

# Presentation Q1 2024

29 April 2024

# First quarter: A strong start to 2024 in a seasonally small quarter

Net sales  
flat  
SEK 7,825m



EBITA  
SEK 359m  
growth +11%

- EBITA +11%
- EBITA-margin 4.6% (4.1)
- EBITA growth in all Business Areas
- Calendar effect had a negative impact on Industrial Services
- Net sales flat at +0.1%, whereof organic -0.8%
- Cash flow of SEK -137m (507) related to fluctuations in working capital in the Construction segment
- Updated financial segment reporting



# Updated financial segment reporting

## Industry

### Industrial Services



### Product Solutions



## Construction & Services

### Critical Infrastructure



### Construction



## Consumer

### Consumer



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Diab

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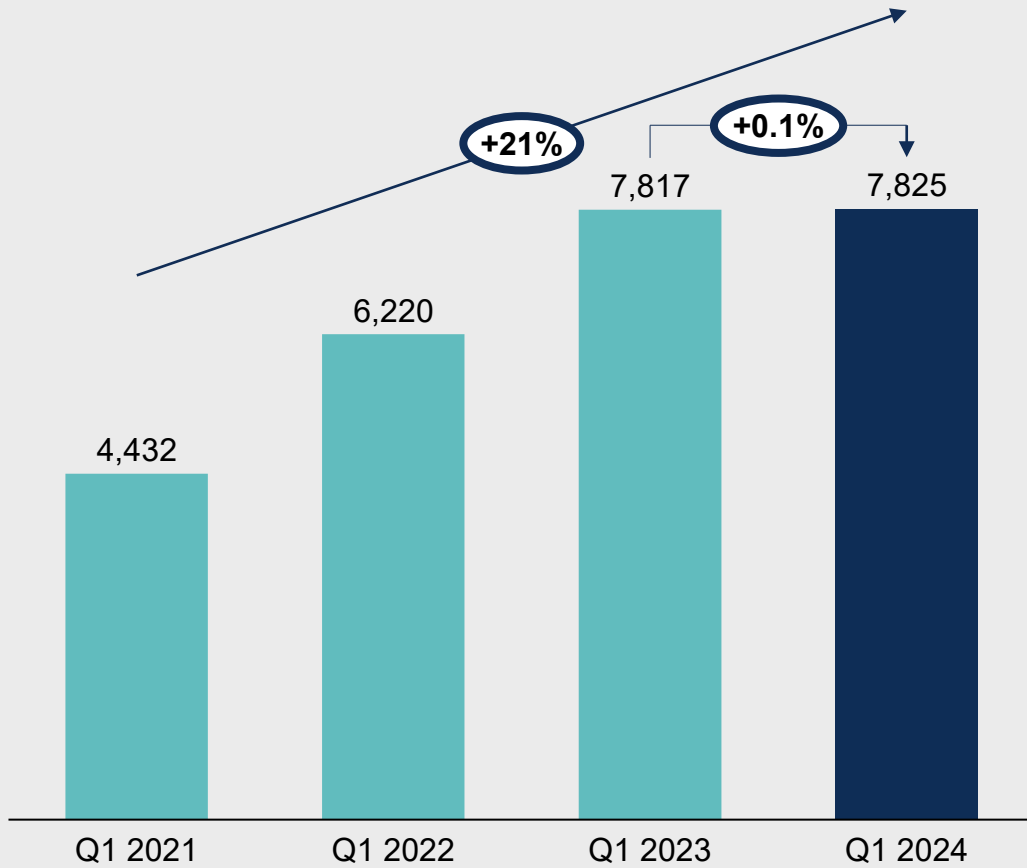
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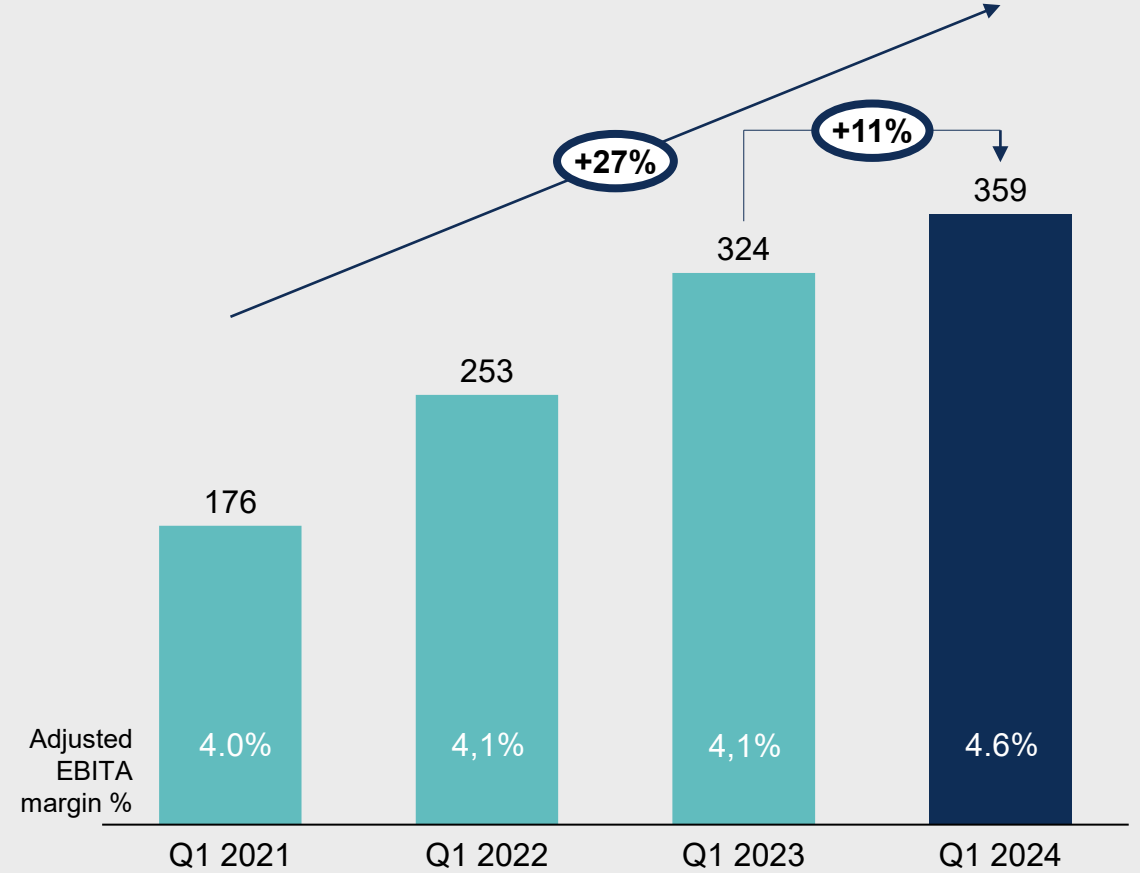
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# Group financials Q1 2024

## Net sales, SEKm



## Adjusted EBITA, SEKm





# Business Areas



# Ratos Group and Business areas

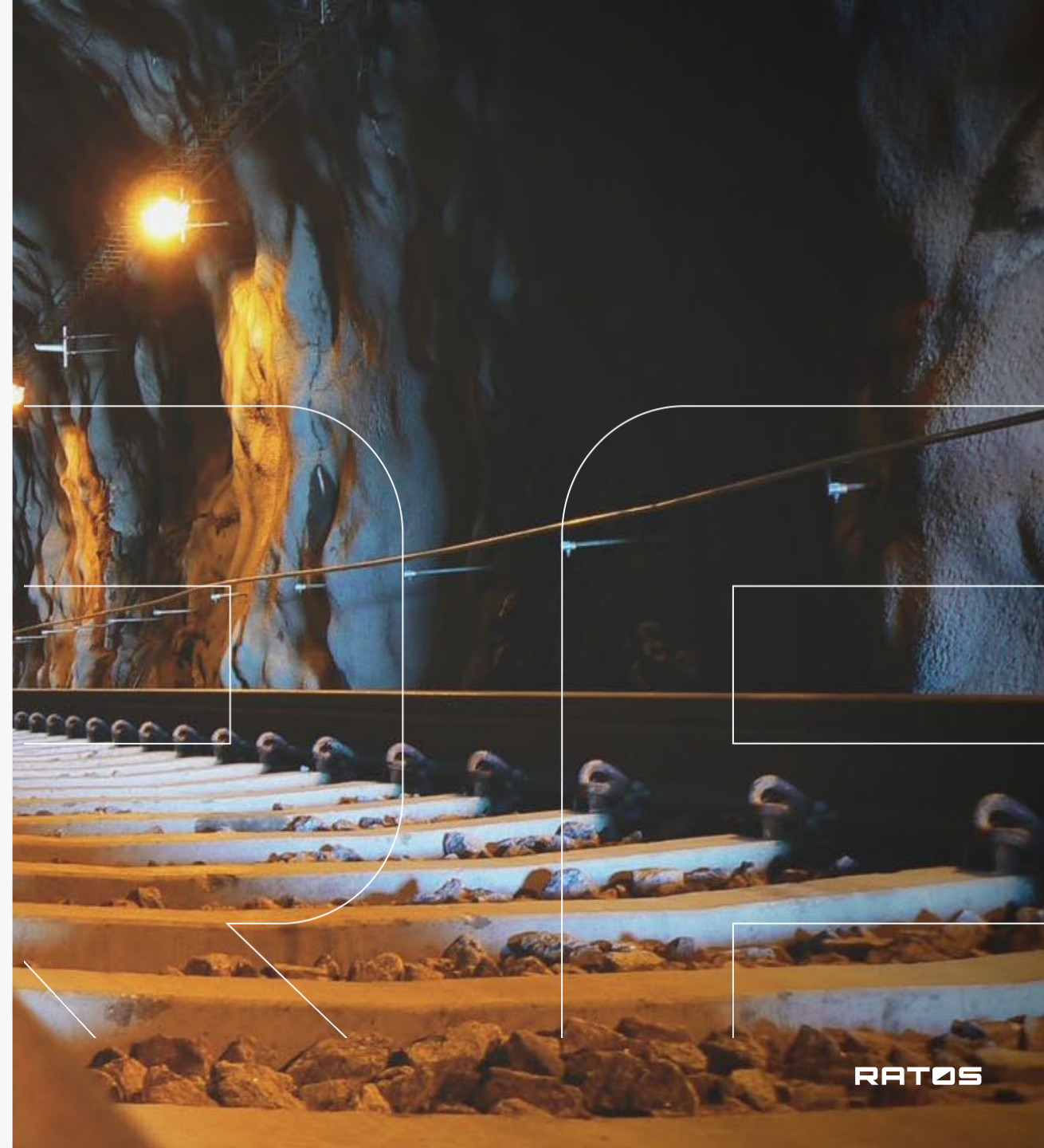
## Net sales, EBITA and EBITA-margin

Net sales, SEKm	Q1 2024	Q1 2023	Change %
Industry	2,714	2,728	-1%
Construction & Services	4,269	4,259	0%
Consumer	843	830	2%
Elimination of internal net sales	-2	-0	
<b>Net sales</b>	<b>7,825</b>	<b>7,817</b>	<b>0%</b>

EBITA, SEKm	Q1 2024	Q1 2023	Change %
Industry	307	303	1%
Construction & Services	297	284	5%
Consumer	-194	-213	9%
Group costs	-51	-50	-3%
<b>EBITA</b>	<b>359</b>	<b>324</b>	<b>11%</b>

EBITA-margin, %	Q1 2024	Q1 2023
Industry	11.3%	11.1%
Construction & Services	6.9%	6.7%
Consumer	-23.0%	-25.6%
<b>Ratos Group*</b>	<b>4.6%</b>	<b>4.1%</b>

\*Ratos Group's EBITA-margin also includes the parent company and central companies



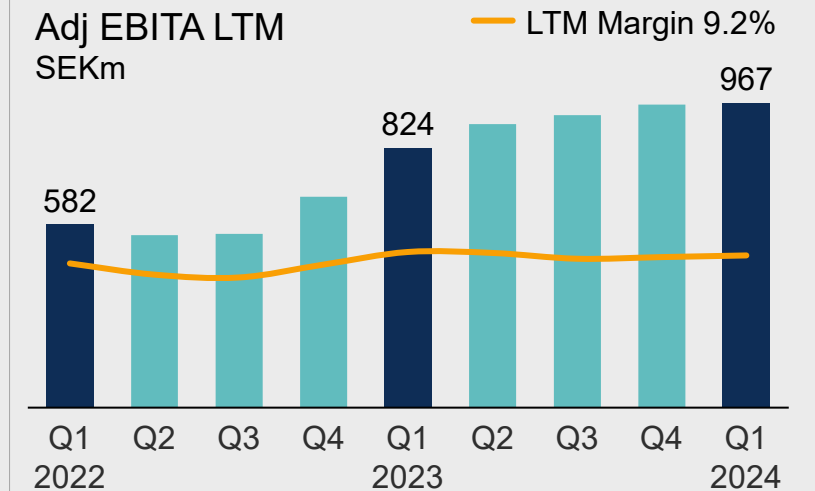
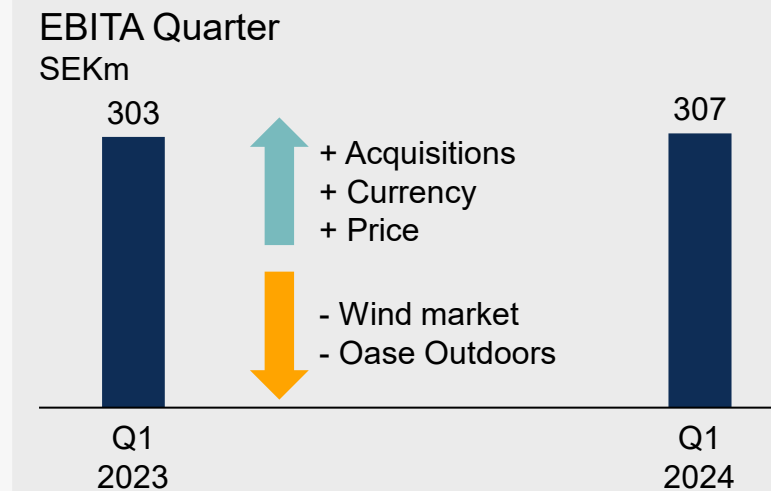
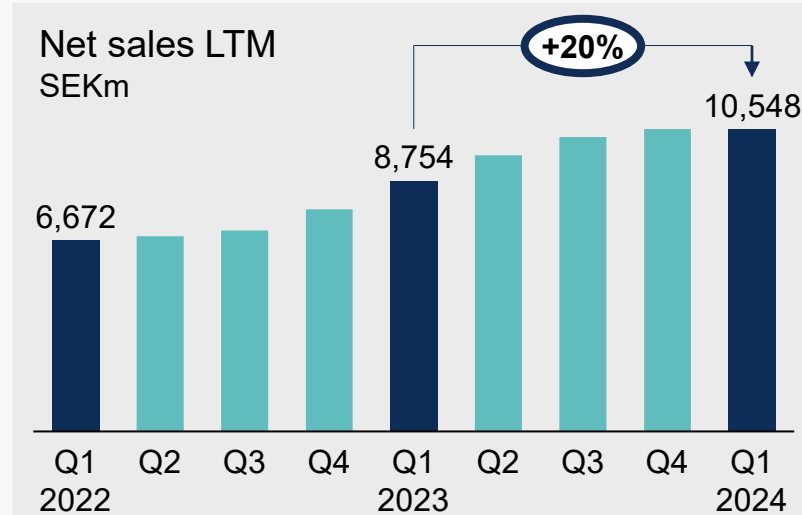
**RATOS**

# Industry: EBITA growth and EBITA-margin at 11.3%

Segments: Industrial Services and Product Solutions

## Comments

- Net sales decreased -0.5%, whereof -6.8% organic and 5,7% structural
- Low net sales in Diab, Oase Outdoors and Speed Group
- EBITA SEK 307m (303) affected by negative calendar effect
- Adjusted for the calendar effect EBITA increased +5%
- EBITA-margin 11.3% (11.1%) and LTM 9.2% (9.4%)
- Strong development in HL Display (despite restructuring cost of SEK 12m) and Diab



# Segment financials - Industry Q1 2024

## Industrial Services



Net sales SEK 1,416m (1,472), -4%  
*Share of total group sales 18%*

EBITA SEK 140m (146)

EBITA-margin 10% (10%)

EBITA adjusted for calendar effect SEK 153m, EBITA-margin 11%

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## Product Solutions



Net sales SEK 1,310m (1,256), +4%  
*Share of total group sales 17%*

EBITA SEK 168m (157)

EBITA-margin 13% (13%)

Diab

HL

LEDiL®

OASE  
OUTDOORS

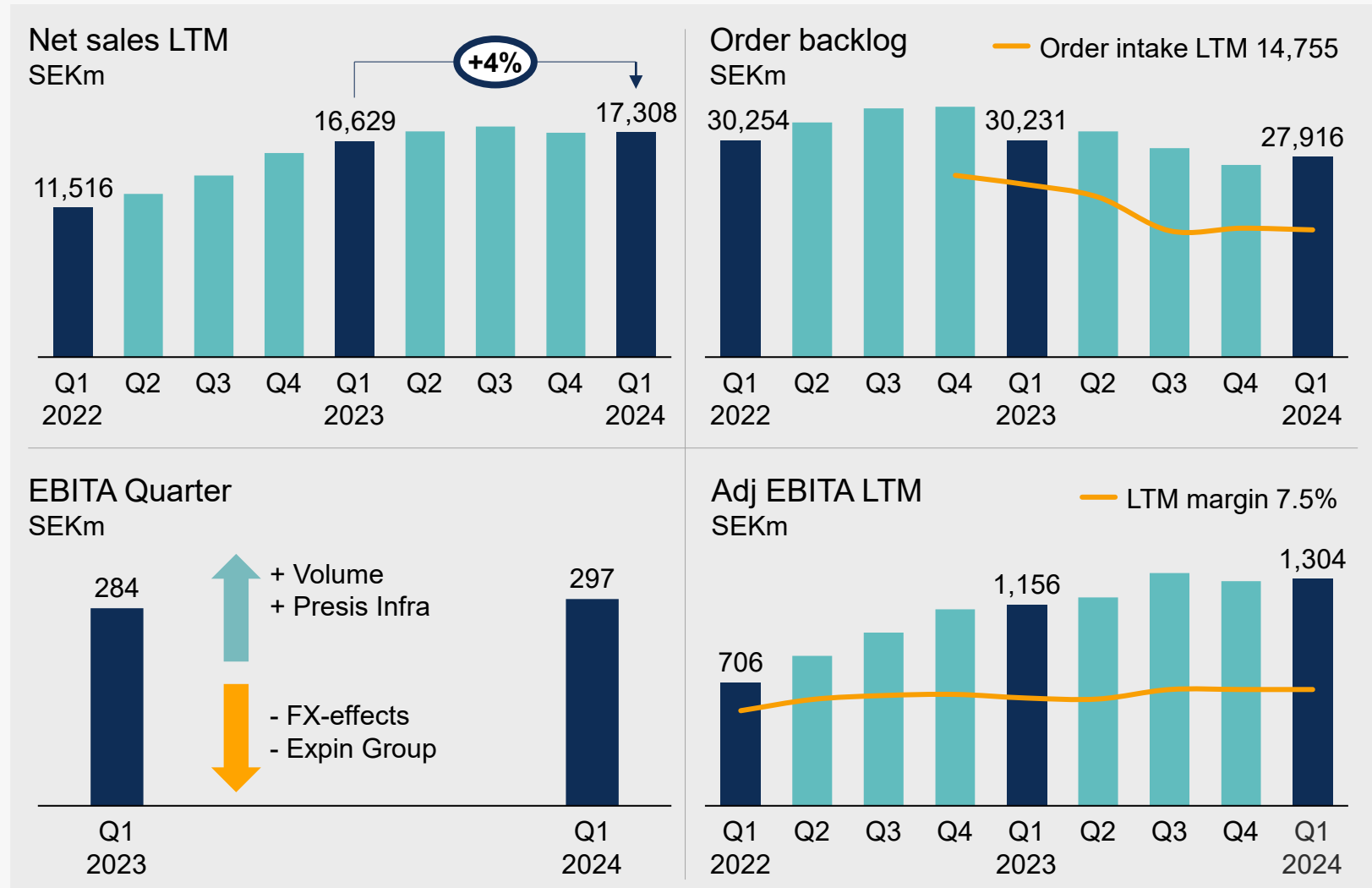


# Construction & Services: Continued top-line and EBITA growth

## Segments: Construction and Critical Infrastructure

### Comments

- Net sales growth 0.2%, whereof organic growth 2.4%
- Continued demanding construction market with tough tender competition
- EBITA SEK 297m (284), increase of 5%
- Adj EBITA margin increased to 6.9% (6.7%) and LTM 7.5% (6.9%)
- Presis Infra had a record-breaking quarter
- Order intake of SEK 4,679m (4,870) and order backlog of SEK 27,916m (30,231) excluding Aibel\*
- Good order pipeline



\* Aibel reported order intake SEK 6,052m (11,823) and order backlog SEK 33,836m (38,207)

# Segment financials – Construction & Services Q1 2024

## Critical Infrastructure



Net sales SEK 1,231m (900), +37%  
*Share of total group sales 16%*

EBITA SEK 164m (161)

EBITA-margin 13% (18%)

Order intake\* SEK 1,807m (798)

Order backlog\* SEK 8,699m (7,891)

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GROUP

**° PRECIS INFRA**

## Construction



Net sales SEK 3,039m (3,359), -10%  
*Share of total group sales 39%*

EBITA SEK 133m (123)

EBITA-margin 4% (4%)

Order intake SEK 2,871m (4,072)

Order backlog SEK 19,217m (22,340)

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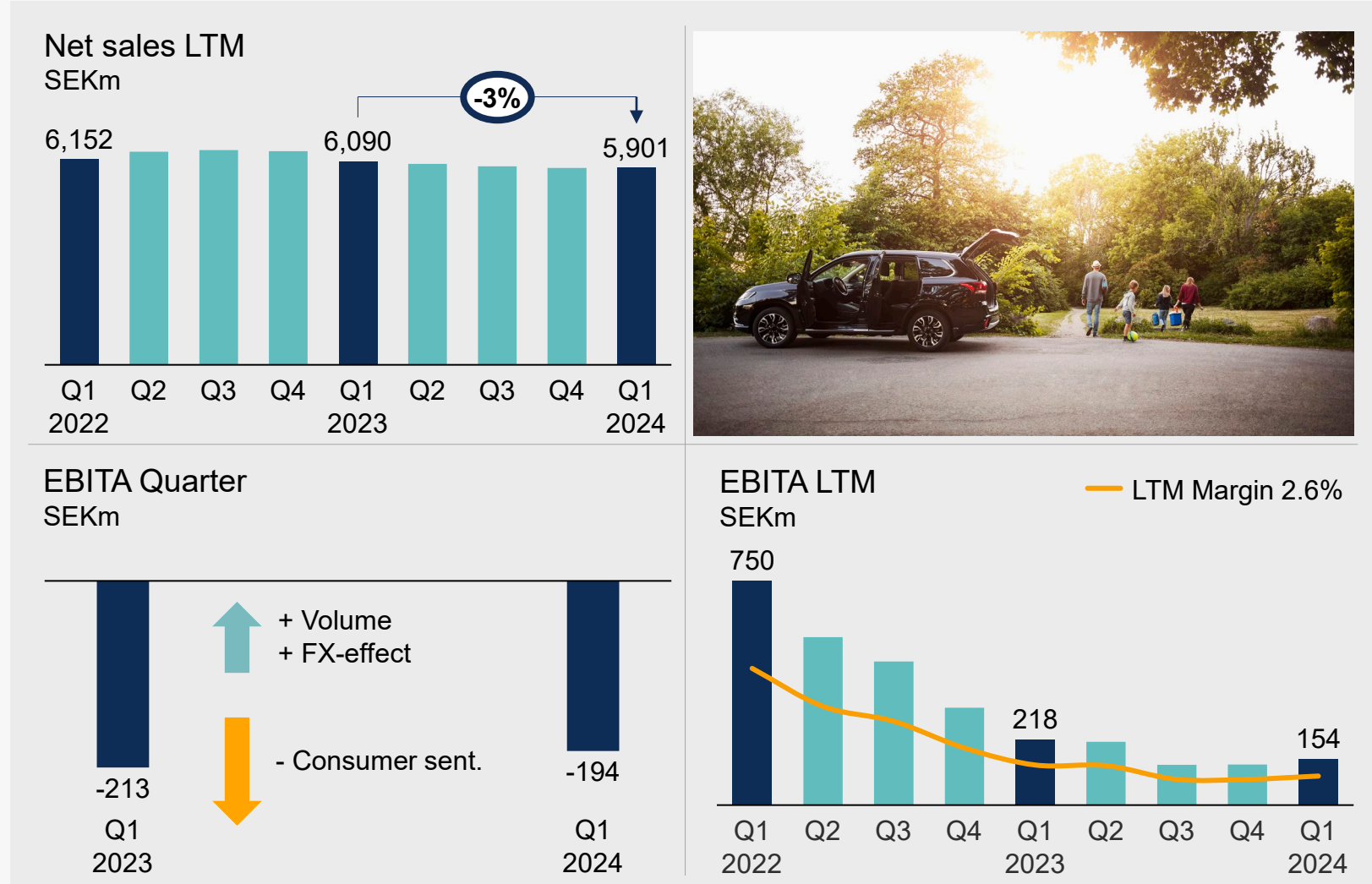
**SSEA**

# Consumer: Volume growth and EBITA improvement

## Segment: Consumer

### Comments

- Net sales increased 1.6%, whereof 2.7% organic, mainly driven by Plantasjen in a seasonally small quarter
- EBITA SEK -194m (-213), improvement of 9%
- EBITA-margin -23.0% (-25.6%) and LTM 2.6% (3.6%)
- Plantasjen's EBITA SEK -198m (-215), positively affected by higher volume
- Continued focus on reducing inventory in Plantasjen
- Continued good development in KVD

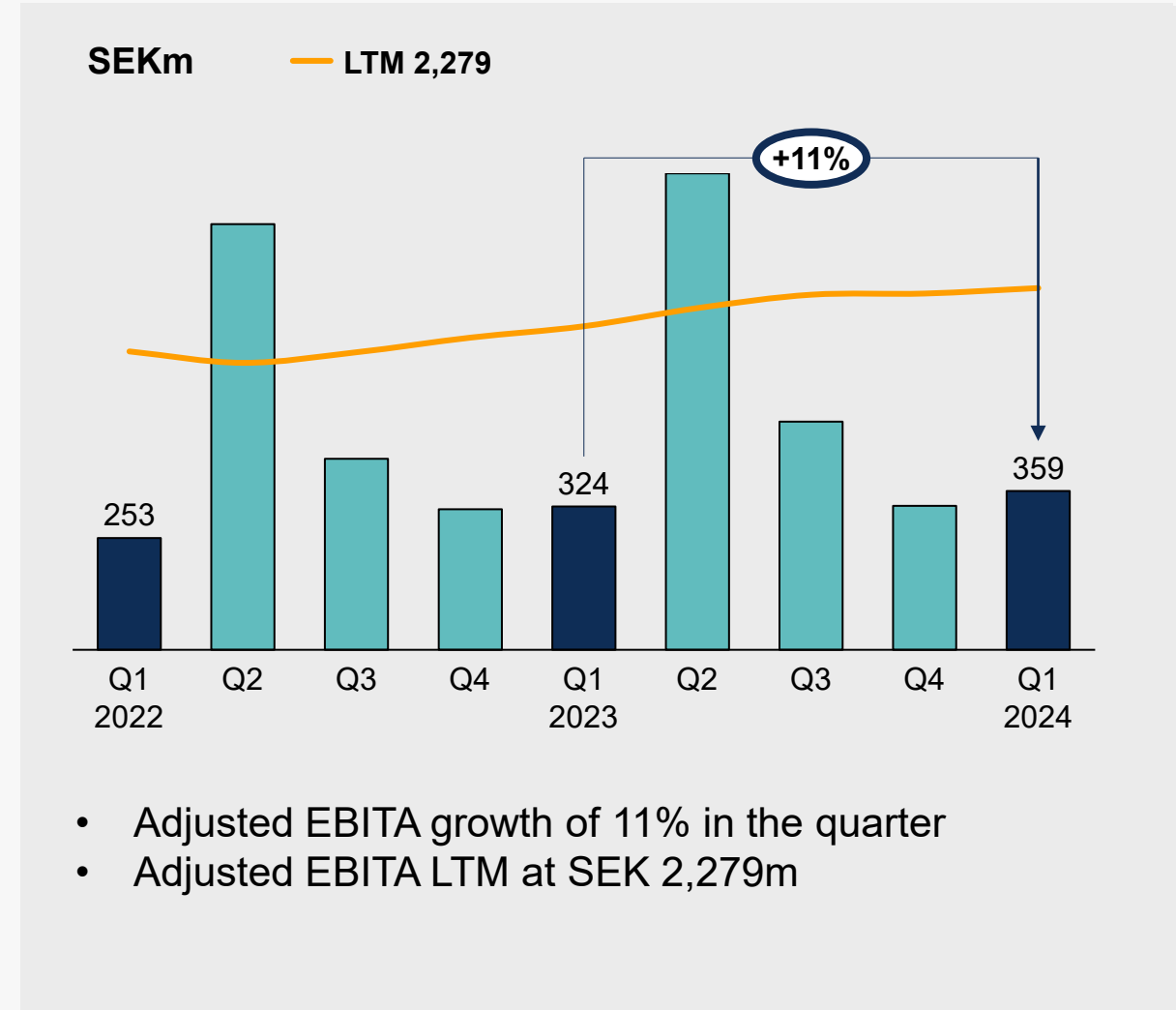
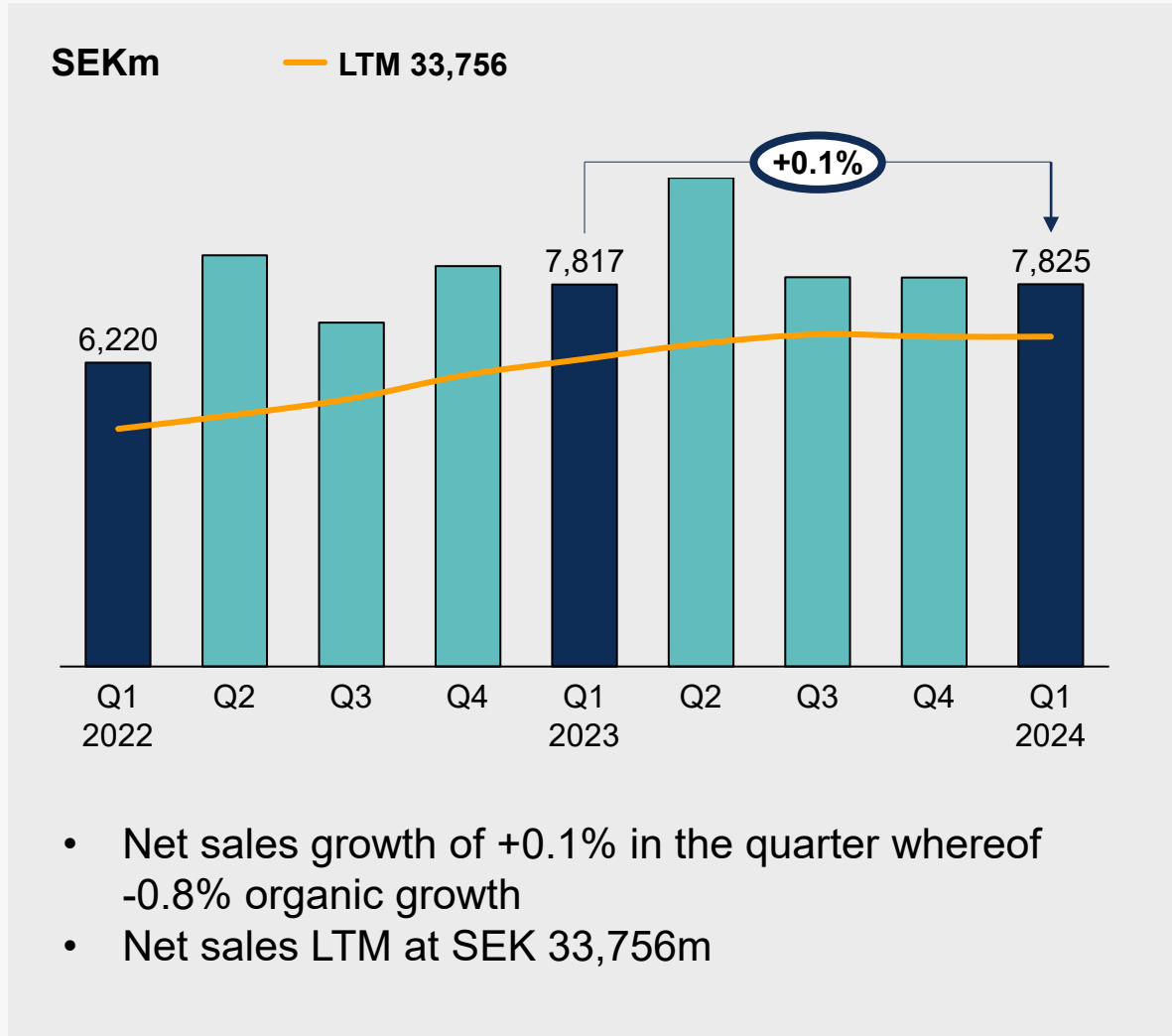




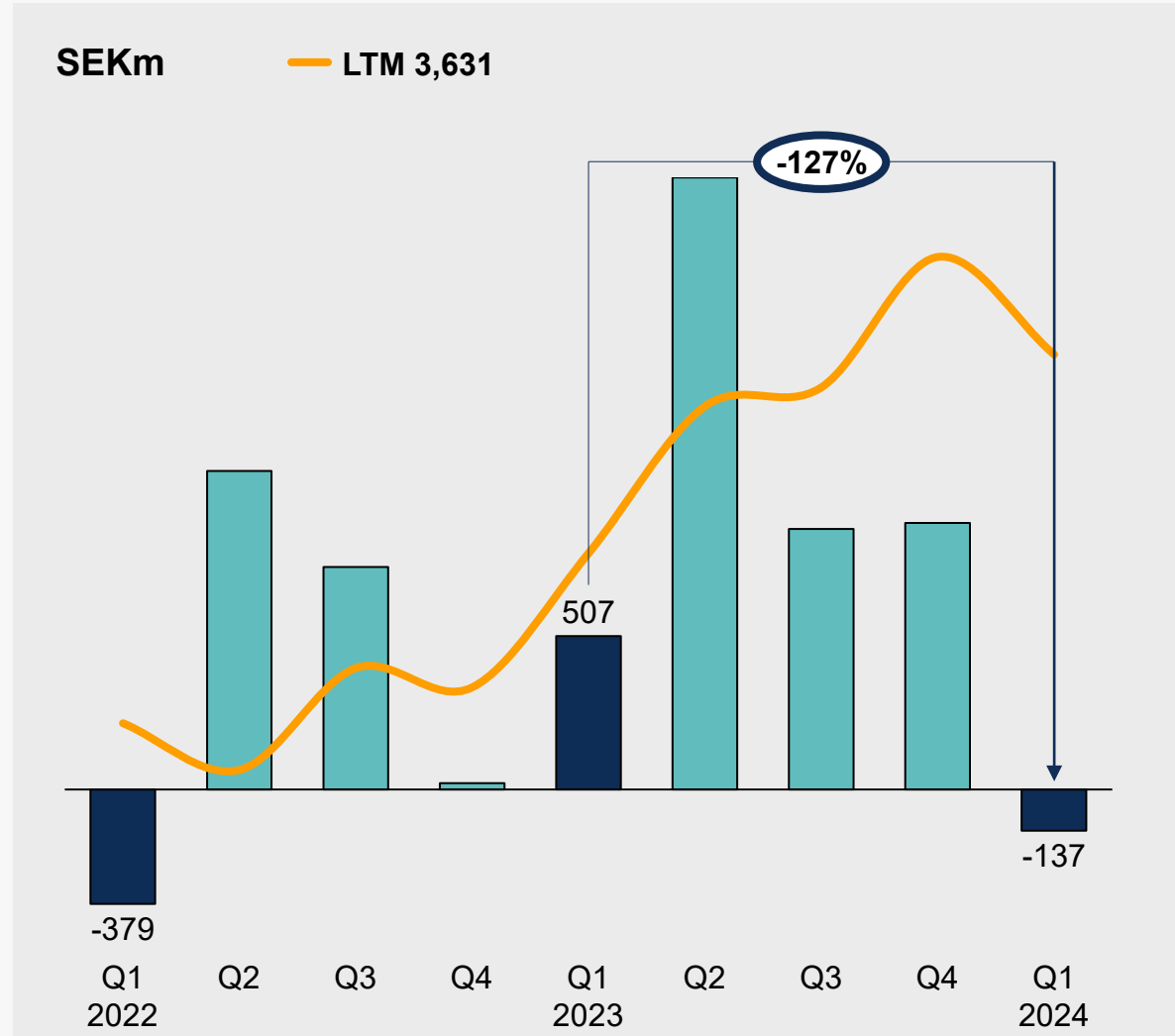
# Financials

A woman with long dark hair, wearing a light blue sweater, is seated at a dark table, writing in a notebook with a blue pen. A man with a beard, wearing a light green button-down shirt, is leaning over the table, looking at the notebook. On the table are several mechanical parts, including a large circular metal ring and a gear. In the background, another person is working at a table in a brightly lit workshop or office environment. The scene is illuminated by warm, overhead pendant lights.

# Net sales and adjusted EBITA



# Cash flow from operating activities

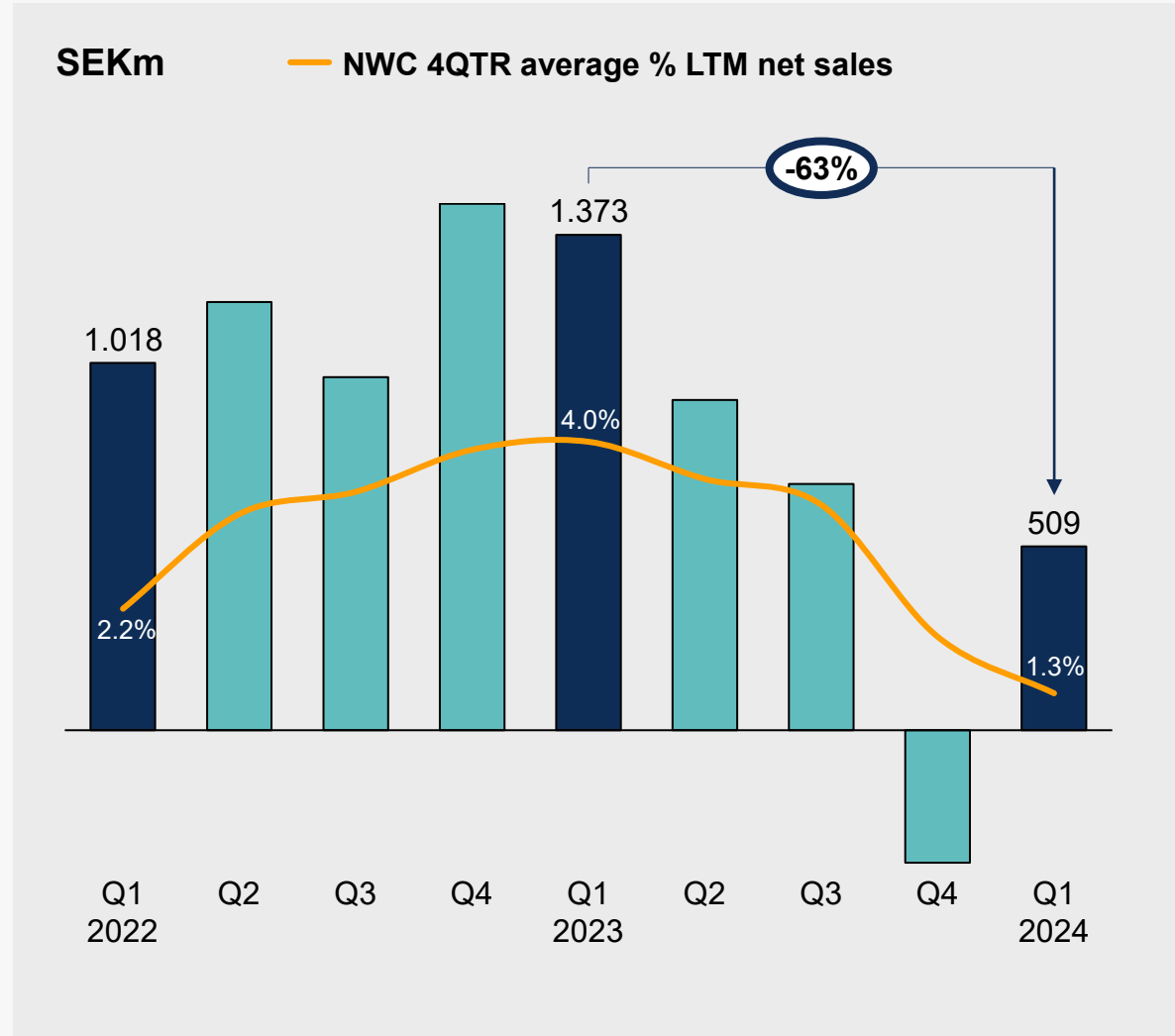


## Cash flow from operating activities, SEKm

	Q1 2024	Q1 2023	FY 2023
EBIT	329	285	3,010
Adjustment for non-cash items	382	423	565
Received dividends and financial items, net	159	-16	-430
Income tax paid	-123	-132	-316
Change in NWC	-884	-54	1,446
<b>Cash flow from operating activities</b>	<b>-137</b>	<b>507</b>	<b>4,275</b>
Cash conversion, as % of Adjusted EBITA	-38%	156%	190%



# Net working capital



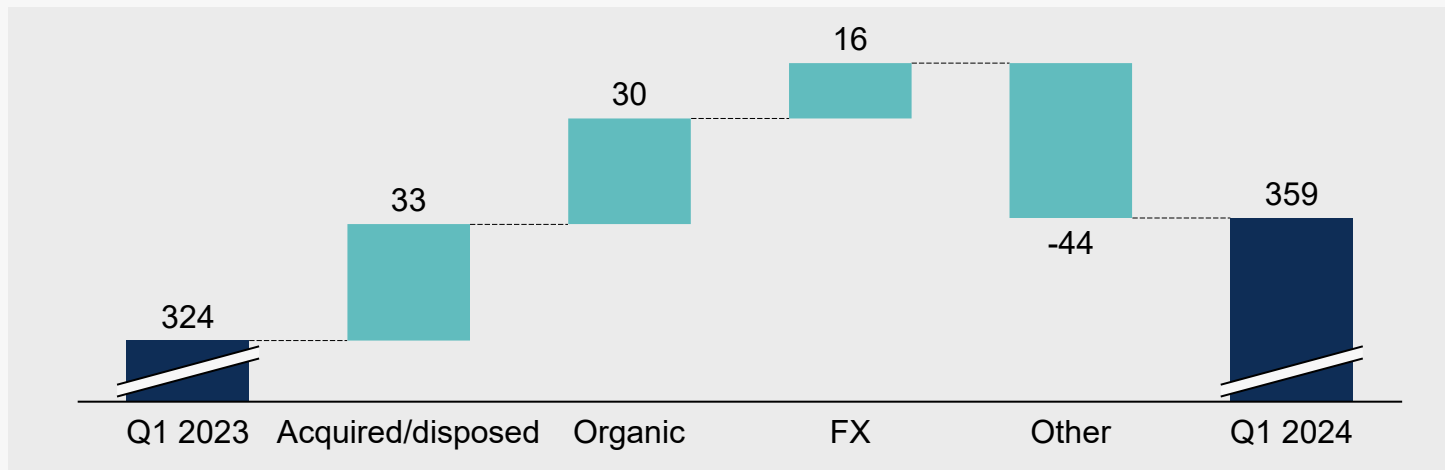
Net working capital, SEKm	2024 Mar	2023 Mar	2023 Dec
Inventories	2,263	2,661	1,868
Trade receivables	3,476	3,640	3,277
Contract assets	645	1,139	725
Accounts payable	3,017	2,757	2,803
Contract liabilities	1,794	1,737	2,407
Other receivables/payables net	-1,064	-1,573	-1,027
<b>Net working capital</b>	<b>509</b>	<b>1,373</b>	<b>-367</b>
% of LTM net sales, 4QTR average	1.3%	4.0%	1.9%

# Continued EBITA growth

Net sales bridge, SEKm



EBITA bridge, SEKm



## Net sales

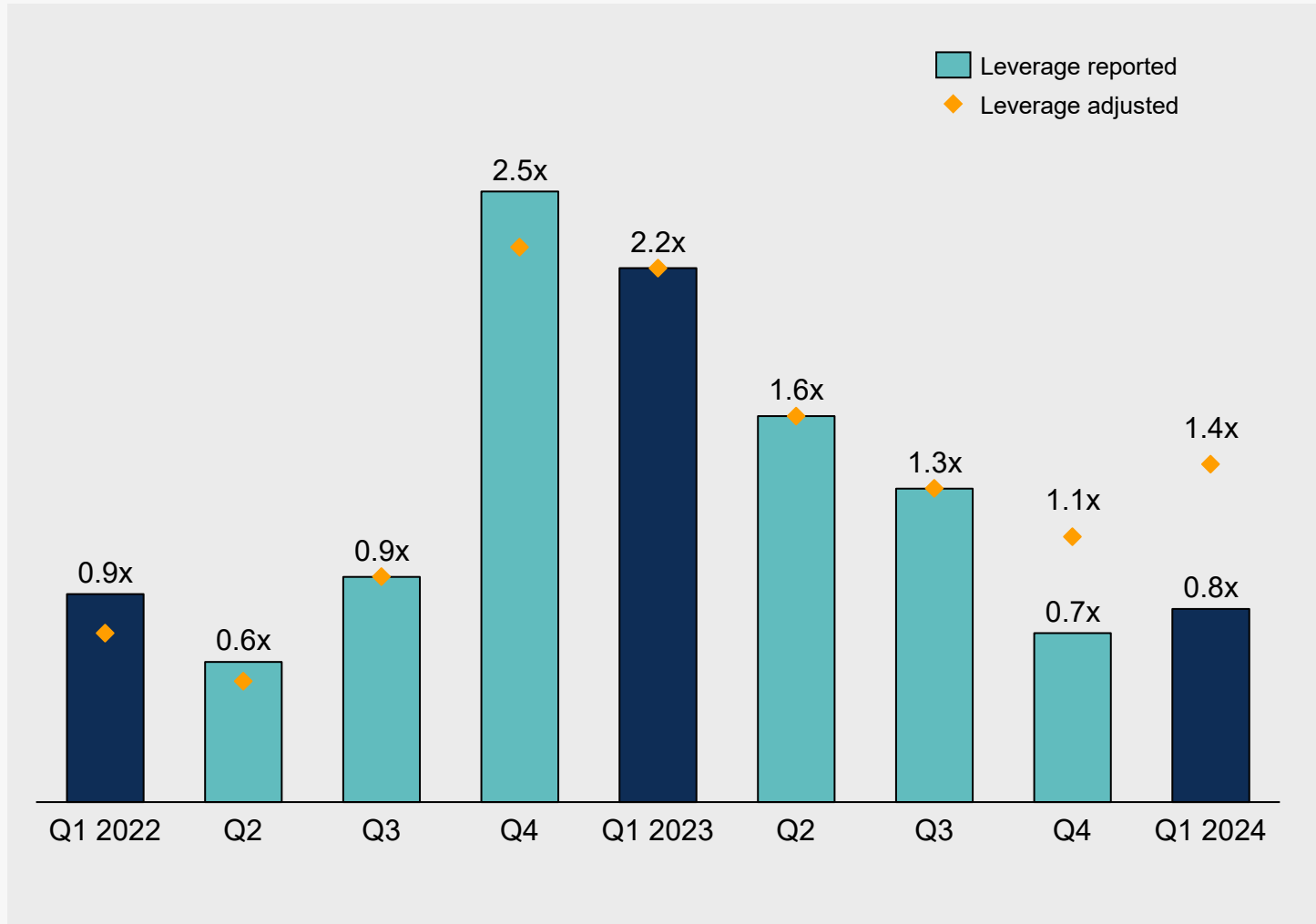
- Acquired growth of 2% in the quarter
- Negative organic sales growth of -1% in the quarter driven by Construction, Industrial Services and Product Solutions
- Negative FX-effects of -1%

## EBITA

- Acquired EBITA growth add-on acquisitions in business area Industry
- Organic growth, strong quarter for Critical Infrastructure
- Positive FX-effects in Industry
- Other, various one-time items, mainly restructuring programs

# Leverage, ROCE and ROIC

## Leverage development



## Leverage

- Leverage at 0.8x in Q1 2024, below the target range (1.5x – 2.5x)
- Leverage at 1.4x excluding reversal of write-down of the holding in Aibel
- Increased leverage in the quarter due to increased net debt as a result of lower cash flow
- Net debt SEK 3,346m (4,826)

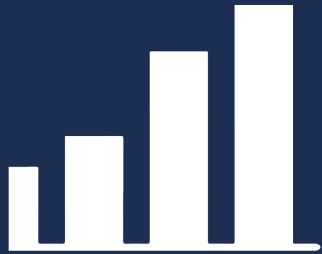
## ROCE and ROIC

- ROCE excluding financial leasing 10.4% compared to 10.0% last year
- ROIC 7.6% compared to 7.1% last year



# Financial targets

## EBITA SEK 3 billion



EBITA is to amount to at least SEK 3 billion by 2025.

## Net Debt / EBITDA 1.5-2.5x



Net debt in relation to EBITDA should normally range from 1.5 to 2.5x, excluding financial leasing liabilities.

## Dividend payout 30-50% of profit after tax



The dividend payout ratio should amount to 30-50% of profit after tax attributable to owners of the parent, excluding capital gains and losses.

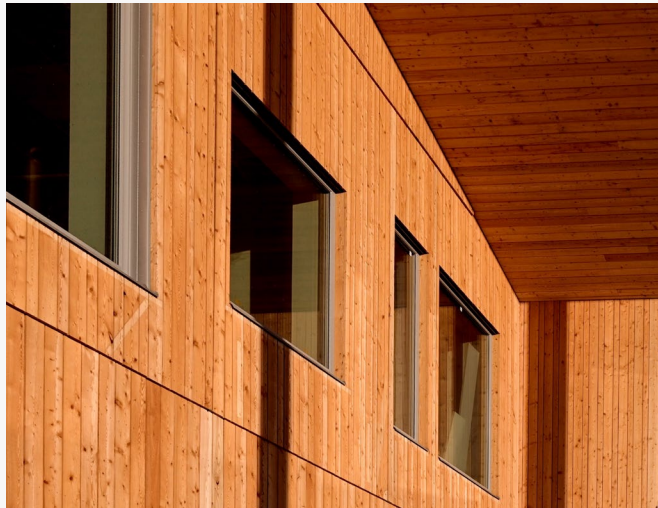
# Final Remarks





# Final remarks

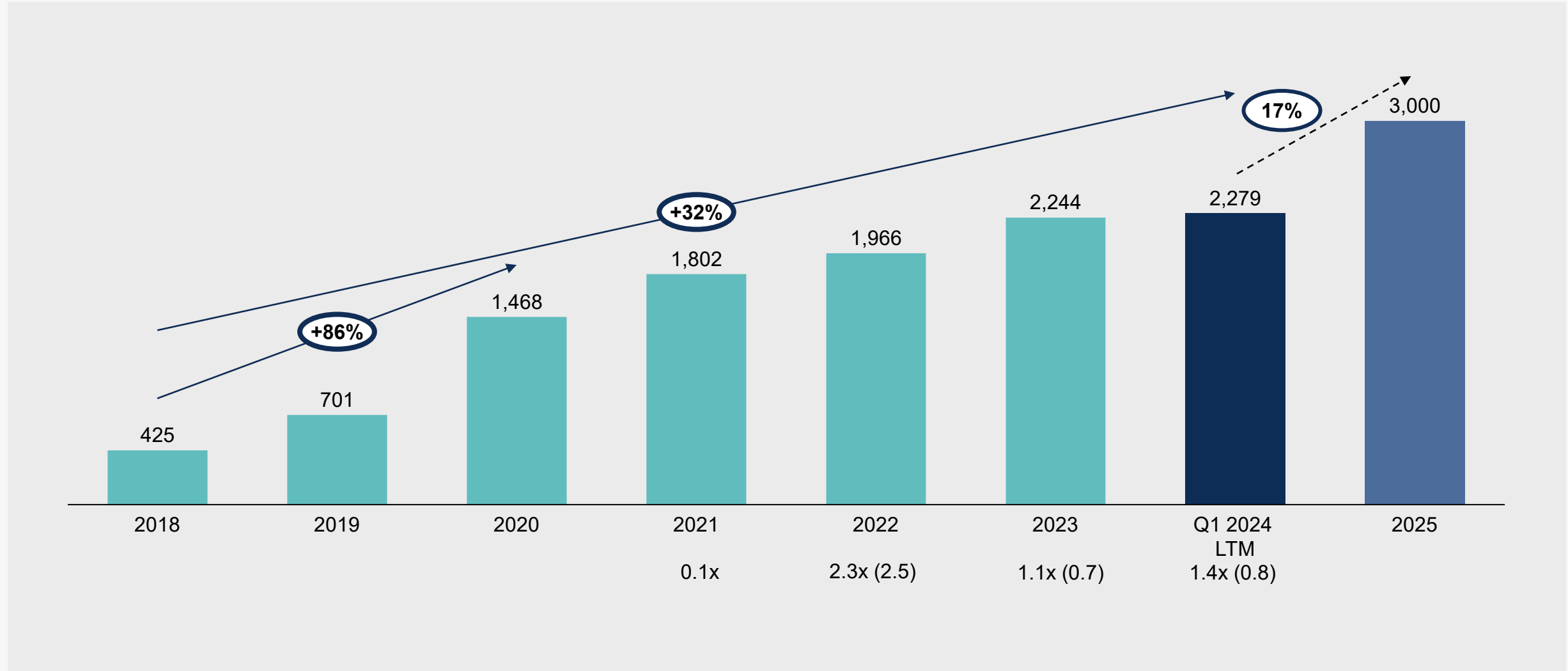
**A group of market leaders  
with a strong culture and  
being part of something  
larger**



**Ratos is a group with  
focus on technology and  
infrastructure solutions**

- EBITA +11%
- EBITA-margin 4.6% (4.1)
- EBITA growth in all Business Areas
- Calendar effect had a negative impact on Industrial Services
- Updated financial segment reporting
- Our focus is technology- and infrastructure solutions in a decentralized Group
- Our strong financial position enables us to accelerate our growth journey through add-on acquisitions
- Ready for structural changes when the transaction market improves

# Ratos is on track to reach SEK 3bn EBITA goal by 2025





# Q&A

