



Interim report Q2 2024

RATOS

Interim report January–June 2024

Q2 2024

- Adjusted¹⁾ EBITA amounted to SEK 1,101m (1,078)
- Operating profit amounted to SEK 1,070m (1,038)
- Profit for the period amounted to SEK 735m (682)
- Diluted earnings per share amounted to SEK 1.85 (1.79)
- Cash flow from operating activities amounted to SEK 1,397m (2,024)

January–June 2024

- Adjusted¹⁾ EBITA amounted to SEK 1,459m (1,402)
- Operating profit amounted to SEK 1,399m (1,323)
- Profit for the period amounted to SEK 860m (739)
- Diluted earnings per share amounted to SEK 1.92 (1.71)
- Cash flow from operating activities amounted to SEK 1,260m (2,531)
- Leverage excluding finance leases was 0.7x (1.6x)

Significant events during and after the end of the quarter

- On 10 June, LEDiL signed an agreement to acquire Ingemann Components A/S, a Denmark-based, northern European leader in large-scale optics for LED lighting
- SSEA Group secured four new contracts during the quarter, the largest of which is worth SEK 800m and was signed with the municipality of Kungälv in the Gothenburg area
- During the first half of 2024, Presis Infra was awarded new contracts amounting to NOK 3 billion. In total, there are nine new contracts in both Norway and Sweden
- HENT signed an agreement during the quarter to build a new passenger terminal and several other operational facilities at the new Bodø airport in Norway. The contract has a ceiling of NOK 2.4 billion. On 2 July, HENT signed an agreement with FornebuBanen for the construction of two stations on the new metro line in Oslo, Norway. The contract is valued at NOK 1.67 billion

Ratos Group, SEKm

	Q2			Q1-2			LTM Full Year		
	2024	2023	Change %	2024	2023	Change %	Rolling	2023	Change %
Net sales	9,114	10,001	-9%	16,939	17,818	-5%	32,870	33,748	-3%
EBITDA	1,457	1,421	3%	2,174	2,082	4%	5,401	5,308	2%
EBITA, adjusted ¹⁾	1,101	1,078	2%	1,459	1,402	4%	2,302	2,244	3%
EBITA %, adjusted ¹⁾	12.1%	10.8%		8.6%	7.9%		7.0%	6.7%	
EBITA	1,101	1,078	2%	1,459	1,402	4%	3,958	3,901	1%
EBITA %	12.1%	10.8%		8.6%	7.9%		12.0%	11.6%	
Operating profit/loss ²⁾	1,070	1,038	3%	1,399	1,323	6%	3,087	3,010	3%
Profit before tax	914	831	10%	1,090	921	18%	2,441	2,273	7%
Profit for the period ²⁾	735	682	8%	860	739	16%	2,127	2,006	6%
Basic earnings per share, SEK	1.86	1.80	3%	1.92	1.71	12%	3.94	3.73	6%
Diluted earnings per share, SEK	1.85	1.79	3%	1.92	1.71	12%	3.92	3.72	5%
Cash flow from operating activities	1,397	2,024	-31%	1,260	2,531	-50%	3,004	4,275	-30%
Leverage excl. financial leasing				0.7x	1.6x			0.7x	
Return on capital employed excl. financial leasing				10.5%	10.2%			10.0%	

¹⁾ For a reconciliation of adjusted EBITA, see page 21. For definitions, see page 23

²⁾ Operating profit and profit for the period was net positively affected in December 2023 by a reversal of a previous impairment of the holding in Aibel of SEK 1,656m, and negatively affected by an impairment of goodwill and book values in Expin Group of SEK -524m, and impairment of goodwill in Plantasjen of SEK -250m.

Ratos Group consists of three business areas which, as of Q1 2024, are reported in five segments. The Industry business area consists of the Industrial Services and Product Solutions segments. The Construction & Services business area consists of the Critical Infrastructure and Construction segments. The Consumer business area consists of the Consumer segment. See Note 5 for segment reporting.

Increased earnings, strong cash flows and high order intake

EBITA for the quarter increased 2% and profit for the period rose 8%. The EBITA margin increased to 12.1%. Sales in the quarter fell 9% but the order intake was strong.

Overall, I am pleased with our performance in the quarter, despite this 9% sales decrease. The decline in sales was mainly the result of a continued weak construction market. However, the order intake in the Construction segment, which continued to boost our earnings and profitability, was strong and significantly better than expected, providing a good foundation for continued favourable earnings going forward. Critical Infrastructure delivered strong growth with a good order intake. Product Solutions performed well, although a continued weak wind power market is negatively impacting growth. It is also encouraging that our technology consultancy companies are continuing to deliver a positive performance, with favourable organic profit growth and growing synergies between the companies. However, Consumer's sales and earnings declined as a result of weak sales in Plantasjen in June due to unfavourable weather.

Development of Ratos's business areas

Industry

EBITA for the business area amounted to SEK 276m (258). The EBITA margin was 10.2% (9.2).

In Industrial Services, our technology consultancy companies performed well in terms of both organic sales and EBITA growth, even taking into account the fact that the quarter contained one more working day than the same period in 2023. After a long period of weak demand, the market for clinical trials for biotech companies has started to improve. This is creating the conditions for a better performance in TFS, whose EBITA declined significantly in the quarter compared with Q2 2023. In Product Solutions, sales were in line with the preceding year as Diab continued to reduce its sales in wind power. HL Display continued to report strong organic sales and EBITA growth. The company continued to deliver an impressive performance and strengthened its market-leading position in Europe. Overall, this was a good quarter for Product Solutions.

Construction & Services

EBITA for the business area amounted to SEK 353m (293). The EBITA margin was 8.7% (6.4). The Critical Infrastructure and Construction segments both reported a strong increase in earnings. The order intake for the business area increased 72% excluding Aibel, which also reported a strong order intake.

Demand in Critical Infrastructure was strong, with sales growth of 15% and a healthy order intake, particularly in the Norwegian market. The restructuring of Expin Group is continuing with the aim of creating a profitable player in the Swedish market with a focus on electrification of rail infrastructure. In Construction, demand in the market was generally weak, but with strong order books and a high order intake, the prospects for a continued favourable performance are good, despite the economic climate. airteam delivered good earnings in the installation market in Denmark and Sweden.

Consumer

EBITA amounted to SEK 518m (581) and the EBITA margin was 21.8% (22.1).

Plantasjen's earnings declined mainly due to unfavourable weather in April and June, particularly in Norway, despite the well-executed cost-saving programme of NOK 78m. In total, sales declined 10% year on year. KVD continued to perform well, with increased EBITA and higher profitability.

Additional Group companies with climate targets approved by the Science Based Targets initiative (SBTi)

Shortly after the end of the quarter, we announced that Semcon's climate target had been approved by the SBTi. The process of setting climate targets for the entire Ratos Group is progressing as planned.

Good performance in the first half of 2024

Overall, Ratos performed well during the quarter in a market with varied demand. Our earnings and profitability continued to improve and our order intake was strong. Our cash flow is robust and the return on capital employed and invested capital improved. Ratos's financial position was further strengthened.

Falling inflation, combined with lower interest rates in the long term, will present opportunities for structural transactions in a more active market. We are ready to act when the transaction market improves. Until then, we will focus on continuing to improve our earnings and the return on capital employed and invested capital in our existing structure, including more add-on acquisitions. All with the aim of creating shareholder value.

Jonas Wiström, President and CEO

Group performance Q2 2024

Net sales

Net sales for the period amounted to SEK 9,114m (10,001), down -9% year on year. Organic sales growth was negative for the period and amounted to -10%. The Critical Infrastructure segment displayed positive organic sales growth, while the other segments reported negative organic growth. Currency effects had a positive impact of SEK 25m (0%) on net sales. The structural effect amounted to SEK 57m (1%) and was attributable to add-on acquisitions in the Product Solutions and Industrial Services segments.

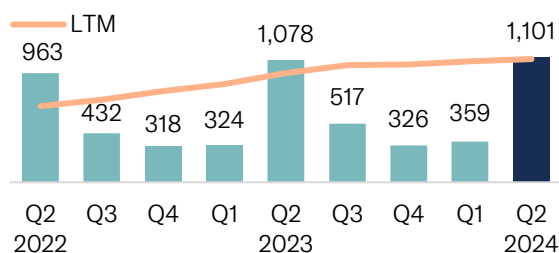
Profit

Adjusted EBITA in the period amounted to SEK 1,101m (1,078) and the EBITA margin was 12.1% (10.8). The increase in earnings was attributable to improved earnings in the Construction, Critical Infrastructure and Product Solutions segments. Earnings in the Industrial Services segment were in line with last year and the Consumer segment reported weaker earnings year on year due to lower sales in Plantasjen. Net financial items amounted to SEK -156m (-207) and were negatively impacted in the year-earlier period by changes in exchange rates and the revaluation of synthetic options. The effective tax rate for the quarter was 20% (18).

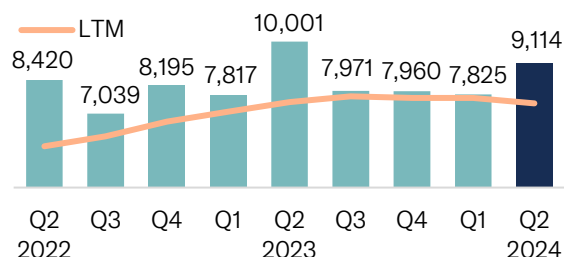
Financial performance Q2 2024

SEKm	Net sales			EBITA, adjusted		
	Q2 2024	Q2 2023	Change %	Q2 2024	Q2 2023	Change %
Industry	2,696	2,798	-4%	276	258	7%
Construction & Services	4,038	4,573	-12%	353	293	21%
Consumer	2,380	2,630	-9%	518	581	-11%
Group costs				-46	-53	14%
Elimination of internal net sales	-0					
Net sales and EBITA, adjusted	9,114	10,001	-9%	1,101	1,078	2%
Amortisation and impairment of intangible assets in connection with company acquisitions				-30	-40	24%
Consolidated operating profit				1,070	1,038	3%
Finance net				-156	-207	24%
Profit before tax				914	831	10%
Tax				-179	-149	-20%
Profit for the period				735	682	8%

Adjusted EBITA, quarterly and LTM, SEKm



Net sales, quarterly and LTM, SEKm



Sales bridge Q2

	Net sales
2023, SEKm	10,001
Structure, %	1%
Currency, %	0%
Organic growth, %	-10%
Total, %	-9%
2024, SEKm	9,114

Group performance January–June 2024

Net sales

Net sales for the period amounted to SEK 16,939m (17,818), down -5% year on year. Organic sales growth was negative for the period and amounted to -6%. The Critical Infrastructure segment displayed positive organic sales growth, while the other segments reported negative organic growth. Currency effects had a negative impact of SEK -60m (-0%) on net sales. The structural effect amounted to SEK 214m (1%) and was mainly attributable to add-on acquisitions in the Product Solutions and Industrial Services segments.

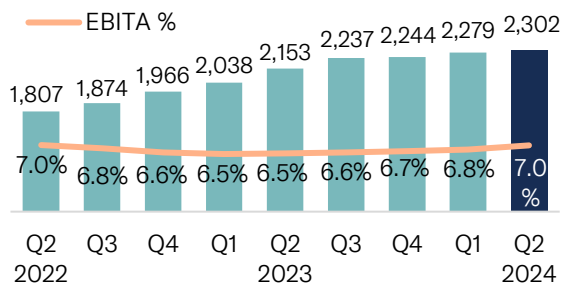
Profit

Adjusted EBITA in the period amounted to SEK 1,459m (1,402). The adjusted EBITA margin was 8.6% (7.9). The increase in earnings was attributable to the Construction, Critical Infrastructure and Product Solutions segments. The Industrial Services segment reported slightly lower earnings year on year, while earnings in the Consumer segment declined 11% in the period as a result of weaker earnings in Plantasjen. Net financial items amounted to SEK -309m (-401) and were negatively impacted in the year-earlier period by changes in exchange rates and the revaluation of synthetic options. The effective tax rate for the period was 21% (20).

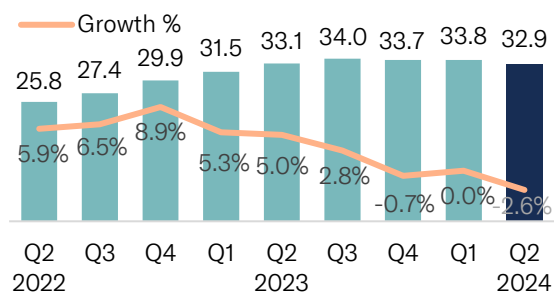
Financial outlook January–June 2024

SEKm	Net sales					EBITA, adjusted				
	Q1-2 2024	Q1-2 2023	Change %	Rolling LTM	Full Year 2023	Q1-2 2024	Q1-2 2023	Change %	Rolling LTM	Full Year 2023
Industry	5,410	5,526	-2%	10,446	10,563	583	561	4%	986	963
Construction & Services	8,308	8,832	-6%	16,773	17,298	650	577	13%	1,364	1,291
Consumer	3,224	3,460	-7%	5,652	5,888	323	368	-12%	91	136
Group costs						-97	-103	6%	-139	-146
Elimination of internal sales	-2	-0		-2	-0					
Net sales and EBITA, adjusted	16,939	17,818	-5%	32,870	33,748	1,459	1,402	4%	2,302	2,244
Items affecting comparability									1,656	1,656
Amortisation and impairment of intangible assets in connection with company acquisitions						-60	-79	24%	-871	-890
Consolidated operating profit						1,399	1,323	6%	3,087	3,010
Finance net						-309	-401	23%	-645	-737
Profit before tax						1,090	921	18%	2,441	2,273
Tax						-230	-182	-26%	-314	-267
Profit for the period						860	739	16%	2,127	2,006

Adjusted EBITA, LTM, SEKm



Net sales, LTM, SEKbn



Sales bridge, January–June

	Net sales
2023, SEKm	17,818
Structure, %	1%
Currency, %	-0%
Organic growth, %	-6%
Total, %	-5%
2024, SEKm	16,939

Industry

The Industry business area consists of the Industrial Services and Product Solutions segments. Industrial Services consists of Aleido, Knightec, Semcon, Speed Group and TFS, while Product Solutions consists of Diab, HL Display, LEDiL and Oase Outdoors. See Note 5 for segment reporting.

Net sales

Net sales in the business area for the second quarter amounted to SEK 2,696m (2,798), down -4%. In the Industrial Services segment, the technology consultancy companies displayed positive organic sales growth of just over 7%, while volumes in third-party logistics remained level. In Diab, volumes in the wind segment continued to decline in the quarter, which had a negative impact on organic growth. Structural effects made a positive contribution of 2%, corresponding to SEK 57m, and pertained to add-on acquisitions in HL Display, Speed Group and LEDiL.

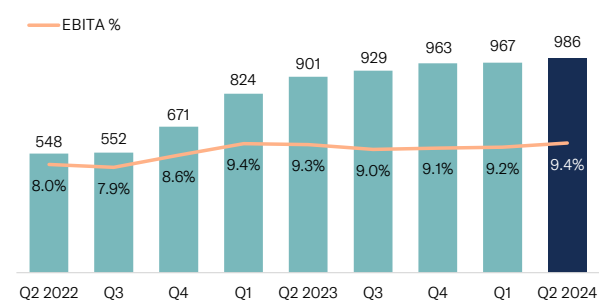
Profit

Adjusted EBITA for the business area amounted to SEK 276m (258) for the period, up 7% year on year. The EBITA margin was 10.2% (9.2). The improvement in earnings was mainly attributable to stronger earnings in HL Display and in the technology consultancy companies, which performed well in terms of organic sales growth and EBITA growth, even taking into account the fact that the current quarter contained one more working day than the year-earlier period.

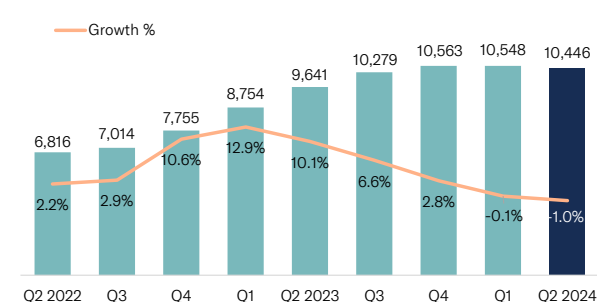
Financial performance

SEKm	Q2 2024	Q2 2023	Change %	Q1-2 2024	Q1-2 2023	Change %	LTM Rolling	Full Year 2023	Change %
Net sales	2,696	2,798	-4%	5,410	5,526	-2%	10,446	10,563	-1%
EBITA, adjusted	276	258	7%	583	561	4%	986	963	2%
<i>whereof Industrial Services</i>	87	88	0%	227	233	-3%	417	423	-2%
<i>whereof Product Solutions</i>	188	170	11%	356	327	9%	569	540	5%
EBITA %, adjusted	10.2%	9.2%		10.8%	10.1%		9.4%	9.1%	
EBITA	276	258	7%	583	561	4%	986	963	2%
EBITA %	10.2%	9.2%		10.8%	10.1%		9.4%	9.1%	
Operating profit	257	239	7%	546	523	4%	912	889	3%
Operating profit %	9.5%	8.6%		10.1%	9.5%		8.7%	8.4%	
Cash flow from operating activities	478	414	15%	563	640	-12%	1,297	1,374	-6%
Return on capital employed, business area %				10.9%	10.4%			10.9%	
Average number of employees								6,785	

Adjusted EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q2 2024	Q1-2 2024
2023, SEKm	2,798	5,526
Structure, %	2%	4%
Currency, %	0%	0%
Organic growth, %	-6%	-6%
Total, %	-4%	-2%
2024, SEKm	2,696	5,410

Construction & Services

The Construction & Services business area consists of the Critical Infrastructure and Construction segments. Critical Infrastructure consists of Aibel, Expin Group and Presis Infra, and Construction Services consists of airteam, HENT and SSEA Group. See Note 5 for segment reporting.

Order status

The business area's¹⁾ order intake for the period amounted to SEK 8,727m (5,087), up 71% organically. A strong order intake was reported for the Construction segment for the quarter. At the end of the quarter, the LTM order intake for the business area amounted to SEK 18,396m and the order backlog to SEK 32,686m (31,498).

Net sales

Net sales in the business area for the second quarter amounted to SEK 4,038m (4,573), down -12% year on year. Organic sales growth was negative and amounted to -12%, attributable to the Construction segment. Strong organic sales growth was reported for the Critical Infrastructure segment.

Profit

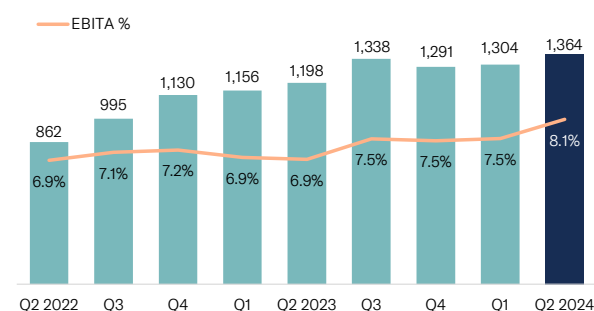
Adjusted EBITA for the business area amounted to SEK 353m (293) for the period, up 21%, and the EBITA margin was 8.7% (6.4). Both segments reported major earnings improvements compared with the year-earlier period.

Financial performance

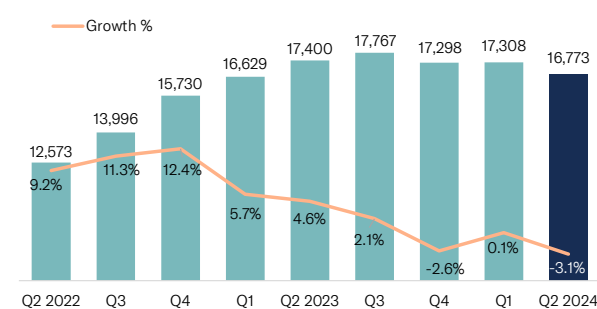
SEKm	Q2 2024	Q2 2023	Change %	Q1-2 2024	Q1-2 2023	Change %	LTM Rolling	Full Year 2023	Change %
Net sales	4,038	4,573	-12%	8,308	8,832	-6%	16,773	17,298	-3%
EBITA, adjusted	353	293	21%	650	577	13%	1,364	1,291	6%
<i>whereof Construction</i>	178	152	18%	311	275	13%	816	779	5%
<i>whereof Critical Infrastructure</i>	175	141	24%	338	302	12%	548	512	7%
EBITA %, adjusted	8.7%	6.4%		7.8%	6.5%		8.1%	7.5%	
EBITA	353	293	21%	650	577	13%	3,020	2,947	2%
EBITA %	8.7%	6.4%		7.8%	6.5%		18.0%	17.0%	
Operating profit	343	272	26%	629	537	17%	2,477	2,386	4%
Operating profit %	8.5%	6.0%		7.6%	6.1%		14.8%	13.8%	
Cash flow from operating activities	154	485	-68%	148	981	-85%	1,396	2,228	-37%
Return on capital employed, business area %				17.3%	17.1%			17.2%	
Order intake ¹⁾	8,727	5,087	72%	13,406	9,957	35%	18,396	14,947	23%
Order backlog ¹⁾	32,686	31,498						26,792	
Average number of employees								7,464	

¹⁾ Aibel's order intake and order backlog are not consolidated in the business area. See Note 5 for information about Aibel's order intake and order backlog.

Adjusted EBITA, LTM, SEKm



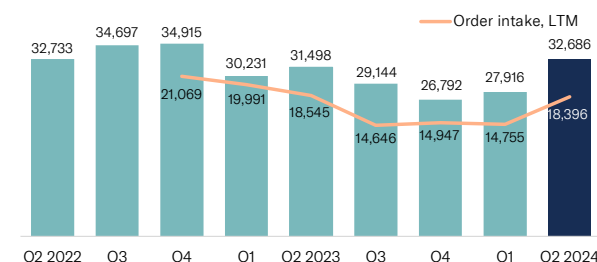
Net sales, LTM, SEKm



Sales bridge, net sales

	Q2 2024	Q1-2 2024
2023, SEKm	4,573	8,832
Currency, %	0%	-1%
Organic growth, %	-12%	-5%
Total, %	-12%	-6%
2024, SEKm	4,038	8,308

Order backlog and order intake, SEKm



Order intake has been reported from January 1, 2022. The first period with 12 reported months is thus Q4 2022

Consumer

The Consumer business area and segment consists of KVD and Plantasjen. See Note 5 for segment reporting.

Net sales

Net sales in the business area for the second quarter amounted to SEK 2,380m (2,630), down -9% year on year. Organic sales growth was negative and amounted to -9%, mainly due to Plantasjen, whose sales in the Norwegian market were negatively impacted by the unfavourable weather in the quarter. Plantasjen's net sales for the period amounted to SEK 1,928m (2,132), down -10% year on year.

Profit

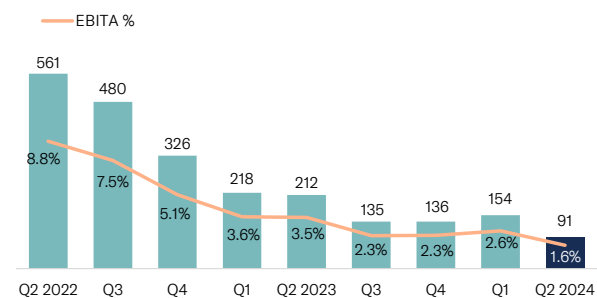
Adjusted EBITA for the business area amounted to SEK 518m (581) for the period and the EBITA margin was 21.8% (22.1). Plantasjen reported earnings of SEK 478m (543) for the period. The decline in earnings was attributable to lower sales volumes. Plantasjen's earnings were positively impacted by the ongoing cost-saving programme.

Financial performance

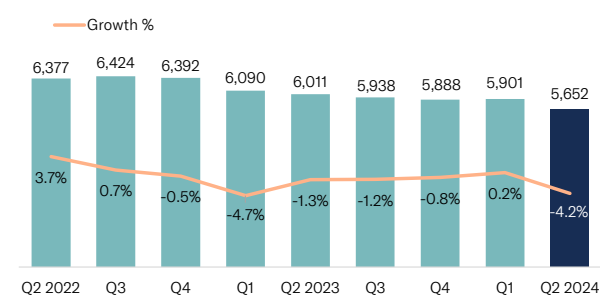
SEKm	Q2 2024	Q2 2023	Change %	Q1-2 2024	Q1-2 2023	Change %	LTM Rolling	Full Year 2023	Change %
Net sales	2,380	2,630	-9%	3,224	3,460	-7%	5,652	5,888	-4%
EBITA, adjusted	518	581	-11%	323	368	-12%	91	136	-33%
EBITA %, adjusted	21.8%	22.1%		10.0%	10.6%		1.6%	2.3%	
EBITA	518	581	-11%	323	368	-12%	91	136	-33%
EBITA %	21.8%	22.1%		10.0%	10.6%		1.6%	2.3%	
Operating profit/loss	517	580	-11%	321	366	-12%	-163	-119	-37%
Operating profit/loss %	21.7%	22.0%		10.0%	10.6%		-2.9%	-2.0%	
Cash flow from operating activities	851	1,197	-29%	675	994	-32%	427	746	-43%
Return on capital employed, business area %				-3.0%	1.1%			-1.3%	
Average number of employees								1,638	

¹ See Note 5 for Plantasjen's adjusted net sales and EBITA.

EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q2 2024	Q1-2 2024
2023, SEKm	2,630	3,460
Currency, %	0%	-1%
Organic growth, %	-9%	-6%
Total, %	-9%	-7%
2024, SEKm	2,380	3,224

Financial overview, Ratos Group

Cash flow Q2

Cash flow from operating activities amounted to SEK 1,397m (2,024). Cash flow from investing activities amounted to SEK -288m (-272) and cash flow from financing activities to SEK -933m (-1,879). Cash flow for the quarter amounted to SEK 176m (-127).

The change in cash flow for the quarter was mainly due to the change in working capital of SEK 272m (754), changes in external loans of SEK -21m (-1,280) and paid dividends of SEK -659m (-388).

Cash flow January–June

Cash flow from operating activities amounted to SEK 1,260m (2,531). Cash flow from investing activities amounted to SEK -577m (-435) and cash flow from financing activities to SEK -1,261m (-2,628). Cash flow for the quarter amounted to SEK -578m (-532).

The change in cash flow for the period was mainly due to the change in working capital of SEK -433m (840) and was negatively impacted by changes in working capital in Construction and changes in external loans of SEK -90m (-1,774).

Financial position and leverage

The Group's cash and cash equivalents at the end of the period amounted to SEK 1,819m (2,360 at 31 December 2023) and interest-bearing net debt excluding financial lease liabilities totalled SEK 3,091m (2,720 at 31 December 2023). The Group's leverage excluding financial lease liabilities at the end of the period amounted to 0.7x (0.7x at 31 December 2023). The adjusted leverage as of 30 June 2024 amounted to 1.2x (1.1x on 31 December 2023) after a reversal of impairment totalling SEK 1,656m pertaining to the holding in Aibel that was carried out in December 2023. The Group's interest-bearing net debt including financial lease liabilities totalled SEK 8,748m (8,118 at 31 December 2023). The Group's leverage including financial lease liabilities at the end of the period amounted to 1.6x (1.5x at 31 December 2023). The total translation effect of currency tied to interest-bearing liabilities amounted to SEK 66m, of which SEK 20m related to liabilities to credit institutions and SEK 46m to financial lease liabilities.

At the end of the period, the Group's interest-bearing liabilities to credit institutions amounted to SEK 4,461m (4,509 at 31 December 2023), of which SEK 1,138m matures in 2025 and work on refinancing is under way.

Net financial items Q2

Net financial items amounted to SEK -156m (-207). Net financial items in the year-earlier period were negatively impacted by changes in exchange rates and the revaluation of synthetic options.

Net financial items January–June

Net financial items amounted to SEK -309m (-401). Net financial items in the year-earlier period were negatively impacted by changes in exchange rates and the revaluation of synthetic options.

Tax Q2

The tax expense for the Group amounted to SEK -179m (-149) and profit before tax to SEK 914m (831). The effective tax rate for the quarter was 20% (18). The slightly higher effective tax rate was primarily attributable to uncapitalised tax loss carry-forwards in some companies.

Tax January–June

The tax expense for the Group amounted to SEK -230m (-182) and profit before tax to SEK 1,090m (921). The effective tax rate for the period was 21% (20), which is in line with the Group's nominal tax rate of approximately 20%.

Ratos's equity

At 30 June 2024, Ratos's equity (attributable to owners of the parent) amounted to SEK 12,613m (12,314 at 31 December 2023), corresponding to SEK 39 (38) per share outstanding.

Parent company

The parent company's operating loss amounted to SEK -99m (-102) for the January–June period. The parent company's loss before tax amounted to SEK -83m (88). The previous year's earnings were positively impacted by dividends from Group companies of SEK 192m. Cash and cash equivalents in the parent company amounted to SEK 1,254m (876 at 31 December 2023).

The parent company has a related party relationship with its Group companies. For more information, refer to Note 28 in the 2023 Annual Report. No significant transactions were carried out with related parties during the year compared with those presented in the most recent Annual Report.

Ratos share data

Earnings per share for the period amounted to SEK 1.92 (1.71) before dilution and to SEK 1.92 (1.71) after dilution. The closing price for Ratos's Class B shares on 30 June 2024 was SEK 36.06. The total return on Class B shares for the period amounted to 3.7%, compared with the performance for the SIX Return Index, which was 10.6%.

Number of shares

During the period, 869,200 new Class B shares were issued in connection with the exercise/conversion of warrants and a convertible debenture. At 30 June 2024, the total number of shares and shares outstanding in Ratos (Class A and B shares) amounted to 327,385,688 and the number of votes to 108,911,923.

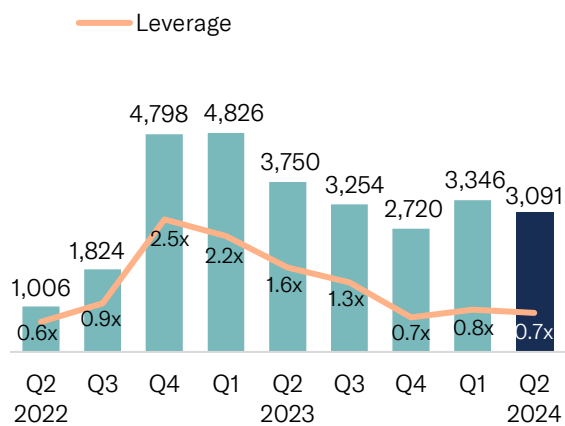
Incentive programmes

During the period, the parent company issued warrants and a convertible debenture in accordance with the resolution of the Annual General Meeting (AGM) on 26 March 2024. In total, 650,000 warrants and 1,070,000 convertibles were issued.

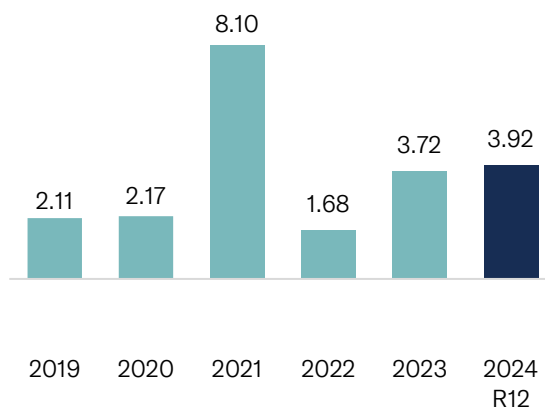
Significant events during and after the end of the quarter

On 10 June, LEDiL signed an agreement to acquire Ingemann Components A/S, a Denmark-based, northern European leader in light output, luminaire efficiency, light distribution, and glare control for large-scale optics.

Interest-bearing net debt and leverage¹⁾, SEKm



Diluted earnings per share, SEK



¹⁾ Excluding financial lease liabilities

Financial statements

Summary consolidated income statement

SEKm	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	Full Year 2023
Net sales	9,114	10,001	16,939	17,818	33,748
Other operating income	24	36	54	67	223
Cost of goods and services sold	-4,871	-5,625	-9,126	-10,018	-19,102
Employee benefit costs	-2,296	-2,267	-4,466	-4,368	-8,657
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets and right-of-use assets	-387	-383	-775	-759	-2,298
Other external costs	-624	-805	-1,435	-1,567	-2,997
Capital gain/loss from Group companies	-0		-0		3
Reversal of a previous write-down for investments recognised according to the equity method					1,656
Share of profit/loss from investments recognised according to the equity method	111	82	209	151	433
Operating profit	1,070	1,038	1,399	1,323	3,010
Net financial items ¹⁾	-156	-207	-309	-401	-737
Profit/loss before tax	914	831	1,090	921	2,273
Income tax	-179	-149	-230	-182	-267
Profit/loss for the period, continuing operations	735	682	860	739	2,006
<i>Profit/loss for the period attributable to:</i>					
Owners of the parent	608	586	628	558	1,218
Non-controlling interests	127	96	231	181	788
<i>Earnings per share, SEK</i>					
- basic earnings per share	1.86	1.80	1.92	1.71	3.73
- diluted earnings per share	1.85	1.79	1.92	1.71	3.72

¹⁾ See page 22 for a specification of the finance net

Consolidated statement of comprehensive income

SEKm	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	Full Year 2023
Profit/loss for the period	735	682	860	739	2,006
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of defined benefit pension obligations, net	-1	-9	-1	-9	-25
Tax attributable to items that will not be reclassified to profit or loss					1
	-1	-9	-1	-9	-24
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation differences for the period	279	360	132	18	-432
Change in hedging reserve for the period	11	-179	15	-174	-53
Tax attributable to items that may be reclassified subsequently to profit or loss	1	-3	-1	-4	-2
	290	178	146	-160	-487
Other comprehensive income for the period	288	169	144	-169	-510
Total comprehensive income for the period	1,023	851	1,004	570	1,496
<i>Total comprehensive income for the period attributable to:</i>					
Owners of the parent	782	760	764	480	828
Non-controlling interest	241	91	240	90	667

Summary consolidated statement of financial position

SEKm	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Non-current assets			
Goodwill	14,428	14,814	14,047
Other intangible non-current assets	1,869	2,084	1,931
Property, plant and equipment	1,642	1,774	1,617
Right-of-use assets	5,096	5,167	4,816
Financial assets	3,253	1,433	3,307
Deferred tax assets	531	417	477
Total non-current assets	26,819	25,689	26,195
Current assets			
Inventories	2,025	2,401	1,868
Accounts receivable	3,220	3,716	3,277
Current receivables	2,310	2,430	2,430
Cash and cash equivalents	1,819	1,987	2,360
Total current assets	9,374	10,534	9,935
Total assets	36,193	36,223	36,129
EQUITY AND LIABILITIES			
Equity including non-controlling interests			
14,893	14,893	13,698	14,451
Non-current liabilities			
Interest-bearing liabilities	8,262	10,078	9,141
Non-interest bearing liabilities	1,059	1,893	1,875
Pension provisions	66	60	65
Other provisions	42	47	45
Deferred tax liabilities	897	787	801
Total non-current liabilities	10,326	12,865	11,927
Current liabilities			
Interest-bearing liabilities	2,308	1,447	1,306
Non-interest bearing liabilities	8,092	7,609	7,936
Provisions	574	605	509
Total current liabilities	10,974	9,660	9,751
Total liabilities	21,300	22,525	21,678
Total equity and liabilities	36,193	36,223	36,129

Summary statement of changes in consolidated equity

	2024-06-30			2023-06-30			2023-12-31		
	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	12,314	2,137	14,451	12,289	1,499	13,788	12,289	1,499	13,788
Total comprehensive income for the period	764	240	1,004	480	90	570	828	667	1,496
Dividends	-409	-278	-687	-274	-112	-386	-274	-177	-451
Non-controlling interests' share of capital contribution and new issue					0	0		1	1
Conversion of options/convertible loan to shares	21		21	3		3	15		15
The value of the conversion option of the convertible debentures	4		4	3		3	3		3
Option premiums	6		6	6		6	6		6
Put options, future acquisitions from non-controlling interests	111	-22	90	-247	23	-224	-549	200	-349
Acquisition of shares in subsidiaries from non-controlling interests	-39	-10	-49	-6	-64	-70	-6	-64	-70
Disposal of shares in subsidiaries to non-controlling interests	-4	55	51	3	4	7	2	11	13
Non-controlling interests share of dividends from associated companies	-156	156							
Closing equity	12,613	2,279	14,893	12,258	1,440	13,698	12,314	2,137	14,451

Summary consolidated statement of cash flows

SEKm	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	Full Year 2023
Operating activities					
Operating profit	1,070	1,038	1,399	1,323	3,010
Adjustment for non-cash items	286	466	668	889	565
	1,356	1,504	2,067	2,212	3,575
Received dividends from associated companies			317	122	122
Interest and financial items, net	-150	-161	-308	-299	-552
Income tax paid	-81	-73	-204	-205	-316
Cash flow from operating activities before change in working capital	1,125	1,270	1,871	1,831	2,829
Cash flow from change in working capital					
Increase (-)/Decrease (+) in inventories	236	440	-125	110	571
Increase (-)/Decrease (+) in operating receivables	459	284	425	374	25
Increase (+)/Decrease (-) in operating liabilities	-423	30	-912	217	850
Cash flow from operating activities	1,397	2,024	1,260	2,531	4,275
Investing activities					
Acquisition, group companies	-214	-190	-388	-238	-333
Disposal, group companies					-2
Investments and disposal, intangible assets/property, plant and equipment	-73	-81	-153	-195	-231
Investments and disposal, financial assets	-1	-1	-36	-2	24
Cash flow from investing activities	-288	-272	-577	-435	-542
Financing activities					
Non-controlling interests' share of issue/capital contribution				0	1
Transactions regarding options	-19		-10	-0	-80
Acquisition and disposal of shares in subsidiaries from non-controlling interests	14	-23	4	-27	-24
Dividends paid	-409	-274	-409	-274	-274
Dividends paid, non-controlling interests	-250	-114	-252	-129	-194
Borrowings	56	1,052	72	1,829	1,884
Amortisation of loans	-33	-2,295	-118	-3,566	-4,141
Amortisation of financial lease liabilities	-291	-225	-548	-461	-970
Cash flow from financing activities	-933	-1,879	-1,261	-2,628	-3,798
Cash flow for the period	176	-127	-578	-532	-65
Cash and cash equivalents at the beginning of the period	1,639	2,072	2,360	2,532	2,532
Exchange differences in cash and cash equivalents	5	42	37	-13	-108
Cash and cash equivalents at the end of the period	1,819	1,987	1,819	1,987	2,360

Summary parent company income statement

SEKm	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	Full Year 2023
Other operating income	0	-0	0	0	9
Administrative expenses	-48	-53	-98	-101	-151
Depreciation of property, plant and equipment	-0	-0	-0	-0	-1
Operating profit/loss	-48	-53	-99	-102	-142
Dividends from group companies				192	192
Net financial items ¹⁾	8	9	16	-3	9
Profit/loss after financial items	-41	-44	-83	88	59
Group contribution, recieved					158
Profit/loss before tax	-41	-44	-83	88	217
Income tax	23	25	48	39	75
Profit/loss for the period	-18	-18	-35	127	292

¹⁾ See page 22 for a specification of the finance net

Parent company statement of comprehensive income

SEKm	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	Full Year 2023
Profit/loss for the period	-18	-18	-35	127	292
Other comprehensive income for the period	0	0	0	0	0
Total comprehensive income for the period	-18	-18	-35	127	292

Summary parent company balance sheet

SEKm	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	4	4	4
Financial assets	10,494	10,737	10,736
Receivables from group companies	3,652	4,347	3,919
Deferred tax assets	252	169	205
Total non-current assets	14,402	15,257	14,864
Current assets			
Current receivables	25	35	38
Receivables from group companies	2,237	2,197	2,975
Cash and cash equivalents	1,254	1,222	876
Total current assets	3,516	3,455	3,889
Total assets	17,918	18,712	18,752
EQUITY AND LIABILITIES			
Equity	9,603	9,840	10,016
Non-current liabilities			
Interest-bearing liabilities, group companies		40	150
Interest-bearing liabilities	3,333	4,973	4,423
Convertible debentures	111	110	110
Deferred tax liabilities	4	3	3
Total non-current liabilities	3,448	5,127	4,687
Current provisions	26	96	16
Current liabilities			
Interest-bearing liabilities, group companies	3,605	3,457	3,940
Interest-bearing liabilities	1,154	97	24
Non-interest bearing liabilities, group companies	40	53	0
Non-interest bearing liabilities	42	42	69
Total current liabilities	4,841	3,649	4,033
Total equity and liabilities	17,918	18,712	18,752

Summary parent company statement of changes in equity

SEKm	2024-06-30	2023-06-30	2023-12-31
Opening equity	10,016	9,975	9,975
Comprehensive income for the period	-35	127	292
Dividends	-409	-274	-274
Conversion of options/convertible loan to shares	21	3	15
The value of the conversion option of the convertible debentures	5	4	4
Deferred tax, conversion option	-1	-1	-1
Option premiums	6	6	6
Closing equity	9,603	9,840	10,016

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.

From the first quarter of 2024, Ratos has changed its segment reporting to better reflect the Group's business focus. The new segments are Industrial Services, Product Solutions, Construction, Critical Infrastructure and Consumer. They comprise the Group's business areas, which are presented on pages 5–7. The change does not entail any restatement of previous financial reports, but rather provides additional information about the new segments that reflects how operations are monitored. In all other respects, the reporting and measurement principles are unchanged compared with those applied in Ratos's 2023 Annual Report.

The new and revised IFRS standards which came into force in 2024 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.

Note 2 Risks and uncertainties

Operations at Ratos Group include inherent risks attributable to both the parent company and companies in the business areas. 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-adding initiatives.

As a result of the impairment of goodwill in Plantasjen and Expin Group in the fourth quarter of 2023, the companies' recoverable amounts were tested in the second quarter of 2024. While the impairment testing showed no indication of an impairment requirement on the closing date, the sensitivity to changes in material assumptions remains significant, and going forward focus must continue to be placed on the companies' future performance.

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 2023 Annual Report.

Note 3 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 2024, the net value of derivatives (level two) amounted to SEK -5m net (-14 at 31 December 2023), of which SEK 1m (5 at 31 December 2023) was recognised as an asset and SEK 6m (18 at 31 December 2023) as a liability.

In the statement of financial position at 30 June 2024, the total value of financial instruments measured at fair value in accordance with level three was SEK 1,995m (2,158 at 31 December 2023). The change is presented in the table below.

Change, level 3 SEKm	Synthetic options		Call and put options		Contingent considerations	
	2024-06-30	2023-12-31	2024-06-30	2023-12-31	2024-06-30	2023-12-31
Opening balance	149	153	1,869	1,669	141	236
Recognised in comprehensive income	12	76	24	-63	3	23
Recognised against equity			-91	263		
Newly issued/subsequent expenditure						69
Acquisitions, Group companies						
Settlements	-32	-80			-80	-187
Closing balance	129	149	1,802	1,869	64	141

Note 4 Acquired and divested companies

Acquisitions within business areas

In March, HL Display completed the acquisition of pr trading-Flekota A/S (pr trading), which had been its distribution partner in Denmark. pr trading delivers standard and customised display and store solutions to Danish grocery retailers as well as specialist retailers and brand manufacturers. The company has 38 employees and sales of approximately DKK 160m.

In June, LEDiL completed the acquisition of Ingemann Components A/S. The company is a Denmark-based, northern European leader in light output, luminaire efficiency, light distribution, and glare control for large-scale optics. The company has approximately DKK 90m in annual sales.

The preliminary acquisition analyses for the add-on acquisitions carried out during the period are presented to the right.

	SEKm
Intangible assets	1
Property, plant and equipment	12
Right-of-use assets	8
Financial assets	2
Trade receivables	74
Current assets	39
Cash and cash equivalents	5
Deferred tax liability	-0
Current liabilities	-89
Net identifiable assets and liabilities	51
Goodwill	261
Purchase price	312
of which, paid in cash	312
Cash in the acquired companies	-5
Paid contingent consideration	80
Effect on Group's cash and cash equivalents	-388

Note 5 Segment reporting

The Industry business area consists of two segments, Industrial Services and Product Solutions, that develop and sell their own products. The companies in these segments are active in markets with strong underlying growth such as technology consultancy services, energy-efficient lighting, sustainable lightweight structures and renewable energy, modern grocery retail, pharmacology and aftermarket solutions. Industrial Services consists of Aleido, Knightec, Semcon, Speed Group and TFS, while Product Solutions consists of Diab, HL Display, LEDiL and Oase Outdoors.

The Construction & Services business area's focus is on building and maintaining a sustainable society. The business area is divided into two segments – Construction, which focuses on community building (such as hospitals, schools and commercial buildings), and Critical Infrastructure, with a service offering primarily comprising maintenance of infrastructure within railway, road and energy solutions. Critical Infrastructure consists of Aibel, Expin Group and Presis Infra, and Construction Services consists of airteam, HENT and SSEA Group. Consumer consists of KVD and Plantasjen.

	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	LTM Rolling	Full year 2023
Net sales, SEKm						
Industrial Services	1,339	1,432	2,755	2,904	5,449	5,598
Product Solutions	1,367	1,370	2,677	2,626	5,032	4,981
Elimination of internal net sales	-10	-4	-22	-4	-35	-17
Industry	2,696	2,798	5,410	5,526	10,446	10,563
Construction	3,123	3,780	6,162	7,139	12,705	13,682
Critical Infrastructure	915	794	2,146	1,694	4,068	3,616
Construction & Services	4,038	4,573	8,308	8,832	16,773	17,298
Consumer	2,380	2,630	3,224	3,460	5,652	5,888
- whereof Plantasjen	1,928	2,132	2,480	2,674	4,087	4,281
Elimination of internal net sales	-0		-2	-0	-2	-0
Ratos group	9,114	10,001	16,939	17,818	32,870	33,748

Note 5, cont.

	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	LTM Rolling	Full year 2023
EBITA, adjusted, SEKm						
Industrial Services	87	88	227	233	417	423
Product Solutions	188	170	356	327	569	540
Industry	276	258	583	561	986	963
Construction	178	152	311	275	816	779
Critical Infrastructure	175	141	338	302	548	512
Construction & Services	353	293	650	577	1,364	1,291
Consumer	518	581	323	368	91	136
- whereof Plantasjen	478	543	280	328	-8	40
Group costs	-46	-53	-97	-103	-139	-146
Ratos group	1,101	1,078	1,459	1,402	2,302	2,244
	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	LTM Rolling	Full year 2023
EBITA %, adjusted						
Industrial Services	6.5%	6.1%	8.2%	8.0%	7.6%	7.6%
Product Solutions	13.8%	12.4%	13.3%	12.5%	11.3%	10.8%
Industry	10.2%	9.2%	10.8%	10.1%	9.4%	9.1%
Construction	5.7%	4.0%	5.1%	3.8%	6.4%	5.7%
Critical Infrastructure	19.1%	17.8%	15.8%	17.8%	13.5%	14.2%
Construction & Services	8.7%	6.4%	7.8%	6.5%	8.1%	7.5%
Consumer	21.8%	22.1%	10.0%	10.6%	1.6%	2.3%
Ratos group¹⁾	12.1%	10.8%	8.6%	7.9%	7.0%	6.7%
	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	LTM Rolling	Full year 2023
Operating profit/loss, SEKm						
Industrial Services	70	70	192	196	345	349
Product Solutions	187	170	354	327	567	540
Industry	257	239	546	523	912	889
Construction	178	148	311	266	815	770
Critical Infrastructure	165	124	318	271	6	-41
Construction & Services	343	272	629	537	821	730
Consumer	517	580	321	366	-163	-119
Items affecting comparability					1,656	1,656
Group costs	-46	-53	-97	-103	-140	-146
Ratos group	1,070	1,038	1,399	1,323	3,087	3,010
	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	LTM Rolling	Full year 2023
Cash flow from operating activities, SEKm						
Industrial Services	164	115	259	335	541	617
Product Solutions	313	299	304	304	756	757
Industry	478	414	563	640	1,297	1,374
Construction	231	552	-202	870	1,016	2,089
Critical Infrastructure	-76	-67	350	111	379	139
Construction & Services	154	485	148	981	1,396	2,228
Consumer	851	1,197	675	994	427	746
Parent company and central companies	-86	-71	-126	-84	-116	-74
Ratos group	1,397	2,024	1,260	2,531	3,004	4,275

¹⁾ Ratos Group's adjusted EBITA margin also includes the parent company and central companies.

Note 5, cont.

	Q2	Q2	Q1-2	Q1-2	LTM	Full year
Order intake, SEKm	2024	2023	2024	2023	Rolling	2023
Construction	6,707	3,017	9,578	7,089	13,371	10,882
Critical Infrastructure	2,021	2,070	3,828	2,868	5,025	4,065
Construction & Services	8,727	5,087	13,406	9,957	18,396	14,947
<i>Aibel²⁾</i>	<i>4,373</i>	<i>3,451</i>	<i>10,425</i>	<i>15,274</i>	<i>12,516</i>	<i>17,365</i>
Order backlog, SEKm	Q2	Q2	Full year			
Construction	2024	2023	2023			
Construction	22,785	22,201	19,212			
Critical Infrastructure	9,901	9,297	7,580			
Construction & Services	32,686	31,498	26,792			
<i>Aibel²⁾</i>	<i>33,011</i>	<i>38,673</i>	<i>32,041</i>			
	Q2	Q2	Full year			
Return on capital employed, %	2024	2023	2023			
Industrial Services	13.5%	16.5%	14.3%			
Product Solutions	9.6%	7.4%	9.2%			
Industry	10.9%	10.4%	10.9%			
Construction	24.9%	20.1%	26.1%			
Critical Infrastructure	12.1%	15.0%	11.1%			
Construction & Services	17.3%	17.1%	17.2%			
Consumer	-3.0%	1.1%	-1.3%			
Ratos group¹⁾	10.5%	10.2%	10.0%			

¹⁾ Ratos Group's return on capital employed also includes the parent company and central companies.

²⁾ Aibel's order intake and order backlog are not consolidated in the Critical Infrastructure segment.

Key figures

For definitions, see page 23

SEKm	Q1-2 2024	Q1-2 2023	Full Year 2023
Leverage excl. financial leasing	0.7x	1.6x	0.7x
Leverage	1.6x	2.7x	1.5x
Equity ratio, %	41.1	37.8	40.0
Return on equity, %	10.5	6.0	10.0
Return on capital employed excl. financial leasing, %	10.5	10.2	10.0
Return on capital employed, %	9.2	8.8	8.8
Return on invested capital, %	7.7	7.3	7.4
Key figures per share¹⁾			
Total return, %	3.7	-25.1	-10.6
Dividend yield, %			3.5
Market price, SEK	36.06	30.22	36.08
Dividend, SEK			1.25
Equity attributable to owners of the parent, SEK ²⁾	38.53	37.60	37.71
Basic earnings per share, SEK	1.92	1.71	3.73
Diluted earnings per share, SEK	1.92	1.71	3.72
Average number of ordinary shares outstanding:			
– before dilution	326,978,064	325,927,096	326,042,022
– after dilution	330,434,887	329,024,073	329,761,727
Total number of registered shares	327,385,688	326,016,488	326,516,488
Number of shares outstanding ³⁾	327,385,688	326,016,488	326,516,488
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	242,748,628	241,379,428	241,879,428

¹⁾ Relates to Class B shares unless specified otherwise

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

³⁾ After redemption and transfer of Ratos own shares

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. 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 23 of this report.

Organic growth

SEKm	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	Full Year 2023
Growth Net Sales, %	-9%	19%	-5%	22%	13%
Net sales	9,114	10,001	16,939	17,818	33,748
Acquired net sales	61	1,071	220	2,154	3,166
Effects from change in currency	25	-50	-60	-51	-112
Other*		-1		-4	-194
Net sales, adjusted	9,029	8,981	16,779	15,718	30,888
Divested net sales in the comparison period	3		7		2
Net sales, adjusted in the comparison period	9,997	8,420	17,811	14,640	29,873
Organic growth	-968	561	-1,032	1,078	1,014
Organic growth, %	-10%	7%	-6%	7%	3%

*Corrections related to Expin Group of SEK -193m for "Full year 2023"

EBITDA, EBITA and operating profit

SEKm	Q2 2024	Q2 2023	Q1-2 2024	Q1-2 2023	Full Year 2023
EBITDA	1,457	1,421	2,174	2,082	5,308
Depreciations and impairment	-357	-343	-715	-680	-1,408
EBITA	1,101	1,078	1,459	1,402	3,901
Reversal of write-down in associates					1,656
Adjusted EBITA	1,101	1,078	1,459	1,402	2,244
Amortisation and impairment of intangible assets in connection with company acquisitions	-30	-40	-60	-79	-890
Operating profit/loss	1,070	1,038	1,399	1,323	3,010

Interest-bearing net debt

SEKm	2024-06-30	2023-06-30	2023-12-31
Interest-bearing liabilities, other	4,913	5,776	5,049
Provisions for pensions	66	60	65
Interest-bearing assets	-68	-98	-34
Cash and cash equivalents	-1,819	-1,987	-2,360
Interest-bearing net debt excl. financial leasing	3,091	3,750	2,720
Financial leasing liabilities	5,657	5,748	5,398
Interest-bearing net debt inc. financial leasing	8,748	9,498	8,118

Specification of net financial items

	Q2	Q2		Q1-2	Q1-2		Full Year
Ratos Group, SEKm	2024	2023	Change%	2024	2023	Change%	2023
Interest income	19	19	-1%	38	37	2%	76
Interest expense	-80	-89	10%	-158	-170	7%	-340
Interest expense financial leasing	-73	-67	-9%	-144	-137	-5%	-276
Net interest	-134	-137	2%	-264	-270	2%	-540
Net exchange rate effects	-7	-43	83%	-7	-70	90%	-70
Other financial items	-15	-28	44%	-38	-61	39%	-127
Net financial items	-156	-207	24%	-309	-401	23%	-737

	Q2	Q2		Q1-2	Q1-2		Full Year
Parent company, SEKm	2024	2023	Change%	2024	2023	Change%	2023
Net interest	15	19	-20%	34	45	-25%	79
Net exchange rate effects	-2	-1	-116%	-4	-17	78%	-21
Other financial items	-5	-9	38%	-14	-30	53%	-49
Net financial items	8	9	-20%	16	-3	pos	9

Definitions

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 for the last 12 months divided by average equity attributable to owners of the parent during the five most recent quarters.

Internal rate of return

Adjusted EBITA less tax paid for the last 12 months as a percentage of average capital invested during the five most recent quarters.

Return on capital employed

Adjusted EBITA for the last 12 months as a percentage of average capital employed during the five most recent quarters.

Return on capital employed, business area and segment

Adjusted EBITA for operating companies for the last 12 months as a percentage of average capital employed excluding financial lease liabilities 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.

Invested capital

Non-current assets (including goodwill) and working capital.

Adjusted EBITA

EBITA adjusted for capital gains and the revaluation of listed shares and non-recurring items affecting comparability at the business area level.

Adjusted EBITA margin

Adjusted EBITA expressed as a percentage of net sales.

Cash flow from operating activities

Includes cash flow from operating profit, dividends received from associates, interest and financial items, income tax paid, and changes in working capital.

Average number of employees

Total number of hours worked during the most recent full year restated as full-time positions. Also includes average number of employees in key associates.

Order intake

The value of projects and contracts received, as well as changes in the value of existing projects and agreements during the current period. Order intake is only reported for the Construction & Services business area since it is considered a key performance measure for its operations.

Order backlog

The value of the remaining unearned project revenue in pending assignments at the end of the period. Order backlog is only reported for the Construction & Services business area since it is considered a key performance measure for its operations.

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.

Interest-bearing net debt

Interest-bearing liabilities (including financial lease liabilities) and pension provisions minus interest-bearing assets and cash and cash equivalents.

Capital employed

Equity, non-controlling interests and interest-bearing liabilities.

Leverage excl. finance leases

Interest-bearing net debt excluding finance leases in relation to EBITDA for the last 12 months.

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, 18 July 2024
Ratos AB (publ)

Per-Olof Söderberg
Chairman

Mats Granryd
Board member

Ulla Litzén
Board member

Tone Lunde Bakker
Board member

Cecilia Sjöstedt
Board member

Jan Söderberg
Deputy Chairman

Jonas Wiström
Board member,
President and 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 (publ) as at 30 June 2024 and for the six months period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the 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 Report 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 (ISA) 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 Annual Accounts Act, and with the Annual Accounts Act, regarding the Parent Company.

Stockholm, 18 July 2024
Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Investor presentation

18 July, 9:00 a.m. CEST

Webcast: https://youtube.com/live/_2p3gwcr-IM?feature=share

Financial calendar

2024

Interim report Q3 2024

22 October

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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 persons set out above, at 7:00 a.m. CEST on 18 July 2024.

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Reg. no. 556008-3585
