64	137	-307
Non-controlling interest	57	111	232

Summary consolidated statement of financial position

MSEK	2019-03-31	2018-03-31	2018-12-31
ASSETS			
Non-current assets			
Goodwill	11,651	12,007	11,274
Other intangible non-current assets	1,821	1,738	1,761
Property, plant, equipment and right-of-use assets ¹⁾	5,641	1,716	1,586
Financial assets	1,177	1,401	1,213
Deferred tax assets	559	573	486
Total non-current assets	20,849	17,435	16,320
Current assets			
Inventories	1,329	1,223	1,060
Current receivables	4,395	3,681	4,020
Cash and cash equivalents	2,840	3,805	3,404
Total current assets	8,563	8,709	8,483
Total assets	29,413	26,144	24,803
EQUITY AND LIABILITIES			
Equity including non-controlling interests	10,592	11,794	10,630
Non-current liabilities			
Interest-bearing liabilities ¹⁾	8,860	5,493	4,938
Non-interest bearing liabilities	262	364	456
Pension provisions	534	504	524
Other provisions	23	22	21
Deferred tax liabilities	458	559	429
Total non-current liabilities	10,137	6,942	6,368
Current liabilities			
Interest-bearing liabilities ¹⁾	2,108	1,502	1,591
Non-interest bearing liabilities	6,013	5,207	5,509
Provisions	563	699	705
Total current liabilities	8,684	7,408	7,805
Total equity and liabilities	29,413	26,144	24,803

¹⁾ Refer to Note 1 for the description of IFRS 16 Leasing and the effect on the consolidated statement of financial position.

Summary statement of changes in consolidated equity

MSEK	2019-03-31			2018-03-31			2018-12-31		
	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
Opening equity	8,701	1,929	10,630	9,660	1,886	11,546	9,660	1,886	11,546
Adjustment ¹⁾	-16	-2	-18				-29	-17	-46
Adjusted equity	8,685	1,927	10,612	9,660	1,886	11,546	9,631	1,869	11,500
Total comprehensive income for the period	64	57	120	137	111	248	-307	232	-75
Dividends		-75	-75				-638	-42	-680
Non-controlling interests' share of capital contribution and new issue		15	15					9	9
The value of the conversion option of the convertible debentures							2		2
Option premiums				-0		-0	1		1
Put options, future acquisitions from non-controlling interests	-26	68	42	-9		-9	8	-114	-106
Acquisition of shares in subsidiaries from non-controlling interests	29	-150	-121	-0		-0	3	-15	-12
Disposal of shares in subsidiaries to non-controlling interests				0	1	1	1	5	6
Non-controlling interests at acquisition					9	9		0	0
Non-controlling interests in disposals								-15	-15
Closing equity	8,751	1,841	10,592	9,788	2,006	11,794	8,701	1,929	10,630

¹⁾ Pertains to adjustment of changed valuation of associated company to Aibel, reclassified from assets held for sale to investments recognised according to the equity method. 2019 relates to the change of accounting principles regarding IFRS 16 Leasing.

Consolidated statement of cash flows

MSEK	Q1 2019	Q1 2018	Full Year 2018
Operating activities			
Operating profit/loss	27	-39	281
Adjustment for non-cash items	253	104	1,080
	280	65	1,362
Income tax paid	-95	-79	-147
Cash flow from operating activities before change in working capital	185	-14	1,215
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-246	-192	-73
Increase (-)/Decrease (+) in operating receivables	-248	-320	-730
Increase (+)/Decrease (-) in operating liabilities	270	202	321
Cash flow from operating activities	-40	-324	732
Investing activities			
Acquisition, group companies	-200	-71	-82
Disposal, group companies		-4	92
Acquisitions, investments recognised according to the equity method			-0
Disposals, investments recognised according to the equity method		8	233
Purchase and disposal, intangible assets/property, plant and equipment	-117	-119	-510
Investments and disposal, financial assets	-1	0	1
Received interest	6	3	10
Cash flow from investing activities	-312	-183	-256
Financing activities			
Non-controlling interests' share of issue/capital contribution	15		9
Option premiums paid	2	2	7
Repurchase/final settlements options	-2	-2	-10
Acquisition and disposal of shares in subsidiaries from non-controlling interests	-3	-3	-11
Dividends paid			-638
Dividends paid, non-controlling interests			-55
Borrowings	634	590	2,542
Amortisation of loans	-628	-132	-2,475
Paid interest	-133	-74	-301
Amortisation of financial lease liabilities	-166	-7	-31
Cash flow from financing activities	-282	375	-962
Cash flow for the period	-634	-132	-485
Cash and cash equivalents at the beginning of the year	3,404	3,881	3,881
Exchange differences in cash and cash equivalents	71	56	7
Cash and cash equivalents at the end of the period	2,840	3,805	3,404

Parent company income statement

MSEK	Q1 2019	Q1 2018	Full Year 2018
Other operating income	1	1	22
Administrative expenses	-49	-51	-132
Depreciation of property, plant and equipment	-1	-1	-4
Operating loss	-48	-50	-114
Gain from sale of participating interests in group companies			614
Dividends from group companies	175		114
Impairment of shares in group companies		-26	-836
Result from other securities and receivables accounted for as non-current assets			2
Other interest income and similar profit/loss items	9	8	12
Interest expenses and similar profit/loss items	-1	-11	-29
Profit/loss after financial items	134	-80	-239
Tax	0		0
Profit/loss for the period	134	-80	-239

Parent company statement of comprehensive income

MSEK	Q1 2019	Q1 2018	Full Year 2018
Profit/loss for the period	134	-80	-239
Other comprehensive income			
Change in fair value reserve for the period		-7	-7
Other comprehensive income for the period		-7	-7
Total comprehensive income for the period	134	-86	-245

Summary parent company balance sheet

MSEK	2019-03-31	2018-03-31	2018-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	58	60	59
Financial assets	7,343	8,248	6,931
Receivables from group companies	5	9	5
Total non-current assets	7,406	8,317	6,995
Current assets			
Current receivables	38	22	21
Receivables from group companies	177	2	5
Cash and cash equivalents	1,140	2,174	1,734
Total current assets	1,355	2,198	1,760
Total assets	8,762	10,515	8,755
EQUITY AND LIABILITIES			
Equity	8,019	8,679	7,885
Non-current liabilities			
Interest-bearing liabilities, group companies	578	312	572
Non-interest bearing liabilities	7	9	6
Interest-bearing liabilities	41	37	48
Convertible debentures	17		16
Total non-current liabilities	642	358	643
Current provisions	5	155	140
Current liabilities			
Interest-bearing liabilities, group companies		12	
Interest-bearing liabilities	0		0
Non-interest bearing liabilities, group companies	33	1,250	33
Non-interest bearing liabilities	62	62	53
Total current liabilities	95	1,324	87
Total equity and liabilities	8,762	10,515	8,755

Summary statement of changes in parent company's equity

MSEK	2019-03-31	2018-03-31	2018-12-31
Opening equity	7,885	8,765	8,765
Comprehensive income for the period	134	-86	-245
Dividends			-638
The value of the conversion option of the convertible debentures			2
Option premiums			2
Closing equity	8,019	8,679	7,885

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. As of 2019, Ratos applies IFRS 16 *Leases*. In all other respects, the reporting and measurement principles are unchanged compared with those applied in Ratos's 2018 Annual Report.

Changed accounting principles due to new IFRS 16 Leases

IFRS 16 Leases has replaced IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease and related rules as of 2019. Under the new standard, the lessee is required to recognise all contracts that meet the definition of a lease as a right-of-use asset and financial liability in the statement of financial position. The standard entails no difference for the lessee between operating and finance leases. Leases that previously comprised operating leases will now be recognised in the balance sheet, which entails that expenses previously reported as operating expenses corresponding to the lease payments for the period have now been replaced by depreciation and interest expense in profit or loss. Payments for short-term leases and low-value leases will be expensed on a straight-line basis in profit or loss. Short-term leases are leases with a term of 12 months or less. For the Ratos Group's financial statements, this has entailed improved operating profit before depreciation and amortisation, higher depreciation, weaker net financial items and increased total assets. Cash flow from leases has been moved from operating activities to financing activities (amortisation and interest paid). With the application of IFRS 16, the total lease cost is normally higher in the first few years of a lease, and then later diminishes over time. This is because the interest expense decreases over time as the lease liability is amortized.

Ratos has chosen to apply the modified retrospective approach during the transition to IFRS 16 using the practical provided in the standard. This means the accumulated effect of the application of IFRS 16 will be recognised in retained earnings in the opening balance as of 1 January 2019 without restating comparative figures. The comparative figures for 2018 in this interim report are thus based on earlier policies and are only restated for figures where specified. Leases that are of a low value as well as leases with a term of 12 months or less, referred to as short-term leases, or that end within 12 months from the transition date, will not be included in the lease liability but rather will continue to be expensed on a straight-line basis during the lease term. The Group has chosen to measure the opening lease liability and opening right-of-use asset for most of its leases at the same amount as of 1 January 2019, with the right-of-use asset adjusted for prepaid lease payments recognised in the balance sheet as of 31 December 2018. For leases classified as finance leases in accordance with IAS 17, the carrying amount for the right-of-use asset and lease liability according to IFRS 16 will, as of 1 January 2019, correspond to the carrying amount of the lease asset and lease liability in accordance with IAS 17 immediately prior to the transition to IFRS 16. For loss-making agreements, the Group has chosen to reduce the value of the right-of-use asset by the amount recognised as provisions as of 31 December 2018. The effect on equity is therefore limited. When determining the value of the right-of-use assets and financial lease liability, the most critical assessments are the following:

- Lease payments have been discounted by the incremental borrowing rate. The change in Plantasjen's interest-bearing liability for 70% of the Group's change. Plantasjen has used an incremental borrowing rate of 4.1%–6.7%.
- Options to extend and terminate contracts have been taken into account for the leases when it is considered reasonably certain that these will be exercised.

- Historical information has been used when assessing the term of a lease in cases when an option exists to extend or terminate a contract.

The transition effect for the Ratos Group concerning IFRS 16

MSEK	2018-12-31	Effect of change in accounting principle	2019-01-01
ASSETS			
Right-of-use assets	496	4,021	4,517
Deferred tax assets	0	4	4
Current receivables	0	-13	-13
TOTAL ASSETS	496	4,012	4,508
EQUITY AND LIABILITIES			
Equity	-187	-17	-205
Financial leasing liability (interest-bearing)	683	4,181	4,864
Provisions	0	-151	-151
TOTAL EQUITY AND LIABILITIES	496	4,012	4,508

See also Note 10 for further details about how the result for the period and interest-bearing net debt have been affected by IFRS 16.

Note 2 Risks and uncertainties

Ratos is an investment company that acquires, develops and divests unlisted companies in the Nordic countries.

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. Ratos's future earnings development is dependent to a large extent on the success and returns of the underlying companies which is also dependent, among other things, on how successful those company executives and each company's management group and board are at developing and implementing value-enhancing initiatives.

Ratos is also exposed to various types of financial risks, primarily related to loans, trade receivables, trade payables and derivative instruments. The financial risks consist of liquidity risk, interest rate risk, credit risk and currency risk.

It is also essential that Ratos has the ability to attract and retain employees with the right skills and experience.

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 2018 Annual Report.

Note 3 Alternative performance measures

Reconciliations between alternative performance measures (APM) and IFRS

Due to the nature of Ratos's operations – acquisition and development of companies – differences may arise in the structure of the Group between periods. Accordingly, consolidated sales, earnings, cash flow and financial position may vary significantly from period to period as a result of differences in the composition of the companies. Moreover, earnings from company divestments normally arise at irregular intervals, generating significant non-recurrent effects. To facilitate a comparison between periods and enable follow-up of the ongoing earnings and performance of the companies, Ratos presents certain financial information that is not defined in accordance with IFRS – APM i.e. alternative performance measures. The tables displayed with a tinged background are APM.

This information is intended to give the reader a better opportunity to evaluate Ratos's investments and should be regarded as a complement to financial information for the Group.

The following reconciliations and accounts pertain to components included in the alternative performance measures used in this report. Definitions are available at www.ratos.se and on page 28. See Note 10 for a summary of IFRS 16's effect on EBITDA, EBITA, profit/loss before tax and interest-bearing net debt for the period adjusted for holdings and pertaining to the current company portfolio.

Net sales

MSEK	Q1 2019	Q1 2018	Full Year 2018
Net sales in the portfolio, Ratos's holding	5,207	4,530	21,522
Net sales in subsidiaries, holding not owned by Ratos	1,078	940	4,229
Subsidiaries divested during current year		70	70
Investments recognised according to the equity method	-779	-629	-2,695
Consolidated net sales, IFRS	5,505	4,911	23,125

EBITDA and EBITA

MSEK	Q1 2019	Q1 2018	Full Year 2018
EBITDA in the portfolio, excluding IFRS 16, Ratos's holding ¹⁾	138	77	1,291
Depreciation and impairment, excluding IFRS 16	-94	-96	-465
EBITA in the portfolio, excluding IFRS 16, Ratos's holding ¹⁾	44	-19	825
Change in holding		4	3
EBITA from subsidiaries divested during the year		1	10
Earnings in the company portfolio	44	-14	838
IFRS 16 effect on EBITA, Ratos's holding	30		
EBITA in subsidiaries, holding not owned by Ratos	43	47	238
Exit gain from portfolio companies		26	62
Investments recognised according to the equity method	-30	-27	-85
Income and expenses in the parent company and central companies	-47	-52	-114
Consolidated EBITA, IFRS	40	-21	940

¹⁾ Excluding IFRS 16 means that leases are reported according to the IFRS standards applicable up to and including 2018.

Cash flow from operations

MSEK	Q1 2019	Q1 2018	Full Year 2018
Cash flow from operations in portfolio, Ratos's holding	-46	-377	341
Cash flow from operations, holding not owned by Ratos	48	13	181
Cash flow from operations, holdings divested during current year		-31	-22
Investments recognised according to the equity method	-14	84	31
Acquisitions and disposals, intangible assets/property, plant and equipment	117	119	510
Income tax paid	-95	-79	-147
Attributable to the parent company	-48	-51	-45
Eliminations	-3	-2	-116
Cash flow from operating activities, IFRS	-40	-324	732

Interest-bearing net debt

MSEK	2019-03-31	2018-03-31	2018-12-31
Ratos portfolio, total interest-bearing net debt, Ratos's holding, excluding IFRS 16 ¹⁾	5,884	6,116	5,647
Interest-bearing net debt in subsidiaries, holding not owned by Ratos	816	601	488
Increase in liability due to implementation of IFRS 16	4,301		
Investments recognised according to the equity method	-1,293	-855	-861
Attributable to the parent company and central companies	-1,135	-2,254	-1,725
Consolidated interest-bearing net debt, IFRS	8,572	3,609	3,549
Consolidated interest-bearing net debt, MSEK	2019-03-31	2018-03-31	2018-12-31
Non-current interest-bearing liabilities	8,860	5,493	4,938
Current interest-bearing liabilities	2,108	1,502	1,591
Provisions for pensions	534	504	524
Interest-bearing assets	-90	-85	-100
Cash and cash equivalents	-2,840	-3,805	-3,404
Consolidated interest-bearing net debt, IFRS	8,572	3,609	3,549

¹⁾ Excluding IFRS 16 means that leases are reported according to the IFRS standards applicable up to and including 2018.

Note 4 Acquired businesses

Acquisition of shares from non-controlling interests

Ratos acquired the remaining shares (40%) in the subsidiary Trial Form Support International AB (TFS) from partner and founder Daniel Spasic for an equity value of EUR 11m. After the acquisition, Ratos's ownership share totals 100%.

Acquisitions within subsidiaries

During the quarter, airteam acquired Creivent AB and Thorszelius Ventilation & Service AB, leading installers of climate and ventilation solutions in the Stockholm and Uppsala regions. Pro forma sales in 2017 for both companies amounted to approximately SEK 235m and adjusted EBITA to SEK 24m.

Note 5 Operating segments

	Net sales			EBITA ^{1) 2)} and Operating profit/loss		
	Q1 2019	Q1 2018	Full Year 2018	Q1 2019	Q1 2018	Full Year 2018
MSEK						
Aibel				21	8	121
airteam	235	183	918	4	10	89
HENT	2,123	1,786	8,394	24	66	155
Speed Group	169	145	738	-2	-4	-12
Total Construction & Services	2,527	2,113	10,050	47	80	353
Bisnode	927	892	3,690	63	65	464
Kvdbil	91	71	332	5	-8	8
Oase Outdoors	172	141	421	28	25	36
Plantasjen	616	576	4,233	-185	-212	77
Total Consumer & Technology	1,806	1,680	8,676	-88	-130	585
Diab	439	357	1,496	38	3	-155
HL Display	400	374	1,554	31	21	96
LEDiL	110	117	439	27	34	109
TFS	223	199	841	2	-7	-6
Total Industry	1,172	1,048	4,330	99	51	43
Total companies in portfolio, all reported periods	5,505	4,842	23,056	58	1	981
Gudrun Sjødén Group					0	10
Jøtul		70	70		0	0
Total, companies divested during reported periods		70	70		1	10
Total Net sales and EBITA, companies in portfolio	5,505	4,911	23,125	58	2	992
Gudrun Sjødén Group						36
Jøtul					26	26
Total exit gains					26	62
IFRS 16 effect				30		
Total EBITA, Group companies				87	28	1,054
Income and expenses in parent company and central companies				-47	-49	-114
Consolidated EBITA				40	-21	940
Amortisation and impairment of intangible assets in connection with company acquisitions				-13	-18	-659
Consolidated operating profit/loss				27	-39	281

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 for the period. For 2018, tax regarding to subsidiaries reported according to the equity method, has been moved from taxes to operating profit/loss.

²⁾ EBITA for portfolio companies are reported excluding IFRS 16 effect for 2019.

MSEK	Consolidated value ¹⁾		
	2019-03-31	2018-03-31	2018-12-31
Aibel	651	730	725
airteam	454	404	443
Bisnode	2,032	2,003	2,156
Diab	698	629	454
Gudrun Sjärdén Group		185	
HENT	446	471	413
HL Display	655	592	621
Kvdbil	485	369	481
LEDiL	515	456	495
Oase Outdoors	196	177	188
Plantasjen	628	1,144	575
Speed Group	270	292	278
TFS	413	225	246
Total	7,443	7,677	7,074
Other net assets in the parent company and central companies ²⁾	1,308	2,112	1,627
Equity (attributable to the owners of the parent company)	8,751	9,789	8,701

Of the increase in consolidated value compared with 31 December 2018, approximately SEK 100m consists of currency effects.

¹⁾ The companies are shown at their consolidated value, which correspond to the Group's share of the holdings' equity, any residual values on consolidated surplus and deficit values minus any intra-group profits. Shareholder loans are also included.

²⁾ Of which, cash and cash equivalents in the parent company account for SEK 1,140m (2,174)

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 31 March 2019, the total value of financial instruments measured at fair value in accordance with level three was SEK 459m (475 at 31 December 2018). This change was attributable to the remeasurement of synthetic options, additional put option and additional contingent consideration.

In the statement of financial position at 31 March 2019, the net value of derivatives amounted to SEK -4m (12), of which SEK 4m (17) was recognised as an asset and SEK 8m (5) as a liability.

Note 7 Goodwill

Goodwill changed during the period as shown below.

MSEK	Accumulated cost	Accumulated impairment	Total
Opening balance 1 January 2018	12,987	-1,713	11,274
Business combinations	168		168
Translation differences for the year	240	-30	210
Closing balance 31 December 2018	13,395	-1,743	11,651

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 2018 Annual Report. The parent company has no pledged assets. The parent company has contingent liabilities to subsidiaries and associates amounting to SEK 794m (277). The parent company provided a capital guarantee for borrowing in TFS. In addition, the parent company guarantees that Medcro Intressenter AB and Outdoor Intressenter AB will fulfil their obligations in connection with the acquisition of TFS and Oase Outdoors, respectively. The parent company also guarantees that Sophion Holding AB and EMaint AB will fulfil their obligations in connection with the divestment of Sophion Bioscience and Euromaint, respectively.

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.

MSEK	Financial income	Other income	Capital contribution	Dividend
2019 Q1	0		427	175
2018 Q1				
2018 Full Year	4	5	120	114

MSEK	Receivable	Provision	Liability	Contingent liability
2019-03-31	182		611	794
2018-03-31	11	119	1,574	277
2018-12-31	10	135	606	603

During the quarter, Ratos provided a contribution of SEK 207m to Plantasjen and SEK 220m to Diab.

Note 9 Exchange rates

Exchange rates, average

SEK	Q1 2019	Q1 2018	Full Year 2018
Danish crowns, DKK	1.396	1.338	1.376
Euro, EUR	10.417	9.964	10.257
Norwegian crowns, NOK	1.069	1.034	1.069

Exchange rates, closing

SEK	2019-03-31	2018-03-31	2018-12-31
Danish crowns, DKK	1.396	1.381	1.376
Euro, EUR	10.422	10.293	10.275
Norwegian crowns, NOK	1.075	1.063	1.024

Note 10 Effect of IFRS 16

Summary of the effect of IFRS 16 *Leases* on the current company portfolio adjusted for holdings.

MSEK	Q1	
	Including IFRS 16	Excluding IFRS 16
EBITDA	340	138
EBITA	75	44
Loss before tax	-97	-72
Interest-bearing net debt, end of period	10 185	5 884

Definitions

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.

EBITDA

(Earnings Before Interest, Tax, Depreciation and Amortisation). EBITA with depreciation, amortisation and impairment reversed.

EBITDA margin

EBITDA 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.

Consolidated value

The Group's share of the company's equity, any residual consolidated surplus and deficit values minus any intra-Group profits. In addition, shareholder loans and capitalised interest on such loans are included.

Organic growth

Growth adjusted for company acquisitions and divestments.

Last 12-month period

The most recent 12 months.

Portfolio performance measures

The following performance measures are presented for Ratos's company portfolio – both for the companies in their entirety (100% of the holdings in the companies) regardless of Ratos's holding and adjusted for the size of Ratos's holding in each company.

- *Net sales in the portfolio* – Net sales for the entire current period and comparative periods in the companies included in the portfolio at the end of the reporting period.
- *EBITDA in the portfolio* – Operating profit before depreciation and amortisation, in the companies included in the portfolio at the end of the reporting period.
- *EBITA in the portfolio* – Operating profit for the entire current period and comparative periods in the companies included in the portfolio at the end of the reporting period before impairment of goodwill as well as amortisation and impairment of other intangible assets arising in conjunction with company acquisitions and equivalent transactions.
- *Earnings in the company portfolio* – Reported EBITA excluding IFRS 16, for relevant company portfolio and period.
- *Profit/loss before tax in the portfolio* – Profit or loss before tax in the companies included in the portfolio at the end of the reporting period.
- *Cash flow from operations* – Cash flow from operations, excluding paid tax and interest, but including investments

and divestments of intangible assets and property, plant and equipment, respectively.

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

The calculation of diluted earnings per share is based on consolidated profit for the year attributable to the owners of the parent company and on the weighted average number of shares outstanding during the year.

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 fixed-income assets and cash and cash equivalents.

Telephone conference

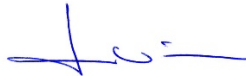
8 May at 10:00 a.m. +46 8 505 583 53

Financial calendar

2019

Interim report January–June	16 August
Interim report January–September	5 November

Stockholm, 8 May 2019
Ratos AB (publ)



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This report has not been reviewed by Ratos's auditors.

This is information that Ratos AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. CET on 8 May 2019.

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Ratos owns and develops unlisted medium-sized companies based in the Nordic countries. Our goal as an active owner is to contribute to long-term and sustainable development in the companies we invest in. Ratos is a listed company that invests capital from its balance sheet and therefore has a flexible ownership horizon. Ratos's 12 companies are divided into three business areas: Construction & Services, Consumer & Technology and Industry. In total, the companies have approximately 12,300 employees.

RATOS