



Interim report Q2 2022

RATOS

Interim report January–June 2022

Solid earnings and important acquisitions in a challenging quarter

Q2 2022

- Adjusted¹⁾ EBITA amounted to SEK 963m (1,035)
- Operating profit amounted to SEK 925m (915)
- Profit for the period amounted to SEK 689m (679)
- Diluted earnings per share amounted to SEK 1.83 (1.84) for continuing operations
- Cash flow from operations amounted to SEK 824m (1,188)

January–June 2022

- Adjusted¹⁾ EBITA amounted to SEK 1,215m (1,211)
- Operating profit amounted to SEK 930m (1,069)
- Profit for the period amounted to SEK 551m (2,412). The sale of Bisnode had a positive effect on preceding year's profit with SEK 1,816m
- Diluted earnings per share amounted to SEK 1.17 (1.85) for continuing operations
- Cash flow from operations amounted to SEK 335m (578)
- Leverage excluding financial leasing amounted to 0.6x (-0.7x)

Significant events during and after the end of the period

- On 16 May, Ratos acquired 74% of NVBS Rail Group Holding AB (NVBS), which is now part of the Construction & Services business area
- On 1 June, Ratos divested all of its shares in Dun & Bradstreet. The transaction strengthened Ratos's cash position by approximately SEK 700m and had an impact of SEK -18m on EBITA for the second quarter of 2022
- On 15 June, Ratos signed an agreement to acquire 70% of the consulting firm Knightec, which will become part of the Industry business area. The acquisition is expected to be completed at the beginning of August
- On 1 July, NVBS acquired the civil engineering company TKBM Entreprenad AB

Ratos Group, SEKm

	Q2 2022	Q2 2021	Change %	Q1-2 2022	Q1-2 2021	Change%	LTM Rolling	Full Year 2021	Change%
Net sales	8,420	6,994	20%	14,640	11,426	28%	25,765	22,551	14%
EBITDA	1,239	1,167	6%	1,573	1,554	1%	2,689	2,669	1%
EBITA, adjusted ¹⁾	963	1,035	-7%	1,215	1,211	0%	1,807	1,802	0%
EBITA %, adjusted ¹⁾	11.4%	14.8%		8.3%	10.6%		7.0%	8.0%	
EBITA	945	923	2%	967	1,080	-10%	1,574	1,686	-7%
EBITA %	11.2%	13.2%		6.6%	9.5%		6.1%	7.5%	
Operating profit	925	915	1%	930	1,069	-13%	1,516	1,656	-8%
Profit before tax	825	827	0%	727	894	-19%	1,138	1,306	-13%
Profit for the period ²⁾	689	679	2%	551	2,412	-77%	993	2,855	-65%
Diluted earnings per share total group, SEK ²⁾	1.83	1.90	-4%	1.17	7.14	-84%	2.16	8.10	-73%
Diluted earnings per share, continuing operations, SEK	1.83	1.84	-1%	1.17	1.85	-37%	2.16	2.83	-24%
Cash flow from operations	824	1,188	-31%	335	578	-42%	182	425	-57%
Leverage excl. financial leasing				0.6x	-0.7x			0.1x	
Return on capital employed				7.6%	17.5%			16.8%	

¹⁾ For definition see page 22. EBITA for Q2 2022 is adjusted with revaluation of listed shares SEK -18m (-113). EBITA for Q1-2 is adjusted with revaluation of listed shares SEK -118m (-131) and restructuring costs of SEK -130m attributable to Diab.

²⁾ 2021 includes capital gain from the divestment of Bisnode in January 2021

Solid earnings and important acquisitions in a challenging quarter

Sales totalled SEK 8,420m, up 20% year on year. During the quarter, NVBS was acquired and an agreement to acquire Knightec was signed. Both companies are an excellent fit with our industrial strategy with synergies. The acquisitions will be followed by a number of initiatives in their respective industries. We are delivering solid earnings and are growing in line with our financial targets, despite the challenges in our operating environment. Adjusted EBITA for the second quarter amounted to SEK 963m, down 7% year on year. Plantasjen was impacted by adverse weather in the quarter, inflation and the diminishing impact of the pandemic.

Growth

During the quarter, we divested our shares in Dun & Bradstreet. The transaction strengthened Ratos's cash position by approximately SEK 700m on our industrial growth journey in a world where having a strong balance sheet is more important than it has been for a long time.

The somewhat lower earnings in the quarter than in the year-earlier period were mainly attributable to weaker sales in Plantasjen, primarily due to adverse weather with frost in May.

Extensive efforts to assess potential acquisition candidates were carried out during the quarter. Numerous companies have been assessed, and we are continuing to be selective. The acquisitions we have made have provided us with attractive positions in industries with future potential. With the acquisition of the profitable and innovative consulting firm Knightec, we are building a position in an industry where we have extensive combined experience, with favourable growth prospects and where all of our investment criteria are met.

Development of Ratos's business areas

EBITA for the **Construction & Services** business area amounted to SEK 279m (128), an increase of 118%. All companies in the business area improved their sales during the quarter compared with the year-earlier period, and the business area's sales increased 37%. The construction market remains uncertain mainly due to increased prices for construction materials, rising inflation and general economic turmoil. To handle higher raw material prices, the companies are implementing price increases for customers, which began to take effect during the quarter. Despite the market situation, we are seeing a relatively high activity level and we continue to have a strong order book in all companies in the business area.

EBITA for the **Consumer** business area amounted to SEK 664m (838). This decline in EBITA was mainly attributable to lower sales in Plantasjen due to unseasonably adverse weather in April and May. At the same time, the quarter was the third-best in Plantasjen's history, despite the weather, inflation and the diminishing impact of the pandemic. Price increases were carried out, and further increases are planned in order to offset rising logistics and energy costs. Sales for the business area amounted to SEK 3,018m (2,708), up 11% year on year. Other companies in the business area reported stronger earnings than in the year-earlier period, despite the negative impact of component shortages and delivery problems.

EBITA for the **Industry** business area amounted to SEK 76m (118). This decrease was attributable to Diab, which continued to suffer the negative effects of lower volumes in the wind segment. The restructuring in the company is proceeding according to the previously announced plan, and the marine, industry and aerospace (MIA) segment performed well. All companies in the business area except Diab delivered earnings that were in line with or better than in the year-earlier period. Sales for Industry amounted to SEK 1,310m for the quarter, up 2% year on year. All companies in the business area except Diab improved their sales during the quarter compared with the year-earlier period. The business area's market outlook is generally considered favourable for all companies, with the exception of the wind segment in Diab, where wind turbine manufacturers are facing tough times despite positive long-term market conditions.

Transition makes a difference for the climate

Investing in the climate transition makes a big difference – both for the climate and in terms of profitability. I am proud of the work and transition under way in Ratos's companies. There are many good examples. One is the new contracts signed by Aibel with Ørsted for two offshore wind platforms in the North Sea. With the capacity to supply sufficient electricity to meet the daily consumption of over three million households, this is the largest offshore wind project in the world. The process of the potential listing of Aibel continues, and we can confirm that the company is stronger than ever, with favourable future prospects. Moreover, our Norwegian construction company HENT, which specialises in sustainable wood buildings, shows how important it is to contribute to the big picture by adopting shared sustainability targets with the entire construction industry in Norway. HL Display continues to impress with its initiatives in circularity through plastic recycling, which are both in demand and appreciated among customers.

At the end of the second quarter of 2021, I wrote in my CEO comments that our focus was achieving industry-leading profitability in our companies combined with organic growth and synergy-generating acquisitions. No one knew then that one year later we would be facing a nearby war and a general decline in economic activity. I can confirm that Ratos is well equipped for these new conditions. Our journey of growth is continuing, despite a challenging operating environment.

Jonas Wiström, President and CEO

Group performance Q2 2022

Net sales

Net sales in the second quarter amounted to SEK 8,420m (6,994), up 20% year on year. All business areas displayed sales growth. Structural effects had a positive effect of SEK 1,048m (15%) on net sales, primarily attributable to the acquisitions of Presis Infra and NVBS in the Construction & Services business area. Currency effects had a positive effect of SEK 234m (3%) on net sales and the organic sales growth in the quarter amounted to 2%. Construction & Services demonstrated 11% growth, while Consumer and Industry both had negative organic growth of -4%.

EBITA

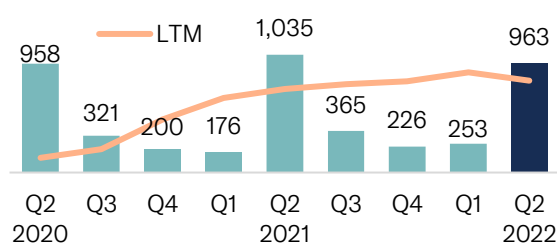
Adjusted EBITA during the quarter amounted to SEK 963m (1,035). The adjusted EBITA margin was 11.4% (14.8). The change in earnings was due to higher earnings in Construction & Services and pertains to both organic EBITA growth and acquired EBITA through Presis Infra and NVBS while the Consumer and Industry business areas declined in earnings during the quarter compared to last year.

Financial performance Q2 2022

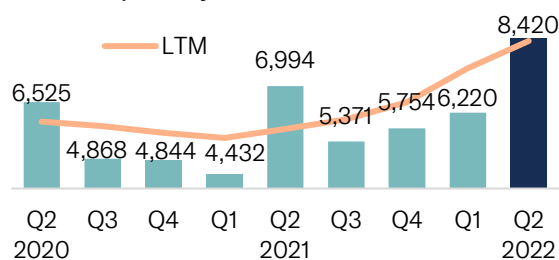
SEKm	Net sales			EBITA, adjusted		
	Q2 2022	Q2 2021	Change%	Q2 2022	Q2 2021	Change %
Construction & Services	4,098	2,997	37%	279	128	118%
Consumer	3,018	2,708	11%	664	838	-21%
Industry	1,310	1,289	2%	76	118	-36%
Group costs				-55	-48	14%
Elimination of internal net sales	-6	-0				
Net sales and adjusted EBITA	8,420	6,994	20%	963	1,035	-7%
Revaluation and gain/loss listed shares				-18	-113	84%
Amortisation and impairment of intangible assets in connection with company acquisitions				-20	-8	neg
Consolidated operating profit				925	915	1%
Finance net				-100	-88	13%
Profit/loss before tax				825	827	0%
Tax				-135	-166	-18%
Profit/loss for the period, continuing operations				689	661	4%
Profit for the period, discontinued operations ¹⁾					18	-100%
Profit/loss for the period				689	679	2%

¹⁾ Attributable to Bisnode and associated capital gain

Adjusted EBITA, quarterly and LTM, SEKm



Net sales, quarterly and LTM, SEKm



Sales bridge, Q2

	Net sales
2021, SEKm	6,994
Structure, %	15%
Currency, %	3%
Other, %	0%
Organic growth, %	2%
Total, %	20%
2022, SEKm	8,420

Group performance January–June 2022

Net sales

Net sales in the period amounted to SEK 14,640m (11,426), up 28% year on year. Structural effects had a positive effect of SEK 1,971m (17%) on net sales, primarily attributable to the acquisitions of Presis Infra and NVBS in the Construction & Services business area. Organic sales growth in the period amounted to 6% and currency effects had a positive effect of SEK 621m (5%) on net sales. Construction & Services and Consumer demonstrated positive organic growth during the period, despite the prevailing uncertainties.

EBITA

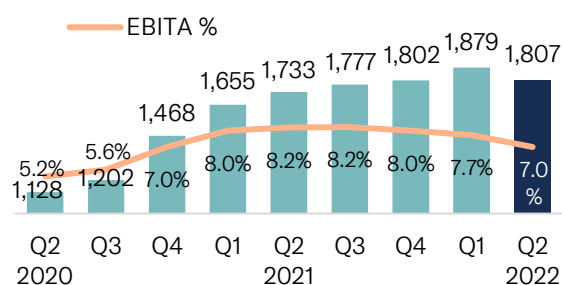
Adjusted EBITA in the period amounted to SEK 1,215m (1,211). The adjusted EBITA margin was 8.3% (10.6%). The improvement in earnings was due to higher earnings in Construction & Services and pertains to organic EBITA growth as well as acquired EBITA through Presis Infra and NVBS. Earnings in both Consumer and Industry declined in the period compared with the year-earlier period.

Financial performance January–June 2022

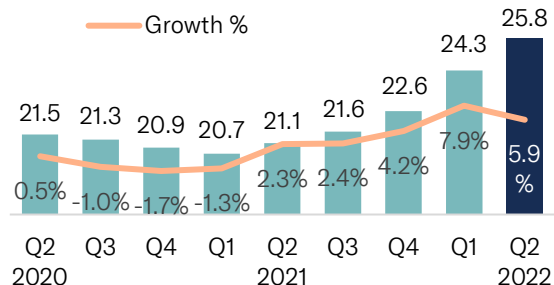
SEKm	Net sales					EBITA, adjusted				
	Q1-2 2022	Q1-2 2021	Change%	Rolling LTM	Full Year 2021	Q1-2 2022	Q1-2 2021	Change%	Rolling LTM	Full Year 2021
Construction & Services	7,765	5,406	44%	13,765	11,406	570	252	127%	996	677
Consumer	4,297	3,576	20%	6,953	6,232	588	773	-24%	660	845
Industry	2,590	2,444	6%	5,060	4,913	163	266	-39%	329	432
Group costs						-106	-80	33%	-178	-152
Elimination of internal sales	-12	-0		-13	-0					
Net sales and adjusted EBITA	14,640	11,426	28%	25,765	22,551	1,215	1,211	0%	1,807	1,802
Revaluation and gain/loss listed shares						-118	-131	-10%	-103	-116
Items affecting comparability						-130			-130	
Amortisation and impairment of intangible assets in connection with company acquisitions						-38	-11	neg	-57	-31
Consolidated operating profit						930	1,069	-13%	1,516	1,656
Finance net						-203	-175	-16%	-378	-350
Profit/loss before tax						727	894	-19%	1,138	1,306
Tax						-176	-197	11%	-145	-166
Profit/loss for the period, continuing operations						551	697	-21%	993	1,139
Profit for the period, discontinued operations ¹⁾							1,716	-100%	-0	1,715
Profit/loss for the period						551	2,412	-77%	993	2,855

¹⁾Attributable to Bisnode and associated capital gain

Adjusted EBITA, LTM, SEKm



Net sales, LTM, SEKbn



Sales bridge, January–June

	Net sales
2021, SEKm	11,426
Structure, %	17%
Currency, %	5%
Other, %	0%
Organic growth, %	6%
Total, %	28%
2022, SEKm	14,640

Construction & Services

Net sales

Net sales for the second quarter amounted to SEK 4,098m, which is a year-on-year increase of 37%. Organic growth amounted to 11% and the structural effect to 23%, which was due to the acquisitions of Presis Infra and NVBS as well as Speed Group's add-on acquisition in the fourth quarter of the preceding year. All companies in the business area posted sales growth for the quarter compared with the same quarter last year.

Uncertainty in the market as a result of Russia's invasion of Ukraine continued, with high steel, timber and energy prices in the quarter. These higher costs had a certain impact on the business area during the quarter, with projects being postponed, primarily in housing construction. However, the business area has a low exposure to housing projects.

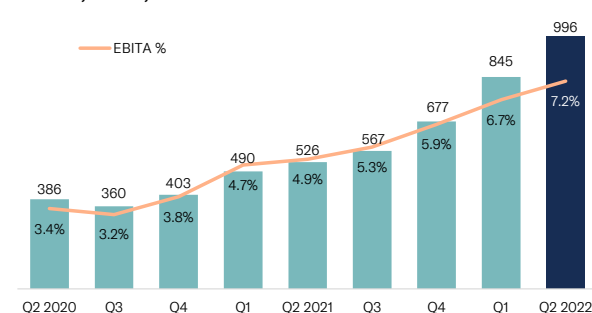
EBITA

EBITA for the business area amounted to SEK 279m (128) for the quarter and the EBITA margin was 6.8% (4.3%). The business area reported a significant improvement in earnings for the quarter, with strong earnings in most companies and a growing EBITA margin. EBITA for the business area increased SEK 151m (+118%) compared with the same quarter last year, which was primarily attributable to an improvement in earnings for Aibel and the acquisitions of Presis Infra and NVBS, which contributed positively to profit for the period.

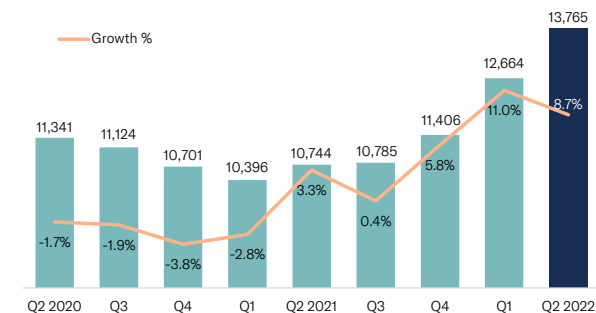
Financial performance

SEKm	Q2 2022	Q2 2021	Change %	Q1-2 2022	Q1-2 2021	Change %	LTM Rolling	Full Year 2021	Change%
Net sales	4,098	2,997	37%	7,765	5,406	44%	13,765	11,406	21%
EBITA, adjusted	279	128	118%	570	252	127%	996	677	47%
EBITA %, adjusted	6.8%	4.3%		7.3%	4.7%		7.2%	5.9%	
EBITA	279	128	118%	570	252	127%	996	677	47%
EBITA %	6.8%	4.3%		7.3%	4.7%		7.2%	5.9%	
Operating profit	260	121	114%	535	243	120%	944	652	45%
Operating profit %	6.3%	4.0%		6.9%	4.5%		6.9%	5.7%	
Cash flow from operations	379	-44	pos	545	-208	pos	977	224	pos
Return on capital employed				15%	16%		15%	14%	
Interest-bearing net debt				1,504	460	pos		885	
-whereof leasing liability				1,273	958	33%		1,218	
Average number of employees								2,836	

EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q2 2022	Q1-2 2022
2021, SEKm	2,997	5,406
Structure, %	23%	27%
Currency, %	3%	7%
Other, %	0%	0%
Organic growth, %	11%	10%
Total, %	37%	44%
2022, SEKm	4,098	7,765

The Construction & Services business area's focus is on building and maintaining a sustainable society. The service offering ranges from constructing new sustainable buildings and maintaining critical infrastructure to energy supply and managing material flows. The business area's operations benefit from current social developments and trends such as urbanisation, growing populations, the need for renewable energy and efficient resource management. The business area comprises the companies Aibel, airteam, HENT, NVBS, Presis Infra, Speed Group and SSEA Group.

Consumer

Net sales

Net sales in the business area for the second quarter amounted to SEK 3,018m (2,708), up 11% year on year. Organic growth was negative and amounted to -4% for the quarter, primarily driven by lower sales in Plantasjen. Plantasjen faced challenges during the second quarter, that is the most important quarter in seasonal terms, in form of adverse weather. It was also affected by the diminishing impact of the pandemic. The structural effect amounted to 12% and pertains primarily to the acquisition of Forsbergs Fritidscenter. During the second quarter, high energy and shipping costs as well as high fuel prices and the ongoing component shortage had a negative effect on the business area.

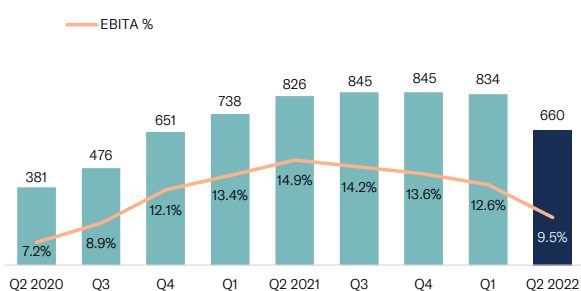
EBITA

EBITA for the business area amounted to SEK 664m (838) for the quarter. The EBITA margin was 22.0% (30.9%). The year-on-year change in EBITA was primarily due to lower sales in Plantasjen. Plantasjen had higher costs during the quarter, primarily for warehousing, logistics and heating, which had a negative impact on earnings. Despite more challenging conditions and comparative figures affected by the pandemic, Plantasjen delivered its third-best quarter in the company's history, thanks to an improved product mix and better cost control.

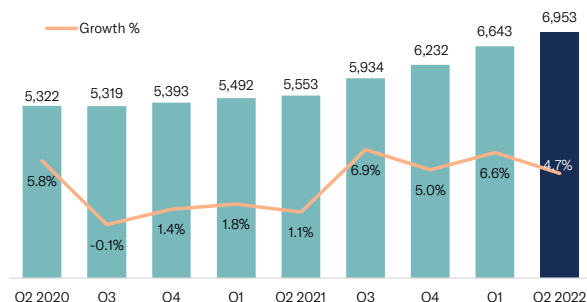
Financial performance

SEKm	Q2 2022	Q2 2021	Change %	Q1-2 2022	Q1-2 2021	Change %	LTM Rolling	Full Year 2021	Change%
Net sales	3,018	2,708	11%	4,297	3,576	20%	6,953	6,232	12%
EBITA, adjusted	664	838	-21%	588	773	-24%	660	845	-22%
EBITA %, adjusted	22.0%	30.9%		13.7%	21.6%		9.5%	13.6%	
EBITA	664	838	-21%	588	773	-24%	660	845	-22%
EBITA %	22.0%	30.9%		13.7%	21.6%		9.5%	13.6%	
Operating profit	662	837	-21%	586	771	-24%	656	840	-22%
Operating profit %	21.9%	30.9%		13.6%	21.6%		9.4%	13.5%	
Cash flow from operations	699	1,160	-40%	90	718	-88%	-627	2	neg
Return on capital employed				9%	12%		9%	11%	
Interest-bearing net debt				5,641	4,281	32%		5,532	
-whereof leasing liability				3,862	3,872	0%		3,890	
Average number of employees								1,639	

EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q2 2022	Q1-2 2022
2021, SEKm	2,708	3,576
Structure, %	12%	13%
Currency, %	3%	3%
Organic growth, %	-4%	3%
Total, %	11%	20%
2022, SEKm	3,018	4,297

The Consumer business area works to simplify and improve life for consumers. To us, simplifying and improving life means, for example, making life healthier and more sustainable, and saving time. The business area consists of companies that are well positioned in relation to strong prevailing macro trends such as spending holidays at home, growing interest in outdoor activities and interior design and horticulture. The business area comprises the companies KVD, Oase Outdoors and Plantasjen.

Industry

Net sales

Net sales in the business area for the second quarter amounted to SEK 1,310m, which is a year-on-year increase of 2%. All companies in the business area except Diab had good sales growth. Diab's net sales declined 26% for the quarter due to continued lower volumes in the wind segment. The organic growth was negative during the quarter and amounted to -4%. Acquired growth amounted to 1% and was attributable to add-on acquisitions in HL Display. The order intake for the companies in the business area, except for Diab, was strong during the quarter.

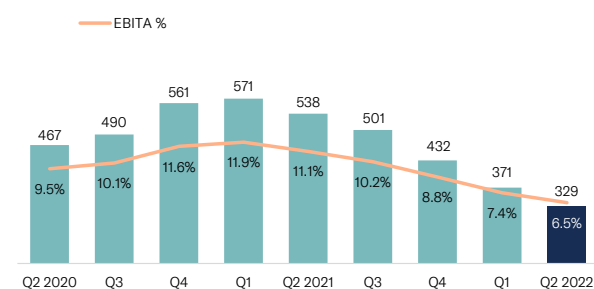
EBITA

EBITA for the business area amounted to SEK 76m, down 36% year on year. The EBITA margin was 5.8% (9.2%). The decline in earnings was attributable to Diab, which continues to be affected by lower volumes in the wind segment combined with higher production costs as well as higher costs for input goods. The demand has declined drastically in the general wind power market, which is affecting the major wind turbine manufacturers and volumes are not expected to increase until 2023. The previously announced restructuring of Diab in order to improve profitability and increase stability is proceeding according to plan. The savings are expected to have an impact during 2022. Johan Arvidsson will take over as the new CEO in October 2022 at the latest. Despite the rising inflationary pressure in the operating environment the other companies in the business area performed well.

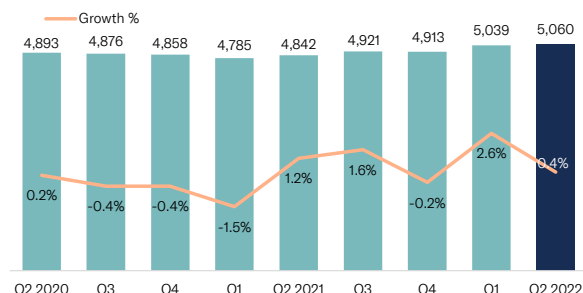
Financial performance

SEKm	Q2 2022	Q2 2021	Change %	Q1-2 2022	Q1-2 2021	Change %	LTM Rolling	Full Year 2021	Change%
Net sales	1,310	1,289	2%	2,590	2,444	6%	5,060	4,913	3%
EBITA, adjusted	76	118	-36%	163	266	-39%	329	432	-24%
EBITA %, adjusted	5.8%	9.2%		6.3%	10.9%		6.5%	8.8%	
EBITA	76	118	-36%	33	266	-88%	199	432	-54%
EBITA %	5.8%	9.2%		1.3%	10.9%		3.9%	8.8%	
Operating profit	76	118	-36%	32	266	-88%	198	432	-54%
Operating profit %	5.8%	9.2%		1.2%	10.9%		3.9%	8.8%	
Cash flow from operations	-10	125	-108%	25	141	-83%	225	342	-34%
Return on capital employed				4%	11%		4%	8%	
Interest-bearing net debt				1,877	1,319	42%		1,421	
-whereof leasing liability				409	262	56%		365	
Average number of employees								2,926	

Adjusted EBITA, LTM, SEKm



Net sales, LTM, SEKm



Sales bridge, net sales

	Q2 2022	Q1-2 2022
2021, SEKm	1,289	2,444
Structure, %	1%	2%
Currency, %	5%	5%
Other, %	-1%	0%
Organic growth, %	-4%	-1%
Total, %	2%	6%
2022, SEKm	1,310	2,590

The Industry business area develops market-leading industrial companies that are based in the Nordics but export to the entire world. The companies are active in more than 30 countries across five continents. The companies in the Industry business area are exposed to high-growth markets such as energy-efficient lighting, lightweight material, renewable energy, grocery and pharmacology. The business area comprises the companies Diab, HL Display, LEDiL and TFS.

Financial overview, Ratos Group

Cash flow Q2

Cash flow for the quarter amounted to SEK -525m (699), of which cash flow from operating activities amounted to SEK 1,145m (1,461). Cash flow from investing activities amounted to SEK -164m (-215) and cash flow from financing activities to SEK -1,505m (-548).

The change in cash flow for the quarter was mainly due to financing activities, with SEK -1,083m (-449) repaid on net external loans, SEK -153m (-) in dividends paid to minority holders and last year's transfer of treasury shares (SEK 196m). Despite the acquisition of NVBS, cash flow from investing activities improved slightly over the preceding year since all D&B shares were divested. Cash flow from operating activities declined year on year as a result of higher tied-up working capital.

Cash flow January–June

Cash flow for the period amounted to SEK -990m (1,239), of which cash flow from operating activities amounted to SEK 918m (1,072). Cash flow from investing activities amounted to SEK -286m (2,312) and cash flow from financing activities to SEK -1,622m (-2,145).

The change in cash flow for the period was mainly due to investing activities, which were affected positively in the preceding year by the sale of Bisnode. Cash flow from financing activities improved year on year due to the introduction of central financing and subsequent repayment of external bank loans during the first half of the preceding year. Cash flow from operating activities declined year on year as a result of higher tied-up working capital.

Tax Q2

Tax expense for the Group amounted to SEK -135m (-166) and profit before tax to SEK 825m (827). The effective tax rate for the quarter was thus 16% (20%), primarily due to the capitalisation loss carry-forwards from prior years.

Tax January–June

Tax expense for the Group amounted to SEK -176m (-197) and profit before tax to SEK 727m (894). The primary reason for the higher effective tax rate of 24% (22%) for the period is non-deductible expenses during the period that primarily pertained to restructuring costs, as well as a revaluation/realized loss from listed shares.

Financial position and leverage

The Group's cash and cash equivalents at the end of the period amounted to SEK 1,267m (2,230 at 31 December 2021) and interest-bearing net debt totaled SEK 6,582m (5,850 at 31 December 2021). The Group's leverage excluding financial lease liabilities at the end of the period amounted to 0.6x (0.1x at 31 December 2021). Including financial lease liabilities, the Group's leverage at the end of the period amounted to 2.4x (1.3x at 31 December 2021). The total translation effect of currency for interest-bearing liabilities amounted to approximately SEK 123m, of which approximately SEK 73m related to liabilities to credit institutions and approximately SEK 50m to financial lease liabilities.

During the period, a new financing agreement of SEK 650m was signed, with tenors of three years (SEK 350m) and five years (SEK 300m). The funds were used for the company's operating activities. A loan for EUR 66m with a tenor of two years (plus a one-year extension option) was also signed. The funds were used to repay the existing credit facility.

At the end of the period, the Group's interest-bearing liabilities to credit institutions amounted to SEK 1,856m (2,102 at 31 December 2021).

When divesting Bisnode to Dun & Bradstreet at the beginning of 2021, Ratos chose to invest one quarter of the equity value in Dun & Bradstreet shares, which are listed on the New York Stock Exchange. The shares were acquired at a value of SEK 924m and were included in financial assets. On 1 June, Ratos divested all of its 4,358,257 shares in Dun & Bradstreet at a value of SEK 725m. The transaction strengthened Ratos's cash position by approximately SEK 700m and had an impact of SEK -18m on Ratos's EBITA for the second quarter of 2022.

Ratos's equity

At 30 June 2022, Ratos's equity (attributable to owners of the parent) amounted to SEK 12,102m (11,940 at 31 December 2021), corresponding to SEK 37 per share outstanding (37 at 31 December 2021).

Parent company

The parent company's operating loss amounted to SEK -83m (-77) for the period January-June. The parent company's loss before tax amounted to SEK -56m (1,730). The preceding year included capital gains of SEK 1,878m. The capital gains pertained to the divestment of Bisnode and Bisnode Belgium, which differs from the Group's capital gains due to different accounting methods. Cash and cash equivalents in the parent company amounted to SEK 295m (294 at 31 December 2021).

The parent company has a related party relationship with its Group companies. For more information, refer to Note 29 in the 2021 Annual Report. No new type of significant transactions were carried out with related parties during the period compared with those presented in the most recent Annual Report.

Ratos share data

Earnings per share for the period January-June amounted to SEK 1.18 (7.20) before dilution and to SEK 1.17 (7.14) after dilution. Earnings per share for continuing operations amounted to SEK 1.18 (1.86) before dilution and to SEK 1.17 (1.85) after dilution. The closing price for Ratos's Class B shares on 30 June 2022 was SEK 43.52. The total return on Class B shares for the period January-June amounted to -23.0%, compared with the performance for the SIX Return Index, which was -27.9%.

Number of shares and repurchased/sold shares

At the beginning of the year, Ratos owned 62,500 Class B shares. During the first quarter, call option programmes from 2017 were redeemed whereby 62,500 treasury shares were divested through the redemption of call options. During the second quarter, 268,868 new Class B shares were issued in connection with the exercise/conversion of warrants and a convertible debenture. At 30 June 2022, the total number of shares and shares outstanding in Ratos (Class A and B shares) amounted to 325,007,688 and the number of votes to 108,674,123.

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 22 March 2022. In total, 832,500 warrants and 977,500 convertibles were issued.

Significant events during and after the end of the period

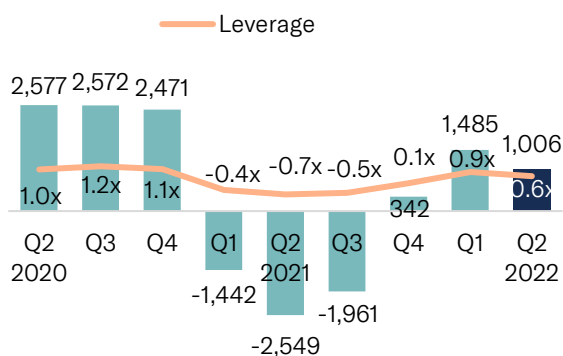
On 16 May, Ratos acquired 74% of the Swedish company NVBS Rail Group Holding AB (NVBS), which in turn on 18 May, acquired 100% of the Finnish company Ratatek. NVBS will become a Nordic platform company for Ratos in the attractive and growing railway infrastructure market, with a presence in Sweden, Finland and Norway. Together, the companies had pro forma sales of SEK 978m in 2021, with adjusted EBITA of SEK 113m. The cash-free, debt-free purchase price for 100% of both companies amounted to SEK 1,066m. NVBS is part of Ratos's Construction & Services business area.

On 1 June, Ratos divested all 4,358,257 of its shares in Dun & Bradstreet at a value of SEK 725m. The shares represented 25% of the purchase price when Ratos divested Bisnode to Dun & Bradstreet for a price based on an enterprise value of approximately SEK 7,200m. The transaction strengthened Ratos's cash position by approximately SEK 700m and had an impact of SEK -18m on Ratos's EBITA for the second quarter of 2022.

On 15 June, Ratos signed an agreement to acquire 70% of the consulting firm Knightec, thereby entering into a partnership with co-founder and CEO Dimitris Gioulekas. Over the past 12 months, Knightec had sales of SEK 941m, with adjusted EBITA of SEK 140m. The cash-free, debt-free purchase price for 100% of the company (enterprise value) amounts to SEK 1,625m, corresponding to a multiple of 11.6 (EV/EBITA). The acquisition is expected to be completed at the beginning of August. Knightec will be part of Ratos's Industry business area

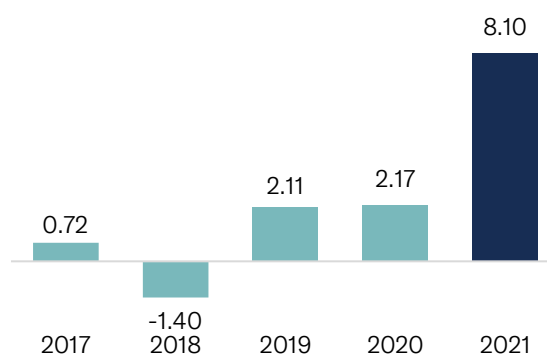
On 1 July, NVBS, which is part of the Construction & Services business area, acquired the civil engineering company TKBM Entreprenad AB. TKBM has its operations in and around Stockholm. TKBM is a strong company in cable and trunking installations and is expected to have sales of some SEK 65m with EBITA of SEK 5m in 2022.

Interest-bearing net debt and leverage¹⁾, SEKm



¹⁾ Excluding financial lease liabilities

Diluted earnings per share, SEK



Financial statements

Consolidated income statement

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full Year 2021
Net sales	8,420	6,994	14,640	11,426	22,551
Other operating income	43	24	87	68	183
Cost of goods and services sold	-5,089	-3,979	-8,912	-6,552	-13,445
Employee benefit costs	-1,543	-1,315	-3,035	-2,439	-4,855
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets and right-of-use assets	-314	-252	-644	-485	-1,014
Other external costs	-637	-461	-1,239	-873	-1,840
Capital gain/loss from Group companies	0		-0		2
Share of profit/loss from investments recognised according to the equity method	63	17	150	55	189
Revaluation and capital gain/loss listed shares	-18	-113	-118	-131	-116
Operating profit	925	915	930	1,069	1,656
Financial income	161	4	363	32	72
Financial expenses	-260	-92	-567	-207	-422
Net financial items	-100	-88	-203	-175	-350
Profit before tax	825	827	727	894	1,306
Income tax	-135	-166	-176	-197	-166
Profit for the period, continuing operations¹⁾	689	661	551	697	1,139
Profit for the period, discontinued operations		18		1,716	1,715
Profit for the period	689	679	551	2,412	2,855
<i>Profit for the period attributable to:</i>					
Owners of the parent	598	620	383	2,316	2,637
Non-controlling interests	92	59	168	96	218
Earnings per share, SEK					
- basic earnings per share	1.84	1.91	1.18	7.20	8.17
- diluted earnings per share	1.83	1.90	1.17	7.14	8.10
Earnings per share from continuing operations, SEK					
- basic earnings per share	1.84	1.86	1.18	1.86	2.84
- diluted earnings per share	1.83	1.84	1.17	1.85	2.83

¹⁾ Profit for the period from continuing operations attributable to the owners of the parent for Q2 2021 amounts to SEK 602m, for Q1-Q2 2021 to SEK 597m and for full year 2021 to SEK 918m. Profit for the period from continuing operations attributable to non-controlling interests for Q2 2021 amounts to SEK 59m, for Q1-Q2 2021 to SEK 100m and for full year 2021 to SEK 221m

Consolidated statement of comprehensive income

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full Year 2021
Profit for the period	689	679	551	2,412	2,855
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of defined benefit pension obligations, net	59	-0	59	-44	-49
Tax attributable to items that will not be reclassified to profit or loss					-2
	59	-0	59	-44	-51
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation differences for the period	-93	-91	143	147	291
Change in hedging reserve for the period	1	13	-10	45	41
Tax attributable to items that may be reclassified subsequently to profit or loss	-0	-3	2	-10	-9
	-93	-81	135	182	323
Other comprehensive income for the period	-34	-82	194	138	271
Total comprehensive income for the period	655	597	744	2,550	3,126
<i>Total comprehensive income for the period attributable to:</i>					
Owners of the parent	573	555	549	2,437	2,879
Non-controlling interest	82	42	195	113	247

Summary consolidated statement of financial position

SEKm	2022-06-30	2021-06-30	2021-12-31
ASSETS			
Non-current assets			
Goodwill	11,074	7,339	10,028
Other intangible non-current assets	1,443	1,198	1,390
Property, plant and equipment	1,642	1,267	1,503
Right-of-use assets	5,063	4,591	5,006
Financial assets	1,565	1,985	2,157
Deferred tax assets	371	174	303
Total non-current assets	21,157	16,554	20,387
Current assets			
Inventories	2,487	1,357	1,903
Current receivables	4,992	3,764	3,865
Cash and cash equivalents	1,267	4,492	2,230
Total current assets	8,745	9,613	7,998
Total assets	29,902	26,167	28,385
EQUITY AND LIABILITIES			
Equity including non-controlling interests	13,521	12,923	13,326
Non-current liabilities			
Interest-bearing liabilities	6,911	5,180	7,191
Non-interest bearing liabilities	1,078	269	836
Pension provisions	56	86	76
Other provisions	34	28	39
Deferred tax liabilities	480	311	440
Total non-current liabilities	8,559	5,875	8,582
Current liabilities			
Interest-bearing liabilities	989	1,850	891
Non-interest bearing liabilities	6,290	5,093	5,166
Provisions	542	426	421
Total current liabilities	7,822	7,369	6,477
Total liabilities	16,381	13,244	15,059
Total equity and liabilities	29,902	26,167	28,385

Summary statement of changes in consolidated equity

SEKm	2022-06-30			2021-06-30			2021-12-31		
	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	11,940	1,387	13,326	9,366	1,915	11,281	9,366	1,915	11,281
Total comprehensive income for the period	549	195	744	2,437	113	2,550	2,879	247	3,126
Dividends	-390	-176	-566	-303		-303	-303	-3	-306
Non-controlling interests' share of capital contribution and new issue		0	0		-0	-0		0	0
Transfer of treasury shares	2		2	218		218	227		227
Conversion of convertible loan to shares	8		8				16		16
The value of the conversion option of the convertible debentures	7		7	5		5	5		5
Option premiums	9		9	5		5	5		5
Share options redeemed by employees				-4		-4	-6		-6
Put options, future acquisitions from non-controlling interests	-21	-20	-41		-17	-17	-207	-357	-564
Acquisition of shares in subsidiaries from non-controlling interests		0	0	-34	-5	-39	-31	-7	-38
Disposal of shares in subsidiaries to non-controlling interests	-2	32	31	-8	14	6	-11	19	8
Non-controlling interests at acquisition		0	0		140	140		493	493
Non-controlling interests in disposals					-918	-918		-921	-921
Closing equity	12,102	1,419	13,521	11,683	1,240	12,923	11,940	1,387	13,326

Consolidated statement of cash flows

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full Year 2021
Operating activities					
Operating profit, continuing operations	925	915	930	1,069	1,656
Operating profit, discontinued operations		18		1,721	1,721
Adjustment for non-cash items	266	305	722	-1,289	-960
	1,190	1,238	1,652	1,501	2,416
Income tax paid	-66	-55	-172	-137	-265
Cash flow from operating activities before change in working capital	1,125	1,183	1,480	1,364	2,151
Cash flow from change in working capital					
Increase (-)/Decrease (+) in inventories	51	93	-590	-250	-459
Increase (-)/Decrease (+) in operating receivables	-259	-90	-438	-301	-38
Increase (+)/Decrease (-) in operating liabilities	228	275	466	259	-206
Cash flow from operating activities	1,145	1,461	918	1,072	1,448
Investing activities					
Acquisition, group companies	-715	-117	-768	-116	-2,492
Disposal, group companies		5	5	2,621	2,634
Investments and disposal, intangible assets/property, plant and equipment	-132	-103	-210	-195	-419
Investments and disposal, financial assets	686		686		15
Interest received	-3	0	2	1	4
Cash flow from investing activities	-164	-215	-286	2,312	-258
Financing activities					
Non-controlling interests' share of issue/capital contribution	0		0	0	0
Transfer of treasury shares		196	2	218	227
Option premiums paid	15	2	15	2	5
Repurchase/final settlements options	-7	-19	-7	-236	-243
Acquisition and disposal of shares in subsidiaries from non-controlling interests	0	-34	1	-31	-29
Dividends paid			-390	-303	-303
Dividends paid, non-controlling interests	-153		-161		-3
Borrowings	1,127	82	1,979	524	2,361
Amortisation of loans	-2,210	-531	-2,402	-1,836	-3,279
Interest paid	-88	-81	-246	-171	-339
Amortisation of financial lease liabilities	-189	-163	-415	-313	-623
Cash flow from financing activities	-1,505	-548	-1,622	-2,145	-2,227
Cash flow for the period	-525	699	-990	1,239	-1,037
Cash and cash equivalents at the beginning of the period	1,836	3,789	2,230	3,182	3,182
Exchange differences in cash and cash equivalents	-45	4	27	71	84
Cash and cash equivalents at the end of the period	1,267	4,492	1,267	4,492	2,230

Parent company income statement

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full Year 2021
Other operating income	-0	3	6	3	8
Administrative expenses	-48	-48	-89	-80	-152
Depreciation of property, plant and equipment	-0	-0	-0	-0	-0
Operating profit/loss	-48	-45	-83	-77	-144
Gain from sale of participating interests in group companies		18		1,878	1,878
Result from other securities and receivables accounted for as non-current assets				-70	-70
Other interest income and similar profit/loss items	197	17	423	10	53
Interest expenses and similar profit/loss items	-184	-11	-397	-12	-59
Profit/loss after financial items	-36	-21	-56	1,730	1,658
Group contribution, received					97
Profit/loss before tax	-36	-21	-56	1,730	1,755
Income tax	35	0	38	0	76
Profit/loss for the period	-0	-20	-18	1,730	1,831

Parent company statement of comprehensive income

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full Year 2021
Profit/loss for the period	-0	-20	-18	1,730	1,831
Other comprehensive income for the period	0	0	0	0	0
Total comprehensive income for the period	-0	-20	-18	1,730	1,831

Summary parent company balance sheet

SEKm	2022-06-30	2021-06-30	2021-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	3	1	2
Financial assets	7,984	6,919	7,975
Receivables from group companies	5,172	1,336	4,029
Deferred tax assets	112		75
Total non-current assets	13,271	8,255	12,081
Current assets			
Current receivables	50	43	35
Receivables from group companies	1,340	72	1,145
Cash and cash equivalents	295	2,338	294
Total current assets	1,684	2,453	1,474
Total assets	14,955	10,708	13,555
EQUITY AND LIABILITIES			
Equity			
9,611			
9,870			
9,994			
Non-current liabilities			
Interest-bearing liabilities, group companies	1,909	585	670
Interest-bearing liabilities	1,733	52	1,908
Non-interest bearing liabilities		6	
Convertible debentures	116	92	75
Deferred tax liabilities	3	2	2
Total non-current liabilities	3,761	738	2,655
Current provisions			
70			
66			
65			
Current liabilities			
Interest-bearing liabilities, group companies	1,345		664
Interest-bearing liabilities	2	0	41
Non-interest bearing liabilities, group companies	133		79
Non-interest bearing liabilities	32	33	57
Total current liabilities	1,512	34	842
Total equity and liabilities	14,955	10,708	13,555

Summary parent company statement of changes in equity

SEKm	2022-06-30	2021-06-30	2021-12-31
Opening equity	9,994	8,219	8,219
Comprehensive income for the period	-18	1,730	1,831
Dividends	-390	-303	-303
Transfer of treasury shares	2	218	227
Exercise of options		-4	-6
Conversion of convertible loan to shares	8		16
The value of the conversion option of the convertible debentures	8	6	6
Deferred tax, conversion option	-2	-1	-1
Option premiums	9	5	5
Closing equity	9,611	9,870	9,994

Note 1 Accounting principles

Ratos's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and associated interpretations (IFRIC), as endorsed by the EU. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and applicable provisions in the Swedish Annual Accounts Act. The parent company also applies RFR 2 Accounting for Legal Entities. Reporting and measurement principles are unchanged compared with those applied in Ratos's 2021 Annual Report. The new and revised IFRS standards which came into force in 2022 have not had any material effect on the Ratos Group's financial statements.

Amounts are presented in SEK million (SEKm) unless otherwise stated. Rounding may apply in tables and calculations, which means that the stipulated total amounts are not always an exact amount of the rounded amounts.

In this report, Ratos reports its previous holding in Bisnode as a discontinued operation since Ratos signed an agreement pertaining to the sale to Dun & Bradstreet in October 2020. The sale was completed in January 2021. In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, Bisnode's profit after tax is reported on a separate row in the income statement for 2021. The holding in Bisnode Belgium that was acquired and divested in 2021 is also reported as discontinued operations in the income statement for 2021. Neither Bisnode nor Bisnode Belgium had any impact in 2022.

As a result of Ratos's transition from an investment company to an operating company, the reporting format has changed as of 2022. The companies will no longer be reported individually or adjusted for Ratos's holding. Instead, they are reported as part of the Group's Construction & Services, Consumer and Industry business segments. The change does not entail any restatement of previous financial reports, but rather is only a new format that reflects how Ratos's management monitors operations.

Note 2 Risks and uncertainties

Ratos is a business group that makes it possible for independent mid-sized companies to develop more rapidly by being a part of something larger. A focus on people, leadership, culture and values is a key component of Ratos. These operations include inherent risks attributable to both Ratos and the companies. These mainly comprise market, operational and transaction risks and can include both general risks, such as external factors and macroeconomic development as well as company and sector-specific risks.

The financial risks consist of liquidity risk, interest rate risk, credit risk and currency risk. There are several financial risks to which most of the companies are exposed, primarily related to loans, trade receivables, trade payables and derivative instruments. The risks to which the companies are exposed are managed by each individual company.

Ratos is exposed to financial risks, mainly in terms of value changes in the companies and liquidity risk. Ratos's future earnings development is dependent to a large extent

on the success of the underlying companies, which in turn is dependent on, among other things, how successful each company's management group and board of directors are at developing the company and implementing value-adding initiatives.

A more detailed description of the material risks and uncertainties to which the Group and the parent company are exposed is provided in the Directors' report and in Notes 25 and 31 in the 2021 Annual Report.

Ratos AB's taxation under the rules for investment companies are considered to have ceased as of the third quarter of 2021 due to changed operations, and instead the company is taxed under conventional income tax regulations. This means that the Parent Company can receive Group contributions from, or provide Group contributions to, subsidiaries and that portions of the loss carry-forward were capitalised with deferred tax based on assumed future tax surpluses.

The ongoing Covid-19 pandemic had an impact on earnings for the period and creates uncertainty about Ratos's financial performance for the rest of 2022. The impact of the Covid-19 pandemic on Ratos's companies varies, since they are active in different segments, industries and geographies. Ratos's business model, with clearly decentralised earnings responsibility, entails that the companies make decisions independently and make adaptations to the prevailing circumstances. The effect on the measurement of balance-sheet items has been limited to date.

The invasion of Ukraine had an impact on earnings during the period. The direct impact on Ratos was the cessation of all sales to Russia, in line with EU sanctions, and the divestment of a subsidiary in Russia, which entailed costs during the first quarter although they were not significant for the Group. The direct impact on Ratos for the rest of 2022 is limited, since sales to Russia account for less than 0.5% of Ratos's total sales, but the indirect impact from our customers and suppliers has created uncertainty with regard to 2022.

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 2022, the total value of financial instruments measured at fair value in accordance with level three was SEK 1,412m (1,167 at 31 December 2021). This change was mainly attributable to the revaluation and redemption of synthetic options as well as options to minority holders in conjunction with acquisitions.

In the statement of financial position at 30 June 2022, the net value of derivatives amounted to SEK 10m (-36 at 31 December 2021), of which SEK 12m (13 at 31 December 2021) was recognised as an asset and SEK 2m (49 at 31 December 2021) as a liability.

Note 4 Acquired and divested companies

Acquisitions within business areas

Construction & Services

On 30 December 2021, Speed Group acquired shares in a subsidiary of Dream Logistics that provides transport management services, known as fourth-party logistics (4PL). The preliminary acquisition analysis during the first quarter of 2022 was updated after the final acquisition balance was determined, which entailed a payment of SEK 1m.

On 18 May, NVBS acquired the shares of the Finnish company Ratatek. Ratatek specialises in the design, installation and maintenance of overhead contact lines and electrical systems on tram tracks and railways, with operations in Finland and Sweden. Ratatek had sales of EUR 25.5m in 2021, with adjusted EBITA of EUR 2.7m.

Consumer

On 1 March, Plantasjen acquired Flyinge Plantshop AB, one of the leading nurseries in Sweden. The company's sales amounted to SEK 82m in 2021, with EBITDA of SEK 12m.

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

	SEKm
Property, plant and equipment	35
Right-of-use assets	16
Financial assets	0
Trade receivables	1
Current assets	69
Cash and cash equivalents	8
Innehav utan bestämmande inflytande	-0
Deferred tax liability	-3
Non-current liabilities	-29
Current liabilities	-74
Net identifiable assets and liabilities	24
Goodwill	235
Purchase price	258
of which, paid in cash	220
of which, contingent consideration	38

Acquisition of NVBS

On 16 May, Ratos acquired 74% of the shares in the Swedish company NVBS Rail Group Holding AB (NVBS). NVBS will become a Nordic platform company for Ratos in the attractive and growing railway infrastructure market, with a presence in Sweden, Finland and Norway.

The purchase price for the shares in NVBS amounted to SEK 546m. Goodwill, which has been identified for 100% of the shares, amounts to SEK 659m in the preliminary acquisition analysis and is attributable to the company's growth and business model. This goodwill is not expected to be tax-deductible.

NVBS has been included in the Ratos Group from the date of acquisition, with net sales of SEK 226m and profit before tax of SEK 14m. For the January to June period, the company reported net sales of SEK 367m and a loss before tax of SEK -40m. Acquisition-related transaction costs amounted to SEK 16.4m.

Preliminary acquisition analysis NVBS

	SEKm
Intangible assets	79
Property, plant and equipment	14
Right-of-use assets	25
Financial assets	12
Trade receivables	65
Current assets	383
Cash and cash equivalents	4
Non-controlling interest	-0
Deferred tax liability	-24
Non-current liabilities	-114
Current liabilities	-380
Net identifiable assets and liabilities	64
Recognised put- and call option issued to owners with non-controlling interests	-176
Goodwill	659
Purchase price	546
of which, paid in cash	546
of which, contingent consideration	

Acquisition of Presis Infra

On 30 November 2021, Ratos acquired 75% of the shares in Presis Infra, a leading Norwegian maintenance group in critical transportation infrastructure. The preliminary acquisition analysis during the first quarter of 2022 was updated after the final acquisition balance was determined, which entailed a payment of SEK 12m. Updating the acquisition analysis has not entailed any significant effects for the Group.

Divestment of Bisnode

In October 2020, Ratos signed an agreement to divest all of the shares in Bisnode, excluding its operations in Belgium, for an enterprise value of SEK 7,200m for 100% of the company. Ratos's holding amounts to 70%. In January 2021, Ratos completed the sale of Bisnode to Bisnode's partner Dun & Bradstreet. The equity value for Ratos's holding of 70% was SEK 3,860m, yielding a consolidated capital gain of SEK 1,816m.

A specification of Bisnode's divested operations and the effect on the consolidated statement of financial position and statement of cash flows for the comparative year is presented to the right.

Acquisition and divestment of Bisnode Belgium

For the divestment of Bisnode to Dun & Bradstreet, Bisnode's Belgian operations were not included in the transaction. On 31 March 2021, Ratos signed an agreement to divest Bisnode Belgium. The consolidated capital loss amounted to SEK 25m.

Income statement from discontinued operations

SEKm	Q2 2021	Q1-2 2021	Full Year 2021
Income		105	105
Expenses		-116	-116
Profit/loss before tax		-10	-10
Tax		-1	-1
Profit/loss after tax		-11	-11
whereof Bisnode		9	9
Capital gain from divestment of discontinued operations	18	1,727	1,727
whereof Bisnode		1,816	1,816
Total profit for the period	18	1,715	1,715
<i>Profit for the period attributable to:</i>			
Owners of the parent	18	1,719	1,719
Non-controlling interests		-3	-3
Earnings per share, SEK			
- basic earnings per share	0.06	5.35	5.32
- diluted earnings per share	0.06	5.30	5.28

Cash flow statement from discontinued operations

SEKm	Q1-2 2021	Full Year 2021
Cash flow from operating activities	61	61
Cash flow from investing activities	2,636	2,636
Cash flow from financing activities	-191	-191
Change in cash and cash equivalents	2,506	2,506

Net assets at time of divestment

Assets and liabilities that were part of the discontinued operation in Bisnode are presented below.

SEKm	2021-01-08
Goodwill	4,186
Other intangible non-current assets	720
Property, plant and equipment	28
Right-of-use assets	141
Financial assets	24
Deferred tax assets	206
Current receivables	650
Cash and cash equivalents	247
Non-controlling interest	-881
Non-current interest-bearing liabilities	-631
Non-current non-interest bearing liabilities	-148
Current interest-bearing liabilities	-1,162
Current non-interest bearing liabilities	-1,338
Divested net assets	2,044
Capital gain, excluding transaction costs	1,816
Consideration transferred	3,860
Shares in Dun & Bradstreet, non-cash	-924
Less: cash in divested operations	-247
Total effect on cash flow	2,690

Key figures

For definitions, see page 22

SEKm	Q1-2 2022	Q1-2 2021	Full Year 2021
Leverage excl. financial leasing	0.6x	-0.7x	0.1x
Leverage	2.4x	0.5x	1.3x
Equity ratio %	45.2	49.4	47.0
Return on equity %	6.0	22.2	23.7
Return on capital employed %	7.6	17.5	16.8
Key figures per share¹⁾			
Total return, %	-23.0	37.6	53.7
Dividend yield, %			2.1
Market price, SEK	43.52	51.90	57.95
Dividend, SEK			1.20
Equity attributable to owners of the parent, SEK ²⁾	37.24	36.04	36.77
Basic earnings per share, SEK	1.18	7.20	8.17
Diluted earnings per share, SEK	1.17	7.14	8.10
Average number of ordinary shares outstanding:			
– before dilution	324,759,233	321,501,344	322,945,842
– after dilution	328,048,058	324,737,389	326,332,029
Total number of registered shares	325,007,688	324,140,896	324,738,820
Number of shares outstanding ³⁾	325,007,688	323,923,396	324,676,320
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	240,370,628	239,503,836	240,039,260

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 22 of this report.

Organic growth

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full Year 2021
Growth Net Sales, %	20%	7%	28%	2%	8%
Net sales	8,420	6,994	14,640	11,426	22,551
Acquired net sales	1,049	29	1,974	35	1,483
Effects from change in currency	234	201	621	37	16
Other	-12		-12		
Net sales, adjusted	7,148	6,764	12,057	11,354	21,052
Divested net sales in the comparison period	-1		-3		
Net sales, adjusted in the comparison period	6,992	6,525	11,423	11,229	20,941
Organic growth	156	240	634	125	111
Organic growth, %	2%	4%	6%	1%	1%

EBITDA, EBITA and operating profit

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full Year 2021
EBITDA	1,239	1,167	1,573	1,554	2,669
Depreciations and impairment	-294	-244	-606	-474	-983
EBITA	945	923	967	1,080	1,686
Revaluation and capital gain/loss listed shares	-18	-113	-118	-131	-116
Restructuring costs			-130		
Adjusted EBITA	963	1,035	1,215	1,211	1,802
Amortisation and impairment of intangible assets in connection with company acquisitions	-20	-8	-38	-11	-31
Operating profit	925	915	930	1,069	1,656

Cash flow from operations

SEKm	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Full Year 2021
Cash flow from operating activities	1,145	1,461	918	1,072	1,448
Investment and disposals, intangible assets/property, plant	-132	-103	-210	-195	-419
Lease payments	-254	-225	-546	-437	-870
Income tax paid	66	55	172	137	265
Cash flow from operations	824	1,188	335	578	425

Interest-bearing net debt

SEKm	2022-06-30	2021-06-30	2021-12-31
Interest-bearing liabilities, other	2,324	1,937	2,575
Financial leasing liabilities	5,576	5,094	5,507
Provisions for pensions	56	86	76
Interest-bearing assets	-108	-82	-78
Cash and cash equivalents	-1,267	-4,492	-2,230
Interest-bearing net debt	6,582	2,543	5,850

Segments by quarter, summary

	Q1	Q2	Q1	Q2	Q3	Q4	Full Year
	2022	2022	2021	2021	2021	2021	2021
Net sales, SEKm							
Construction & Services	3,668	4,098	2,410	2,997	2,635	3,365	11,406
Consumer	1,279	3,018	868	2,708	1,489	1,166	6,232
Industry	1,280	1,310	1,155	1,289	1,247	1,223	4,913
Elimination of internal net sales	-7	-6	0	0	0	0	0
Ratos group	6,220	8,420	4,432	6,994	5,371	5,754	22,551
	Q1	Q2	Q1	Q2	Q3	Q4	Full Year
	2022	2022	2021	2021	2021	2021	2021
EBITDA, SEKm							
Construction & Services	374	370	172	178	221	321	892
Consumer	62	799	61	973	233	101	1,368
Industry	178	142	204	176	181	115	676
Revaluation and capital gain/loss listed shares	-100	-18	-19	-113	-149	164	-116
Items affecting comparability	-130						
Group costs	-49	-54	-31	-48	-23	-49	-151
Ratos group	334	1,239	387	1,167	464	652	2,669
	Q1	Q2	Q1	Q2	Q3	Q4	Full Year
	2022	2022	2021	2021	2021	2021	2021
EBITA, adjusted, SEKm							
Construction & Services	292	279	124	128	169	257	677
Consumer	-75	664	-65	838	105	-33	845
Industry	87	76	148	118	115	51	432
Group costs	-50	-55	-31	-48	-23	-49	-152
Ratos group	253	963	176	1,035	365	226	1,802
	Q1	Q2	Q1	Q2	Q3	Q4	Full Year
	2022	2022	2021	2021	2021	2021	2021
Operating profit/loss, SEKm							
Construction & Services	276	260	122	121	161	247	652
Consumer	-77	662	-66	837	104	-34	840
Industry	87	76	148	118	115	51	432
Revaluation and capital gain/loss listed shares	-100	-18	-19	-113	-149	164	-116
Items affecting comparability	-130						
Group costs	-50	-55	-31	-48	-23	-49	-152
Ratos group	5	925	154	915	208	379	1,656
	Q1	Q2	Q1	Q2	Q3	Q4	Full Year
	2022	2022	2021	2021	2021	2021	2021
Profit/loss before tax, SEKm							
Construction & Services	244	240	115	115	146	228	604
Consumer	-134	592	-135	753	39	-108	549
Industry	64	58	139	112	102	-48	305
Revaluation and capital gain/loss listed shares	-100	-18	-19	-113	-149	164	-116
Items affecting comparability	-130						
Group costs	-42	-47	-33	-40	-16	53	-36
Ratos group	-98	825	67	827	122	289	1,306

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.

Return on capital employed

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

EBITDA

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

EBITDA margin

EBITDA expressed as a percentage of net sales.

EBITA

Operating profit before impairment of goodwill as well as amortisation and impairment of other intangible assets that arose in conjunction with company acquisitions and similar transactions (Earnings Before Interest, Tax and Amortisation).

EBITA margin

EBITA expressed as a percentage of net sales.

Equity per share

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

Adjusted EBITA

EBITA adjusted for capital gains and the revaluation of listed shares and non-recurring items affecting comparability at the business area level. The Group's LTM EBITA is also adjusted for capital gains from the sale of the Lejonet 2 property in the third quarter of 2019 (SEK 487m).

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.

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 and pension provisions minus interest-bearing assets and cash and cash equivalents.

Cash flow from operations

Cash flow from operating activities, excluding paid tax, but including cash flow from investments and divestments of intangible assets and property, plant and equipment, as well as amortisation of lease liabilities and interest paid on leasing.

Capital employed

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

Leverage

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

Equity ratio

Reported equity expressed as a percentage of total assets. Non-controlling interests are included in equity.

Last 12-month period

The most recent 12 months.

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

Stockholm, 18 July 2022
Ratos AB (publ)

Per-Olof Söderberg
Chairman

Ulla Litzén
Board member

Helena Svancar
Board member

Karsten Slotte
Board member

Tone Lunde Bakker
Board member

Jan Söderberg
Vice Chairman

Jonas Wiström
Board member, CEO

THIS REPORT IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Auditor's review report

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

Introduction

We have reviewed the condensed interim report for Ratos AB (publ) as at 30 June 2022 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, on the date specified in our electronic signature.
Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Telephone conference

18 July 9:00 a.m. SE: +46 8 505 583 54
UK: +44 333 300 9263
US: +1 646 722 4903

Financial calendar

2022
Interim report Q3 2022 24 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 2022.

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www.ratos.com
Reg. no. 556008-3585

Ratos is a business group consisting of 14 companies divided into three business areas: Construction & Services, Consumer and Industry. Our business concept is to own and develop companies that are or can become market leaders. We have a distinct corporate culture and strategy – everything we do is based on our core values: Simplicity, Speed in Execution and It's All About People. We enable independent companies to excel by being part of something larger. People, leadership, culture and values are key focus areas.