

An aerial photograph of a modern cable-stayed bridge spanning a vast body of water. The bridge features two tall, slender concrete pylons that support the deck with multiple stay cables. The water is a deep, clear blue-green color. A few vehicles, including a white truck, are visible on the bridge deck. The overall scene is bright and clear, suggesting a sunny day.

Interim report Q3 2021

RATOS

Interim report January–September 2021

Improved earnings in the companies, strong order intake and new acquisitions

Q3 2021

Performance Ratos Group

- Adjusted¹⁾ operating profit from continuing operations amounted to SEK 356m (318)
- Adjusted¹⁾ profit for the period amounted to SEK 208m (119)
- Profit for the period was impacted by an unrealized loss of SEK 149m related to the revaluation of shares in Dun & Bradstreet Holding Inc.
- Operating profit from continuing operations amounted to SEK 208m (318)
- Profit for the period amounted to SEK 60m (119)
- Diluted earnings per share amounted to SEK 0.04 (0.31)

Performance Ratos business group, adjusted for Ratos's holdings

- EBITA amounted to SEK 360m (426). Earnings in the year-earlier period included SEK 76m from the divested company Bisnode
- Net sales amounted to SEK 5,560m (5,577). Net sales increased 2% organically
- Cash flow from operations amounted to SEK -56m (205). The cash flow was impacted by a planned inventory build up, in business area Consumer

Significant events during the period

- On 16 July, KVD acquired the company Forsbergs Fritidscenter, which is the largest mobile home dealer in the Nordics.
- On 1 September, HL Display acquired the company Display Italia, which is Italy's market-leading supplier of in-store communication solutions for grocery retailers in Europe.

Financial performance

SEKm	Q3	Q3		Q1-3	Q1-3		LTM	Full Year	Change %
	2021	2020	Change%	2021	2020	Change%	Rolling	2020	
Ratos Group									
Net sales	5,371	4,868	10%	16,797	16,098	4%	21,640	20,941	3%
Profit/loss for the period ²⁾	60	119	-50%	2,472	786	pos	2,569	883	pos
Operating profit/loss, continuing operations	208	318	-35%	1,277	1,259	1%	1,475	1,457	1%
Profit/loss before tax, continuing operations	122	190	-36%	1,017	853	19%	1,037	873	19%
Diluted earnings per share total group, SEK ²⁾	0.04	0.31	-87%	7.16	2.11	pos	7.21	2.17	pos
Diluted earnings per share, continuing operations, SEK	0.04	0.39	-90%	1.88	1.85	2%	1.61	1.58	2%
Ratos business group, Ratos's holding^{2) 3)}									
Net sales	5,560	5,577	0%	17,175	18,385	-7%	22,842	24,053	-5%
EBITDA	606	718	-16%	2,311	2,426	-5%	2,927	3,041	-4%
EBITA	360	426	-15%	1,588	1,579	1%	1,920	1,910	1%
EBITA margin	6.5%	7.6%		9.2%	8.6%		8.4%	7.9%	
Profit/loss before tax	237	197	20%	1,236	1,013	22%	1,408	1,185	19%
Cash flow from operations	-56	205	neg	525	1,329	-61%	964	1,768	-45%
Leverage ⁴⁾				-0,9x	1,4x			1,1x	

¹⁾ Adjusted for revaluation of listed shares

²⁾ 2020 includes Bisnode that was divested in January 2021

³⁾ Tables in a tinged background are alternative performance measures, refer to Note 3 Alternative performance measures, page 23 for reconciliation and page 29 for definitions

⁴⁾ Excluding financial lease liability and including cash and cash equivalents in the parent company

Improved earnings in the companies, strong order intake and new acquisitions

EBITA in the business group continued to improve (accounting for the divestment of Bisnode), despite major challenges in our operating environment, including shortage of materials. Half of the companies increased their EBITA by nearly 60% or more, and nine of 12 companies reported higher EBITA than in the year-earlier period. Two acquisitions were completed during the quarter, which jointly contributes just over SEK 1 billion in sales on an annual basis. The Group's earnings were impacted by unrealised losses on the Dun & Bradstreet share of SEK 149m.

For Ratos's business areas, net sales increased by 2% organically during the quarter. The order intake increased by 32%. EBITA for the quarter amounted to SEK 360m (426), the decrease in EBITA is a result of the sale of Bisnode. Excluding the divested company Bisnode, EBITA increased by SEK 10m. Cash flow from operations for the quarter was negatively impacted, mainly due to an inventory build-up in Plantasjen and the fact that Bisnode's cash flow is included in the comparative period. We were pleased to note that our interest expenses declined significantly as a result of central financing of the companies from Ratos AB.

Sales in the **Construction & Services** business area increased by 4% (-1.6% organically) and EBITA increased by 26% to SEK 155m (123). Aibel continued its successful transformation towards becoming fully focused on renewable energy by the end of the decade. The process ahead of the potential listing of Aibel continues. The acquisition of Vestia brought the company cutting-edge expertise in partnering, the future model for construction projects. The partnership between Vestia and HENT is becoming closer, and a joint tender was submitted for a major partnering project after the end of the period. Along with Aibel and Speed Group, Vestia reported a strong positive earnings trend, while HENT and airteam were impacted by project delays as a result of delivery problems and cost increases in raw materials.

Sales in the **Consumer** business area declined by 13% (+6.4% organically) and EBITA declined by 37% to SEK 101m (160) as a result of the sale of Bisnode. KVD's acquisition of Forsbergs Fritidscenter progressed as expected, and additional synergies with KVD have already been identified. Plantasjen continued to streamline its work methods, logistics and flow of goods and continued to focus on product range development and its rapidly growing e-commerce operations. In response to challenges in the supply chain and in order to ensure access to goods, the company has deliberately built up a buffer of inventories ahead of the upcoming peak seasons. Oase Outdoors had a very strong quarter, with a strong demand for the company's award-winning products, especially considering the season.

Sales in the **Industry** business area increased by 7% (+3.7% organically) and EBITA amounted to SEK 104m (143). Diab was impacted by continued weak demand in the wind turbine market, and the company's transition to new materials for the wind turbine industry was delayed due to the pandemic. Other companies in the business area performed well. HL Display, LEDiL and TFS delivered a strong performance during the quarter and have increased their earnings by 30–50% so far this year.

Ratos in a challenging operating environment

The challenges in our operating environment are well known at this point. Skyrocketing shipping costs and a sharp increase in raw material prices are currently affecting many companies. Most companies in the Ratos Group have adapted their work methods and

priorities to manage these new circumstances. For example, Plantasjen was quick to deliberately build up a buffer of inventories to ensure they have enough products in stock for the upcoming peak seasons. In several companies, we are working to reduce our vulnerability in the supply chain. KVD continued to develop its digital business model, with a clearer focus on consumers. The Ratos family's network makes it easier for our companies to quickly share their experiences.

Sustainability

We all know that we need to accelerate the transition to a more sustainable future – this is nothing new. During the quarter our new Vice President Sustainability, Josefine Uppling, has joined the company management. The companies in the Ratos Group make a valuable contribution to sustainable development, and I am confident that we are well positioned to capitalise on the major opportunities that the "green industrial revolution" will create for us.

One tangible area where Ratos's companies are making a contribution is industrial construction in wood. During the quarter, Sara Kulturhus opened in Skellefteå, Sweden – a project for which HENT, which started building in wood back in 2005, was the general contractor. With this project, HENT went from having built the world's tallest wooden building located in Norway to also having built the tallest wooden building in Sweden. Wooden construction is by far the most environmentally friendly alternative available, and more and more people are beginning to understand its importance.

Acquisitions

During these turbulent and uncertain times in our operating environment, I am convinced that our long-term approach is more important than ever. Ratos's philosophy of identifying, acquiring and developing outstanding companies that are or have the potential to become market leaders stands firm and feels more timely than ever before. Two add-on acquisitions were completed during the quarter, representing combined annual sales of just over SEK 1 billion. Add-on acquisitions in our existing companies, which are normally acquired at lower values, help to strengthen our market position and create synergies, thereby generating shareholder value. Our acquisition strategy also includes entirely new platform companies. Taking Ratos's financial indebtedness target into account, we currently have approximately SEK 9 billion earmarked for acquisitions. We are thus entering an exciting period in Ratos's development.

Given the challenges in our operating environment and the significant earnings improvements we have seen in the Ratos Group in the past three years, I am pleased with our performance in the quarter. Ratos's strategy is long-term and we are well positioned, both financially and in terms of expertise, to achieve or exceed our targets for 2025.

Jonas Wiström, President and CEO

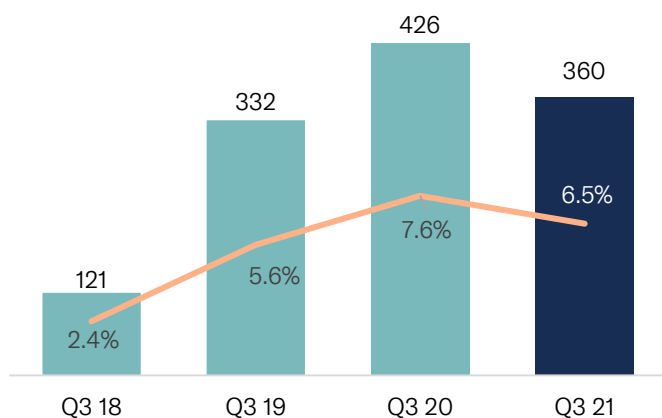
Overview, Ratos's business areas

The Ratos business group is divided into three business areas: Construction & Services, Consumer and Industry. Net sales for the last 12-month period for the Ratos business group, adjusted for Ratos's holdings, amounted to SEK 22,842m. Organic net sales increased by 2% during the quarter. EBITA for the last 12-month period amounted to SEK 1,920m, adjusted for Ratos's holdings. Bisnode is included in the last 12-month period for one quarter.

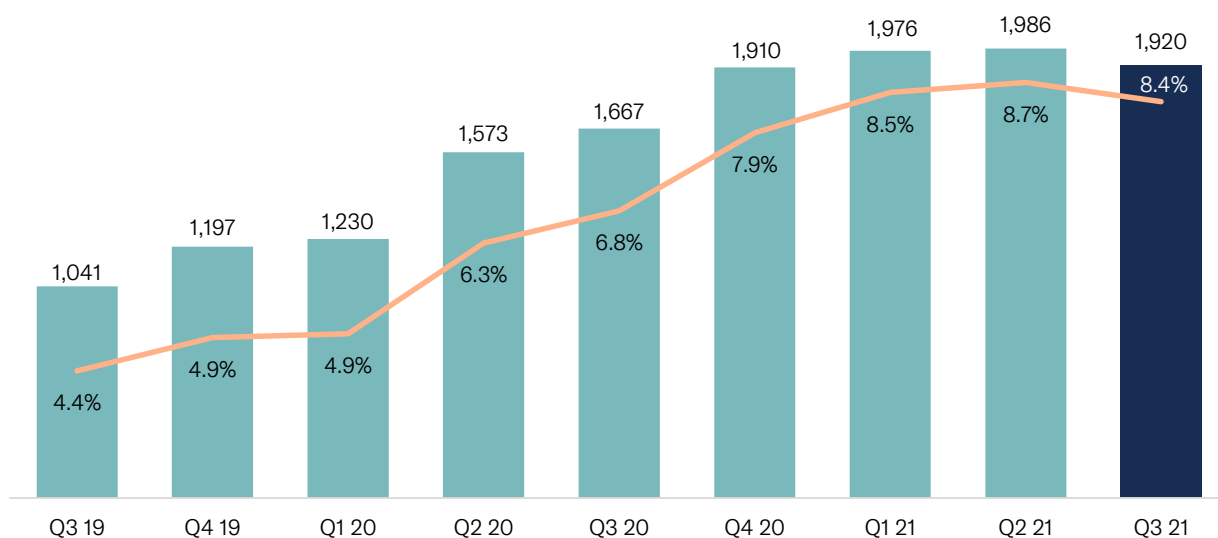
Net sales and EBITA in Ratos's business areas

LTM refers to the last 12-month period. The diagrams below are based on figures adjusted for the size of Ratos's holding.

EBITA (SEKm) and EBITA margin (%), Q3¹⁾



EBITA (SEKm) and EBITA margin (%), LTM¹⁾



1) The effects of the transition to IFRS 16 impact the periods up to and including the third quarter of 2019.

Construction & Services

Business area development

SEKm	Net sales						EBITA					
	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	LTM Rolling	Full Year 2020	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	LTM Rolling	Full Year 2020
Companies in its entirety												
Aibel	3,199	2,832	9,187	8,980	12,230	12,022	190	119	494	304	636	447
airteam	310	317	941	939	1,333	1,331	30	37	84	72	138	126
HENT	1,849	2,106	5,903	6,495	8,052	8,644	57	61	129	136	166	172
Speed Group	269	169	742	523	945	726	33	21	90	45	107	62
Vestia	207		455		455		13		27		27	
Companies total	5,833	5,425	17,229	16,937	23,015	22,723	324	238	824	557	1,074	807
Adjustment for Ratos's holding	-2,925	-2,642	-8,521	-8,303	-11,350	-11,131	-169	-115	-433	-279	-561	-407
Total, adjusted for Ratos's holding	2,908	2,783	8,707	8,634	11,665	11,592	155	123	391	278	512	400
Growth, net sales ¹⁾	4%	-10%	1%	-1%	1%	-5%						
EBITA margin ¹⁾							5.3%	4.4%	4.5%	3.2%	4.4%	3.4%

¹⁾ Adjusted for Ratos's holding



The level of market activity remains high in all of Aibel's segments. The order intake in the third quarter amounted to NOK 2.2 billion. The order intake for the first three quarters was NOK 10.4 billion.

The backlog of orders at the end of the third quarter amounted to NOK 11.9 billion, of which 46% was attributable to the green transition in offshore wind power and the electrification of offshore platforms.

Sales and EBITA vary from quarter to quarter, depending on when deliveries are completed. Revenue for the third quarter increased by 11% compared to last year, and EBITA rose by 57%.

Aibel has been awarded a contract for a feasibility study for the electrification of Kårstø onshore gas processing plant in south-western Norway. The contract will be included in the order intake for the fourth quarter and delivery will take place in 2022.

NOKm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	3,242	2,921	9,258	9,102	12,441
EBITDA	255	198	689	512	895
EBITA	193	123	497	309	646
Cash flow from operations	659	290	353	-16	816
Interest-bearing net debt			1,771	2,582	
-whereof leasing liability			550	700	
Growth, Net sales	11%	-6%	2%	14%	
- whereof currency effect	0%	0%	0%	0%	
Growth, Organic	11%	-6%	2%	14%	
EBITDA margin	7.9%	6.8%	7.4%	5.6%	7.2%
EBITA margin	5.9%	4.2%	5.4%	3.4%	5.2%

Amounts referring to 100% of the company.

Holding

32%

Aibel is active within the offshore wind, oil and gas space. The company provides their customers with optimal and innovative solutions within engineering, construction, modifications and maintenance. Aibel's skilled employees are located close to their customers at the company's offices in Norway and South East Asia. In addition, they operate two modern yards, one in Haugesund and one in Thailand, with complete prefabrication and construction capabilities. The average number of employees in the company amounted to 4,068 in 2020.



Delayed deliveries have resulted in delays in construction projects, which had a negative impact on airteam's sales and earnings during the quarter. Organic growth for the first three quarters amounted to 3%.

The backlog of orders for airteam has continued to grow and is now at the highest level in the company's history. During the third quarter the backlog of orders increased by 10% and now amounts to just over DKK 1.1 billion.

Demands in the area of energy efficiency, where airteam holds a leading position, are continuously increasing, and airteam is responding by recruiting additional specialists.

DKKkm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	226	228	690	663	972
EBITDA	24	29	67	57	108
EBITA	22	26	62	51	100
Cash flow from operations	15	7	25	92	65
Interest-bearing net debt			13	64	
-whereof leasing liability			15	13	
Growth, Net sales	-1%	18%	4%	21%	
- whereof currency effect	2%	1%	1%	0%	
- whereof acquisition				4%	
Growth, Organic	-3%	17%	3%	17%	
EBITDA margin	10.5%	12.5%	9.8%	8.6%	11.1%
EBITA margin	9.8%	11.6%	9.0%	7.7%	10.3%

Amounts referring to 100% of the company.

Holding

70%

airteam offers high-quality, effective ventilation solutions in Denmark and Sweden. With the most talented employees in the industry, airteam develop advanced systems for a wide range of industries and are solely focused on ventilation, unlike certain competitors. The company focuses on project development, project management and procurement where the projects, to a large extent, are carried out by a broad network of quality-assured subcontractors. Furthermore, airteam offers maintenance and service of its installed ventilation solutions. The average number of employees in the company amounted to 326 in 2020.

HENT

HENT's order book remained substantial, amounting to NOK 17.7 billion at the end of the third quarter. Given that a significant share of projects are in an early phase, the level of construction activity is temporarily low and sales therefore declined by 14% during the quarter.

Profitability increased marginally during the quarter, with positive effects noted from a diminished impact from the Covid-19 pandemic and higher average profitability in the project portfolio despite a continued negative impact from price increases for input goods.

Sara Kulturhus, for which HENT was the general contractors, opened in Skellefteå during the quarter. The cultural centre, which is Sweden's tallest wooden building, solidified HENT's position as a leader in the construction of wooden buildings.

NOKkm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	1,876	2,171	5,948	6,583	8,198
EBITDA	79	82	191	195	249
EBITA	57	62	130	138	168
Cash flow from operations	-4	116	-340	131	-306
Interest-bearing net debt			-141	-494	
-whereof leasing liability			219	201	
Growth, Net sales	-14%	-1%	-10%	3%	
- whereof currency effect	0%	3%	0%	3%	
Growth, Organic	-13%	-3%	-10%	1%	
EBITDA margin	4.2%	3.8%	3.2%	3.0%	3.0%
EBITA margin	3.1%	2.9%	2.2%	2.1%	2.1%

Amounts referring to 100% of the company.

Holding

73%

HENT is a leading construction company that mainly works with new construction of public and commercial real estate. HENT focuses on project development, project management and purchasing. Its projects are carried out with their own project administration and in collaboration with a knowledgeable network of quality-assured subcontractors. They conduct projects throughout Norway and in selected segments in Sweden and Denmark. The average number of employees in the company amounted to 1,012 in 2020.



A significantly higher activity level in the industrial and staffing segments had a positive impact on the operations, and sales for the quarter rose SEK 100m (+59%) compared with the year-earlier period. To respond to this growing demand, the business expanded its facilities to include an additional 16,000 square metres. Other capacity adjustments are also being made to respond to the higher activity level.

EBITA increased as a result of high volumes in the staffing segment, but was negatively impacted by capacity problems.

SEKm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	269	169	742	523	945
EBITDA	61	48	171	116	217
EBITA	33	21	90	45	107
Cash flow from operations	38	22	115	45	132
Interest-bearing net debt			624	733	
-whereof leasing liability			726	706	
Growth, Net sales	59%	-1%	42%	1%	
Growth, Organic	59%	-1%	42%	1%	
EBITDA margin	22.8%	28.6%	23.1%	22.3%	22.9%
EBITA margin	12.3%	12.2%	12.1%	8.5%	11.3%

Amounts referring to 100% of the company.

Holding

70%

Speed Group is one of the Nordic region's leading third-party logistics providers, with effective automation solutions and a total of approximately 150,000 square meters of warehouse space in Borås, Gothenburg and Stockholm. With solutions for fast integration, balancing of volume fluctuations, smart distribution, and revenue-driving follow-ups, the company offers both warehouse space but also a full-service takeover and responsibility of its customers' logistics. Within staffing, Speed Group offers flexible staffing services of both blue and white-collar personnel. The average number of employees in the company amounted to 699 in 2020.



Net sales for the third quarter nearly doubled compared with the year-earlier period and EBITA tripled.

The order book grew during the quarter as a result of higher volumes in projects in progress. At the end of the period, the backlog of orders amounted to SEK 2.7 billion, including early-stage projects.

The construction market in the Gothenburg area is strong and is expected to remain so for some time.

During the period, Vestia and HENT initiated a collaboration concerning a partnering relationship for major tenders in order to utilise HENT's large scale and Vestia's local presence in the market.

At the end of September, ground was broken on SEEL, Sweden's largest test facility for electromobility, located at Gateway Säve outside Gothenburg.

SEKm	Q3	Q1-3
	2021	2021
Net sales	207	455
EBITDA	14	28
EBITA	13	27
Cash flow from operations	19	55
Interest-bearing net debt		-96
-whereof leasing liability		5
EBITDA margin	6.6%	6.2%
EBITA margin	6.2%	5.9%

Amounts referring to 100% of the company.

Holding

62%

Vestia is an expansive construction operating in Gothenburg, Sweden and its surrounding municipalities. With several of the best on-site organisations in the region, the company works to strengthen its customers' brands. Vestia works according to a so-called "partnering model," whereby the customer and Vestia work transparently, and make all key decisions jointly to achieve the best total economy and effective implementation. The process creates a large amount of comfort for all parties, the financial risks are minimised and the projects are delivered with a high level of quality and using long-term sustainable solutions. The average number of employees in the company amounted to 80 in 2019/2020.

Consumer

Business area development

SEKm	Net sales						EBITA					
	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	LTM Rolling	Full Year 2020	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	LTM Rolling	Full Year 2020
Companies in its entirety												
Bisnode		864		2,707	966	3,673		109		321	182	504
KVD	458	94	703	288	809	393	22	12	42	23	56	37
Oase Outdoors	114	113	456	408	467	418	14	7	100	63	85	48
Plantasjen	918	901	3,905	3,829	4,659	4,582	69	67	734	596	704	566
Companies total	1,489	1,972	5,065	7,231	6,901	9,067	105	194	877	1,005	1,027	1,155
Adjustment for Ratos's holding	-32	-293	-134	-939	-435	-1,240	-3	-35	-28	-116	-80	-167
Total, adjusted for Ratos's holding	1,457	1,679	4,931	6,292	6,466	7,827	101	160	849	889	948	987
Growth, net sales ¹⁾	-13%	-2%	-22%	2%	-17%	2%						
EBITA margin ¹⁾							6.9%	9.5%	17.2%	14.1%	14.7%	12.6%

¹⁾ Adjusted for Ratos's holding



During the third quarter, KVD acquired Forsbergs Fritidscenter, which contributed to increased sales and EBITA.

A shortage of semiconductors and other components for the automotive industry led to a lower supply and higher demand in the industry, resulting in increased prices for second-hand cars.

KVD continued to develop its digital business model, with a clearer focus on consumers.

SEKm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	458	94	703	288	809
EBITDA	33	20	70	47	91
EBITA	22	12	42	23	56
Cash flow from operations	13	17	-35	37	-14
Interest-bearing net debt			353	43	
-whereof leasing liability			87	57	
Growth, Net sales	390%	4%	145%	5%	
- whereof acquisition	281%		92%		
Growth, Organic	109%	4%	53%	5%	
EBITDA margin	7.3%	21.4%	10.0%	16.2%	11.2%
EBITA margin	4.7%	13.0%	6.0%	8.2%	6.9%

Amounts referring to 100% of the company.

Holding

100%

At KVD, the belief is that a car trade should feel good – and be good – whether you are buying or selling a vehicle. KVD is Sweden's largest online marketplace offering valuation and broker services for second-hand vehicles (company cars and private cars), machines and heavy vehicles as well as sales of related products and services. Every week more than 500 second-hand cars are sold via the online marketplace. KVD handles the entire transaction from client order to end customer and guarantees the quality of the brokered car by means of testing. The average number of employees in the company amounted to 199 in 2020.

Sales for the quarter were in line with the preceding year, and the order book for 2022 is strong compared to the company's history.

Significantly improved gross margins and a more focused product strategy with better quality assurance resulted in a sharp increase in EBITA compared with the year-earlier period.

Demand for outdoor products remained high in all European markets in the third quarter.

DKKkm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	83	82	334	288	344
EBITDA	11	6	77	49	67
EBITA	10	5	74	45	63
Cash flow from operations	85	98	80	112	60
Interest-bearing net debt			27	88	
-whereof leasing liability			12	14	
Growth, Net sales	1%	32%	16%	-1%	
- whereof currency effect	0%	-2%	0%	0%	
Growth, Organic	1%	34%	16%	-1%	
EBITDA margin	13.0%	7.9%	22.9%	16.9%	19.5%
EBITA margin	11.9%	6.4%	22.0%	15.5%	18.3%

Amounts referring to 100% of the company.

Holding

78%

Oase Outdoors develops, designs and sells innovative camping and outdoor equipment under three strong brands, namely Outwell®, Easy Camp® and Robens®. Oase Outdoors offers a broad product range mainly comprising tents, camping furniture, sleeping bags and other outdoor equipment. The three independent brands clearly cater to different target groups – for example, families, beginners, festival goers and experienced adventurers – who have different requirements in terms of quality and price, and who want to enjoy the outdoors with high-quality equipment. The average number of employees in the company amounted to 79 in 2020.

PLANTASJEN®

Net sales in the third quarter increased by 1% organically.

EBITA and profitability for the quarter were in line with the preceding year. The share of total sales attributable to e-commerce in the quarter remained positive compared with the year-earlier period.

Due to current uncertainty with respect to delivery capacity and ensure access to goods for the Christmas season and upcoming peak season in spring 2022, Plantasjen has scheduled its deliveries for an earlier date, which impacted the amount of inventories and cash flow during the quarter.

NOKkm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	934	937	3,935	3,880	4,737
EBITDA	189	191	1,101	966	1,204
EBITA	72	72	740	604	714
Cash flow from operations	-482	-354	296	401	360
Interest-bearing net debt			4,423	4,626	
-whereof leasing liability			3,695	3,546	
Growth, Net sales	0%	9%	1%	15%	
- whereof currency effect	-1%	4%	0%	3%	
- whereof divestment		-6%		-7%	
Growth, Organic	1%	11%	2%	19%	
EBITDA margin	20.3%	20.3%	28.0%	24.9%	25.4%
EBITA margin	7.7%	7.7%	18.8%	15.6%	15.1%

Amounts referring to 100% of the company.

Holding

99%

Plantasjen is the Nordic region's leading chain for the sale of plants, flowers and related products. The company operates in a market with stable underlying growth and many committed customers. With just over 130 stores in Norway, Sweden and Finland, the vision is to create the Nordic region's loveliest greenhouse, which brings customers closer the positive power of nature. Plantasjen's employees provide customers with inspiration, knowledge and tools that serve as a natural spring for a growing life. The average number of employees in the company amounted to 1,185 in 2020.

Industry

Business area development

SEKm	Net sales						EBITA					
	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	LTM Rolling	Full Year 2020	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	LTM Rolling	Full Year 2020
Companies in its entirety												
Diab	471	528	1,421	1,593	1,948	2,121	13	67	75	224	131	280
HL Display	422	369	1,269	1,126	1,663	1,520	48	47	166	125	204	163
LEDiL	124	90	362	293	457	389	34	18	92	60	108	76
TFS	230	181	638	615	852	828	20	21	49	32	58	42
Companies total	1,247	1,168	3,691	3,628	4,921	4,858	115	152	382	442	501	561
Adjustment for Ratos's holding	-53	-53	-155	-169	-210	-224	-12	-9	-33	-30	-41	-38
Total, adjusted for Ratos's holding	1,194	1,114	3,536	3,459	4,711	4,634	104	143	349	412	460	524
Growth, net sales ¹⁾	7%	-1%	2%	2%	2%	1%						
EBITA margin ¹⁾							8.7%	12.8%	9.9%	11.9%	9.8%	11.3%

¹⁾ Adjusted for Ratos's holding



Net sales decreased by 11% in the quarter, whereof the wind segment decreased 28%.

EBITA remained at low levels. The decline was attributable to weak demand in the wind turbine market, high raw material costs, and overcapacity in PVC production and related costs. Price increases to offset higher raw material cost is expected to enter into full effect during the fourth quarter.

The marine segment continues to develop well, with 47% growth in the quarter driven by Europe and North America.

The wind turbine market continues to have long-term potential and is in the middle of a technology shift from PVC/balsa to PET. Diab began its transitioning to PET in 2018. The transition has entailed significant investments in production and expansion is under way in India, China, USA and Sweden. The shift from PVC/balsa to PET in the wind turbine market has accelerated during the year.

SEKm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	471	528	1,421	1,593	1,948
EBITDA	47	92	160	297	243
EBITA	13	67	75	224	131
Cash flow from operations	20	70	-46	52	-33
Interest-bearing net debt			1,065	922	
-whereof leasing liability			165	122	
Growth, Net sales	-11%	15%	-11%	15%	
- whereof currency effect	0%	-6%	-4%	-1%	
Growth, Organic	-11%	21%	-7%	16%	
EBITDA margin	10.0%	17.4%	11.2%	18.6%	12.5%
EBITA margin	2.8%	12.6%	5.3%	14.0%	6.7%

Amounts referring to 100% of the company.

Holding

98%

Diab supports manufacturers in making products more competitive and sustainable, offering the broadest range of stronger, lighter, smarter core materials for sandwich composite structures. Diab's high-performance core materials can be found in applications all over the world, in industries like marine, aerospace, wind energy and transport. The core materials have a unique combination of characteristics such as low weight, high strength, insulation properties and chemical resistance. The company has production units in Sweden, Italy, US, China, Lithuania and Ecuador combined with 14 sales units around the world. The average number of employees in the company amounted to 1,234 in 2020.



Net sales increased by 14% during the quarter compared with the year-earlier period, of which 6% organically.

EBITA rose by 4% in the third quarter compared with the preceding year.

Like other companies, HL Display was impacted by the continued increase in raw material prices and costs for shipping from Asia during the third quarter. HL Display responded by implementing price increases, which are expected to gradually impact earnings towards the end of 2021.

HL Display completed another acquisition during the quarter, Display Italia. The three acquisitions carried out during the year contributed growth of 8% during the quarter.

SEKm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	422	369	1,269	1,126	1,663
EBITDA	66	71	218	189	280
EBITA	48	47	166	125	204
Cash flow from operations	31	69	118	165	206
Interest-bearing net debt			282	301	
-whereof leasing liability			107	88	
Growth, Net sales	14%	-6%	13%	-5%	
- whereof currency effect	0%	-3%	-4%	-1%	
- whereof acquisition	8%		6%		
Growth, Organic	6%	-2%	11%	-5%	
EBITDA margin	15.6%	19.1%	17.2%	16.8%	16.9%
EBITA margin	11.5%	12.6%	13.1%	11.1%	12.3%

Amounts referring to 100% of the company.

Holding

99%

HL Display help retailers and brands around the world to create attractive and profitable in-store environments that strengthen the consumer's shopping experience. The vision is to be the preferred partner in their industry leading the development of innovative and sustainable solutions for a better shopping experience around the world. From store communication, merchandising and secondary displays to bespoke design and services, HL Display is an expert in improving the shopping experience whilst increasing cost efficiency and maintaining environmental sustainability. HL Display has production sites in Sweden, Poland, China and the UK combined with sales units across more than 20 countries. The average number of employees in the company amounted to 995 in 2020.



Net sales increased sharply compared with the same quarter last year. Organic growth in the quarter amounted to 42%. This increase was driven by strong sales in both the indoor and outdoor segments, particularly in Europe and North America.

EBITA rose by 86% compared with the same quarter last year, mainly due to higher revenue combined with better operating efficiency. This despite challenges in the operating environment with unusually high logistics costs.

The order intake was high during the period, 46% higher than in the same quarter last year. The company expects the order intake to remain strong in the next quarter.

EURm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	12.2	8.7	35.7	27.8	44.9
EBITDA	4.1	2.6	11.5	8.1	14.0
EBITA	3.3	1.8	9.0	5.7	10.6
Cash flow from operations	3.0	1.6	8.3	5.8	10.2
Interest-bearing net debt			12.6	15.8	
-whereof leasing liability			1.2	1.2	
Growth, Net sales	40%	-23%	28%	-11%	
- whereof currency effect	-2%	-1%	-3%	0%	
Growth, Organic	42%	-22%	31%	-11%	
EBITDA margin	34.0%	30.3%	32.3%	29.2%	31.0%
EBITA margin	27.2%	20.5%	25.3%	20.6%	23.6%

Amounts referring to 100% of the company.

Holding

66%

LEDiL designs, develops and sells secondary optics for LED lighting globally. Secondary optics process light from the LED to achieve the luminaries' optimal function, with the highest energy efficiency possible. Development and design are carried out in Salo, Finland. Products are sold worldwide through the company's own sales force, agents and distributors. Most production is performed by subcontractors in Finland, China and the US. The company's products are primarily used in commercial applications such as street lighting, retail and offices. The average number of employees in the company amounted to 107 in 2020.



Revenue from service sales* increased by 21% compared with the year-earlier period. This improvement was attributable to strong sales and increased efficiency combined with a diminished impact from the Covid-19 pandemic.

EBITA was in line with the year-earlier period. However, it should be noted that earnings in the third quarter of last year were positively impacted by the dissolution of project reserves.

The market for clinical trials continues to deliver strong growth, and this has accelerated since the Covid-19 crisis. TFS is continuing to gain momentum and increase its market share in Europe and the US.

EURm	Q3		Q1-3		LTM
	2021	2020	2021	2020	21/20
Net sales	22.5	17.5	62.9	58.3	83.6
EBITDA	2.5	2.6	6.6	5.1	7.9
EBITA	2.0	2.0	4.8	3.1	5.7
Cash flow from operations	-1.6	1.3	5.0	3.3	3.6
Interest-bearing net debt			-1.0	1.6	
-whereof leasing liability			2.5	3.7	
Growth, Net sales	29%	-14%	8%	-9%	
- whereof currency effect	0%	-1%	0%	0%	
Growth, Organic	29%	-13%	8%	-9%	
EBITDA margin	11.3%	15.1%	10.5%	8.8%	9.4%
EBITA margin	8.7%	11.2%	7.6%	5.3%	6.9%

Amounts referring to 100% of the company.

*According to IFRS, TFS and other contract research organisations (CROs) generate two types of revenue:

1) Service sales (actual revenue-generating sales) and 2) re-invoicing of expenditure (for example, travel expenses, laboratory costs and other overheads) at no or a very low margin. In all material respects, service sales are the most important when it comes to the company's performance and earnings.

Holding

100%

TFS is a global, mid-sized, clinical contract research organisation (CRO) that supports biotech companies through the entire clinical development process. TFS focuses its scientific and medical competence across a broad therapeutic spectrum, with industry-leading capabilities in dermatology, oncology and haematology. TFS has two business Areas: Clinical Development Services (CDS), which offers clinical trials for small pharmaceutical companies during the development process, and Strategic Resourcing Solutions (SRS), which offers resource solutions featuring clinical professionals and targeting major pharmaceutical companies. Over the past five years, TFS has been involved in approximately 1,100 studies in 40 countries across Europe and North America. The average number of employees in the company amounted to 636 in 2020.

Ratos's companies

Adjusted for Ratos's holdings

SEKm	Net sales						EBITDA					
	Q3	Q3	Q1-3	Q1-3	LTM	Full Year	Q3	Q3	Q1-3	Q1-3	LTM	Full Year
	2021	2020	2021	2020	Rolling	2020	2021	2020	2021	2020	Rolling	2020
Aibel	1,023	906	2,939	2,873	3,913	3,846	81	62	219	161	282	225
airteam	217	222	659	657	933	932	23	28	64	57	104	96
Diab	464	508	1,397	1,532	1,905	2,040	46	88	157	285	237	365
HENT	1,348	1,537	4,306	4,738	5,874	6,306	57	58	138	140	179	181
HL Display	419	366	1,260	1,118	1,651	1,508	65	70	216	188	278	250
KVD	458	94	703	288	809	393	33	20	70	47	91	67
LEDiL	83	60	241	195	304	258	28	18	78	57	94	73
Oase Outdoors	89	89	358	320	366	328	12	7	82	54	71	43
Plantasjen	910	892	3,869	3,793	4,616	4,539	183	180	1,083	945	1,175	1,037
Speed Group	188	119	519	366	661	508	43	34	120	81	152	113
TFS	230	180	638	614	852	827	26	28	67	54	80	67
Vestia	131		284		284		9		18		18	
Total	5,560	4,973	17,175	16,494	22,167	21,486	606	593	2,311	2,069	2,760	2,518
Change	0%	5,577	17,175	18,385	22,842	24,053	-16%	718	2,311	2,426	2,927	3,041
Margin			-7%		-5%		10.9%	12.9%	13.5%	13.2%	12.8%	12.6%

SEKm	EBITA						Profit/loss before tax					
	Q3	Q3	Q1-3	Q1-3	LTM	Full Year	Q3	Q3	Q1-3	Q1-3	LTM	Full Year
	2021	2020	2021	2020	Rolling	2020	2021	2020	2021	2020	Rolling	2020
Aibel	61	38	158	97	204	143	29	5	73	1	105	33
airteam	21	26	59	50	97	88	20	24	56	47	92	83
Diab	13	64	74	215	127	269	7	59	80	155	92	167
HENT	41	44	94	99	121	126	38	27	91	73	118	100
HL Display	48	46	165	124	203	162	43	40	151	103	179	131
KVD	22	12	42	23	56	37	20	12	40	22	52	33
LEDiL	22	12	61	40	72	51	22	11	59	37	69	47
Oase Outdoors	11	5	79	50	67	38	9	3	74	41	59	27
Plantasjen	69	66	728	591	698	561	8	-7	519	348	396	225
Speed Group	23	15	63	31	75	43	19	10	49	20	56	27
TFS	20	20	49	32	58	42	20	13	36	24	44	32
Vestia	8		17		17		2		7		7	
Total	360	350	1,588	1,354	1,792	1,558	237	198	1,236	871	1,270	905
Change	-15%	426	1,588	1,579	1,920	1,910	20%	197	1,236	1,013	1,408	1,185
Margin	6.5%	7.6%	9.2%	8.6%	8.4%	7.9%	4.3%	3.5%	7.2%	5.5%	6.2%	4.9%

SEKm	Cash flow from operations						Interest-bearing net debt				Ratos's holding (%)
	Q3	Q3	Q1-3	Q1-3	LTM	Full Year	2021-09-30	2020-09-30	2020-12-31	2021-09-30	
	2021	2020	2021	2020	Rolling	2020					
Aibel	210	92	112	-5	257	140	567	786	620	32	
airteam	14	6	24	91	63	131	13	63	21	70	
Diab	20	67	-45	50	-33	62	1,047	887	899	98	
HENT	-2	83	-246	94	-223	118	-103	-343	-368	73	
HL Display	31	69	117	164	205	251	280	299	215	99	
KVD	13	17	-35	37	-14	58	353	43	22	100	
LEDiL	20	11	56	41	69	53	85	111	99	66	
Oase Outdoors	91	109	85	124	63	103	29	98	125	78	
Plantasjen	-476	-352	291	392	350	451	4,386	4,359	4,785	99	
Speed Group	27	16	80	32	92	44	437	513	533	70	
TFS	-16	13	51	35	36	21	-10	17	18	100	
Vestia	12		35		35		-60			62	
Total	-56	131	525	1,056	900	1,430	7,024	6,834	6,968		
Change	neg	205	525	1,329	964	1,768	7,024	7,953	8,149		
			-61%		-45%		-12%				

Financial information

Ratos Group results July–September

Adjusted operating profit from continuing operations amounted to SEK 356m (318). Operating profit from continuing operations amounted to SEK 208m (318). Operating profit for the period was impacted by an amount of SEK -149m by the revaluation of shares in Dun & Bradstreet.

Operating profit from continuing operations includes profit and shares of profit from the companies of SEK 380m (362).

Ratos's operating loss attributable to the parent company and central companies amounted to SEK -24m (-45). The lower cost is mainly attributable to non-recurring personnel costs and expenses of approximately SEK 19m in the preceding year.

Net financial items from continuing operations amounted to SEK -86m (-128). This improvement in net financial items was primarily due to lower interest expenses to banks of SEK -8m (-31) as well as exchange rate differences and currency derivatives of SEK -2m (-29).

For continuing operations, profit before tax amounted to SEK 122m (190). Tax expense for the period amounted to SEK -63m (-37). The high effective tax rate in the quarter was mainly due to the revaluation of the shares in Dun & Bradstreet of SEK -149m, which is non tax-deductible.

Since the agreement to divest Bisnode was signed in October 2020 and the transaction was completed in January 2021, Bisnode is recognised as a discontinued operation. This means that's Bisnode's earnings after tax are included in "Profit for the period from discontinued operations" for 2020 in the consolidated income statement.

Refer to Note 5 on page 27 for more details on earnings for the period.

Ratos Group results January–September

Adjusted operating profit from continuing operations amounted to SEK 1,557m (1,259). Operating profit from continuing operations amounted to SEK 1,277m (1,259). Operating profit for the period was impacted by an amount of SEK -280m for the revaluation of shares in Dun & Bradstreet.

Operating profit from continuing operations includes profit and shares of profit from the companies of SEK 1,660m (1,373).

Ratos's income and expenses attributable to the parent company and central companies amounted to SEK -106m (-117). The lower cost is mainly attributable to non-recurring expenses of approximately SEK 11m in the preceding year.

Net financial items from continuing operations amounted to SEK -260m (-406). The change in net financial items is attributable to lower interest expenses to banks of SEK -41m (-109), remeasurement/redemption of financial instruments of SEK -6m (-28) and exchange rate differences and currency derivatives of SEK 2m (-60).

For continuing operations, profit before tax amounted to SEK 1,017m (853). Tax expense for the period amounted to SEK -260m (-189).

Since the agreement to divest Bisnode was signed in October 2020 and the transaction was completed in January 2021, Bisnode is recognised as a discontinued operation. This means that Bisnode's earnings after tax are included in "Profit for the period from discontinued operations" for all periods in the consolidated income statement.

Bisnode Belgium, which was acquired in January 2021 as part of the divestment of Bisnode to Dun & Bradstreet, was divested on 31 March. Bisnode Belgium is also included in "Profit for the period from discontinued operations," which are the profit or loss effects and costs attributable to the divestment of Bisnode and Bisnode Belgium.

Refer to Note 5 on page 27 for more details on earnings for the period.

Ratos Group cash flow July–September

Cash flow for the quarter amounted to SEK -1,727m (-508), of which cash flow from operating activities accounted for SEK 142m (536). Cash flow from investing activities amounted to SEK -396m (-160) and cash flow from financing activities to SEK -1,473m (-884).

The decline in cash flow for the quarter was mainly due to financing activities and increased loan repayments. Cash flow from operating activities declined as a result of higher working capital. The acquisition of companies during the quarter had a negative effect on cash flow from investing activities.

Ratos Group cash flow January–September

Cash flow for the period amounted to SEK -488m (55), of which cash flow from operating activities accounted for SEK 1,214m (2,476). Cash flow from investing activities amounted to SEK 1,916m (-487) and cash flow from financing activities to SEK -3,617m (-1,934).

The decline in cash flow for the period was mainly due to financing activities, which were negatively impacted by increased loan repayments and dividends paid out during the period. Cash flow from operating activities declined as a result of higher working capital. The sale of Bisnode had a positive impact on cash flow from investing activities.

Financial position and leverage

The Group's cash and cash equivalents at the end of the period amounted to SEK 2,788m (3,182 at 31 December 2020) and interest-bearing net debt totalled SEK 3,120m (7,269 at 31 December 2020). The Group's leverage at the end of the period amounted to 0.7x (2.3x at 31 December 2020). The leverage excluding financial lease liabilities at the end of the period amounted to -0.5x (1.1x at 31 December 2020). The total translation effect of currency for interest-bearing liabilities amounted to approximately SEK 170m, of which approximately SEK 60m related to liabilities to credit institutions and approximately SEK 110m to financial lease liabilities.

When divesting Bisnode to Dun & Bradstreet at the beginning of the year, 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. The fair value and book value of the shares at the end of the period amounted to SEK 644m and are included in financial assets.

Ratos's equity

At 30 September 2021, Ratos's equity (attributable to owners of the parent) amounted to SEK 11,747m (9,366 at 31 December 2020), corresponding to SEK 36 per share outstanding (29 at 31 December 2020).

Parent company

The parent company's operating loss amounted to SEK -101m (-116) for the period. The parent company's profit before tax amounted to SEK 1,711m (121), of which SEK 1,878m (65) pertains to capital gains. The capital gains pertain to the divestment of Bisnode and Bisnode Belgium, which differs from the Group's capital gains due to different accounting methods. The preceding year's capital gains pertain to the liquidation of dormant companies and had no impact on the group's consolidated profit. Cash and cash equivalents in the parent company amounted to SEK 1,033m (1,166 at 31 December 2020).

Parts of Ratos's business group are financed centrally, initially with the parent company's own funds and in time, as loan requirements increase, with funds borrowed from external banks. The aim is to achieve increased control and savings for the Group. During the period, loans were issued by the parent company to HL Display, Diab, KVD, LEDiL and Plantasjen. More companies will be financed by Ratos AB during the course of the year.

Ratos's share

Earnings per share for the period amounted to SEK 7.22 (2.12) before dilution and to SEK 7.16 (2.11) after dilution. Earnings per share for continuing operations amounted to SEK 1.89 (1.85) before dilution and to SEK 1.88 (1.85) after dilution. The closing price for Ratos's Class B shares on 30 September 2021 was SEK 51.50. The total return on Class B shares for January–September 2021 amounted to 36.6%, compared with the performance for the SIX Return Index, which was 24.0%.

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 10 March 2021. In total, 752,500 warrants and 908,100 convertibles were issued.

Number of shares and repurchased/sold shares

At the beginning of the year, Ratos owned 5,126,262 Class B shares (corresponding to 1.6% of the total number of shares). During the period, call option programmes from 2016 and part of 2017 were redeemed whereby 478,000 treasury shares were divested through the redemption of call options. After the redemption, Ratos owned 4,648,262 Class B shares (corresponding to 1.4% of the total number of shares). On 29 March, Ratos's Board decided to transfer 4,430,762 treasury shares. The sales process was carried out by Skandinaviska Enskilda Banken AB (publ) and resulted in the shares being transferred to Carnegie Fonder and Nordea Fonder. After the transfer of treasury shares, Ratos owned 217,500 shares (corresponding to 0.1% of the total number of shares). During the third quarter, 557,924 new Class B shares were issued through convertibles. At 30 September, the number of Class A and B shares outstanding amounted to 324,481,320. At 30 September 2021, the total number of shares in Ratos (Class A and B shares) amounted to 324,698,820 and the number of votes to 108,643,236.

Significant events during the period

On 16 July, KVD acquired Forsbergs Fritidscenter. With this acquisition, KVD expanded its range and strengthened its offering to the end consumer. The transaction has a strong commercial rationale based on the growing importance of online sales, opportunities for knowledge sharing and significant synergy potential. The purchase price is SEK 275m, corresponding to a 5.6 multiple of EV/EBITA, with financing taking place through a long-term loan agreement from Ratos AB to KVD. Forsbergs has annual sales of approximately SEK 940m.

On 1 September, HL Display acquired the company Display Italia and thereby strengthened its customer base and position as a market-leading supplier of in-store communication solutions for grocery retailers in Europe. Display Italia has annual sales of approximately SEK 100m.

Key figures

For definitions, see page 29

SEKm	Q1-3 2021	Q1-3 2020	Full Year 2020
Leverage, Ratos Group	0,7x	2,3x	2,3x
Leverage, Ratos business group incl. parent company cash ¹⁾	-0,9x	1,4x	1,1x
Equity ratio, Ratos Group %	53.0	40.4	39.4
Return on equity, Ratos Group %	21.3	6.1	7.3
Return on capital employed, Ratos Group %	16.9	8.0	9.3
Return on capital employed, Ratos business group %	11.6	9.1	10.6
Key figures per share ²⁾			
Total return, %	36.6	0.4	17.3
Dividend yield, %			2.5
Market price, SEK	51.50	33.54	38.48
Dividend, SEK			0.95
Equity attributable to owners of the parent, SEK ³⁾	36.20	30.49	29.36
Basic earnings per share, SEK	7.22	2.12	2.17
Diluted earnings per share, SEK	7.16	2.11	2.17
Average number of ordinary shares outstanding:			
– before dilution	322,411,632	319,014,634	319,014,634
– after dilution	325,748,419	320,901,552	321,037,084
Total number of registered shares			
	324,698,820	324,140,896	324,140,896
Number of shares outstanding ⁴⁾			
	324,481,320	319,014,634	319,014,634
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	239,844,260	234,377,574	234,377,574

¹⁾ Excluding financial leasing liability

²⁾ Relates to Class B shares unless specified otherwise

³⁾ Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period

⁴⁾ After redemption and transfer of Ratos own shares

Financial statements

Consolidated income statement

SEKm	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Net sales	5,371	4,868	16,797	16,098	20,941
Other operating income	20	14	89	52	70
Cost of goods and services sold	-3,293	-3,020	-9,845	-9,714	-12,624
Employee benefit costs	-1,106	-973	-3,545	-3,263	-4,358
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets and right-of-use assets	-256	-242	-740	-716	-966
Other external costs	-415	-338	-1,288	-1,202	-1,650
Capital gain/loss from Group companies				0	0
Share of profit/loss from investments recognised according to the equity method	35	9	90	4	44
Revaluation listed shares	-149		-280		
Operating profit	208	318	1,277	1,259	1,457
Financial income	1	4	33	24	26
Financial expenses	-87	-132	-293	-430	-610
Net financial items	-86	-128	-260	-406	-584
Profit before tax	122	190	1,017	853	873
Income tax	-63	-37	-260	-189	-258
Profit for the period, continuing operations¹⁾	60	153	756	664	614
Profit/loss for the period, discontinued operations		-34	1,715	122	269
Profit for the period	60	119	2,472	786	883
<i>Profit/loss for the period attributable to:</i>					
Owners of the parent	13	100	2,329	676	693
Non-controlling interests	47	19	143	110	191
Earnings per share, SEK					
- basic earnings per share	0.04	0.31	7.22	2.12	2.17
- diluted earnings per share	0.04	0.31	7.16	2.11	2.17
Earnings per share from continuing operations, SEK					
- basic earnings per share	0.04	0.39	1.89	1.85	1.58
- diluted earnings per share	0.04	0.39	1.88	1.85	1.58

¹⁾ Profit for the period from continuing operations attributable to the owners of the parent for Q3 amounts to SEK 13m (124), Q1-3 to SEK 610m (591) and for full year 2020 to SEK 505m. Profit for the period from continuing operations attributable to non-controlling interests for Q3 amounts to SEK 47m (29), Q1-3 to SEK 146m (73) and for full year 2020 to SEK 109m.

Consolidated statement of comprehensive income

SEKm	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Profit for the period	60	119	2,472	786	883
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of defined benefit pension obligations, net	-6	-13	-50	-42	-30
Tax attributable to items that will not be reclassified to profit or loss		1		6	5
	-6	-12	-50	-37	-25
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation differences for the period	32	23	179	-252	-480
Change in hedging reserve for the period	12	-13	58	-41	-34
Tax attributable to items that may be reclassified subsequently to profit or loss	-3	3	-13	8	2
	42	14	224	-285	-512
Other comprehensive income for the period	36	2	174	-322	-537
Total comprehensive income for the period	96	121	2,646	464	346
<i>Total comprehensive income for the period attributable to:</i>					
Owners of the parent	47	100	2,484	426	278
Non-controlling interest	49	21	162	38	69

Summary consolidated statement of financial position

SEKm	2021-09-30	2020-09-30	2020-12-31
ASSETS			
Non-current assets			
Goodwill	7,556	11,352	6,958
Other intangible non-current assets	1,201	1,838	1,123
Property, plant and equipment	1,333	1,228	1,198
Right-of-use assets	4,617	4,394	4,677
Financial assets	1,866	1,096	1,072
Deferred tax assets	185	426	156
Total non-current assets	16,759	20,335	15,185
Current assets			
Inventories	1,489	1,089	1,075
Current receivables	3,564	4,056	3,094
Cash and cash equivalents	2,788	3,218	2,826
	7,841	8,364	6,995
Assets held for sale			6,458
Total current assets	7,841	8,364	13,453
Total assets	24,599	28,699	28,638
EQUITY AND LIABILITIES			
Equity including non-controlling interests	13,026	11,596	11,281
Non-current liabilities			
Interest-bearing liabilities	5,104	7,777	6,760
Non-interest bearing liabilities	282	283	257
Pension provisions	85	697	86
Other provisions	41	23	28
Deferred tax liabilities	309	367	275
Total non-current liabilities	5,822	9,146	7,405
Current liabilities			
Interest-bearing liabilities	810	1,618	1,601
Non-interest bearing liabilities	4,533	5,872	4,403
Provisions	408	467	447
	5,752	7,957	6,451
Liabilities attributable to assets held for sale			3,501
Total current liabilities	5,752	7,957	9,952
Total liabilities	11,574	17,103	17,357
Total equity and liabilities	24,599	28,699	28,638

Summary statement of changes in consolidated equity

SEKm	2021-09-30			2020-09-30			2020-12-31		
	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	9,366	1,915	11,281	9,298	1,920	11,218	9,298	1,920	11,218
Total comprehensive income for the period	2,484	162	2,646	426	38	464	278	69	346
Dividends	-303		-303		-75	-75	-207	-75	-283
Non-controlling interests' share of capital contribution and new issue		-0	-0		2	2		2	2
Transfer of treasury shares	218		218						
Conversion of convertible loan to shares	15		15						
The value of the conversion option of the convertible debentures	5		5	2		2	2		2
Option premiums	5		5	0		0	0		0
Share options redeemed by employees	-4		-4						
Put options, future acquisitions from non-controlling interests		-25	-25	-0	-10	-10		-5	-5
Acquisition of shares in subsidiaries from non-controlling interests	-31	-9	-41	1	-7	-6	-12	-7	-19
Disposal of shares in subsidiaries to non-controlling interests	-8	14	6	-0	-0	-0	7	11	19
Non-controlling interests at acquisition		140	140						
Non-controlling interests in disposals		-918	-918						
Closing equity	11,747	1,279	13,026	9,726	1,869	11,596	9,366	1,915	11,281

Consolidated statement of cash flows

SEKm	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Operating activities					
Operating profit, continuing operations	208	318	1,277	1,259	1,457
Operating profit, discontinued operations	0	101	1,721	298	472
Adjustment for non-cash items	345	396	-944	1,074	1,332
	553	815	2,054	2,631	3,261
Income tax paid	-14	-57	-151	-189	-223
Cash flow from operating activities before change in working capital	539	759	1,903	2,442	3,038
Cash flow from change in working capital					
Increase (-)/Decrease (+) in inventories	96	85	-153	-68	-109
Increase (-)/Decrease (+) in operating receivables	192	135	-109	215	264
Increase (+)/Decrease (-) in operating liabilities	-685	-443	-427	-113	7
Cash flow from operating activities	142	536	1,214	2,476	3,201
Investing activities					
Acquisition, group companies	-292	-6	-408	-34	-38
Disposal, group companies	5		2,625	1	2
Investments and disposal, intangible assets/property, plant and equipment	-110	-155	-304	-459	-664
Investments and disposal, financial assets	0	1	0	1	0
Interest received	1	1	2	5	6
Cash flow from investing activities	-396	-160	1,916	-487	-694
Financing activities					
Non-controlling interests' share of issue/capital contribution			0	2	2
Transfer of treasury shares			218		
Option premiums paid	2		5	3	3
Repurchase/final settlements options	-2		-238	-6	-39
Acquisition and disposal of shares in subsidiaries from non-controlling interests	-1	-0	-32	-6	-0
Dividends paid			-303		-207
Dividends paid, non-controlling interests					-75
Borrowings	13	43	537	630	795
Amortisation of loans	-1,192	-641	-3,029	-1,697	-1,832
Interest paid	-80	-113	-251	-338	-439
Amortisation of financial lease liabilities	-212	-173	-525	-523	-673
Cash flow from financing activities	-1,473	-884	-3,617	-1,934	-2,467
Cash flow for the period	-1,727	-508	-488	55	40
Cash and cash equivalents at the beginning of the period	4,492	3,712	3,182	3,219	3,219
Exchange differences in cash and cash equivalents	23	14	93	-55	-77
Cash and cash equivalents at the end of the period	2,788	3,218	2,788	3,218	3,182
- attributable to continuing operations	2,788	3,218	2,788	3,218	2,826
- attributable to discontinued operations					356

Parent company income statement

SEKm	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Other operating income	0	0	3	0	5
Administrative expenses	-24	-45	-104	-116	-155
Depreciation of property, plant and equipment	-0	-0	-0	-0	-0
Operating loss	-24	-45	-101	-116	-150
Gain from sale of participating interests in group companies			1,878	65	134
Dividends from group companies				175	175
Result from other securities and receivables accounted for as non-current assets			-70		1
Other interest income and similar profit/loss items	38	1	44	9	0
Interest expenses and similar profit/loss items	-32	-2	-40	-12	-18
Profit/loss after financial items	-18	-46	1,711	121	142
Income tax	0	0	0	0	0
Profit/loss for the period	-18	-46	1,712	122	143

Parent company statement of comprehensive income

SEKm	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Profit/loss for the period	-18	-46	1,712	122	143
Other comprehensive income for the period	0	0	0	0	0
Total comprehensive income for the period	-18	-46	1,712	122	143

Summary parent company balance sheet

SEKm	2021-09-30	2020-09-30	2020-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	1	1	1
Financial assets	6,923	7,588	7,602
Receivables from group companies	2,587	1	
Total non-current assets	9,510	7,590	7,603
Current assets			
Current receivables	40	19	16
Receivables from group companies	178	180	7
Cash and cash equivalents	1,033	1,225	1,166
Total current assets	1,252	1,424	1,189
Total assets	10,762	9,014	8,792
EQUITY AND LIABILITIES			
Equity	9,867	8,406	8,219
Non-current liabilities			
Interest-bearing liabilities, group companies	621	353	391
Interest-bearing liabilities	52	35	48
Non-interest bearing liabilities	10	12	14
Convertible debentures	79	54	54
Deferred tax liabilities	2	1	1
Total non-current liabilities	764	454	508
Current provisions	65	21	10
Current liabilities			
Interest-bearing liabilities, group companies		92	
Interest-bearing liabilities	30	1	1
Non-interest bearing liabilities	35	41	53
Total current liabilities	65	133	54
Total equity and liabilities	10,762	9,014	8,792

Summary statement of changes in parent company's equity

SEKm	2021-09-30	2020-09-30	2020-12-31
Opening equity	8,219	8,281	8,281
Comprehensive income for the period	1,712	122	143
Dividends	-303		-207
Transfer of treasury shares	218		
Exercise of options	-4		
Conversion of convertible loan to shares	15		
The value of the conversion option of the convertible debentures	6	3	3
Deferred tax, conversion option	-1	-1	-1
Option premiums	5	0	0
Closing equity	9,867	8,406	8,219

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 2020 Annual Report. The new and revised IFRS standards which came into force in 2021 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 and 2020. In the statement of financial position, Bisnode's assets and related liabilities are reported on separate rows for 31 December 2020. Bisnode had no effect on the third quarter of 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.

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 2020 Annual Report.

Parts of Ratos's business group are financed centrally, initially with the parent company's, Ratos AB, own funds and in time, as loan requirements increase, with funds borrowed by Ratos AB from external banks. The aim is to achieve savings in the form of a return on Ratos's existing funds, and in time, lower financing costs for the Group. Work is also under way to streamline liquidity management and surplus liquidity by establishing a so-called cash pool for different currencies and companies in the Group. This means that Ratos AB's taxation under the rules for investment companies ceased as of the third quarter of 2021, and instead the company is taxed under the rules for limited companies. The effects of the transition is currently analysed and had no impact on the parent company's earnings or statement of financial position for the interim period.

The ongoing Covid-19 pandemic had an impact on earnings for the period and creates uncertainty for Ratos's financial development for the rest of 2021. 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.

Note 3 Alternative performance measures

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. The tables displayed with a tinted background are APMs. 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 29 of this report.

Net sales

SEKm	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Ratos business group, Net sales	5,560	5,577	17,175	18,385	24,053
Net sales in subsidiaries, holding not owned by Ratos	835	1,062	2,562	3,303	4,419
Subsidiaries divested during current year		-864		-2,707	-3,673
Investments recognised according to the equity method	-1,023	-906	-2,939	-2,873	-3,846
Eliminations	-0	-0	-0	-11	-12
Ratos Group, Net sales continued operations	5,371	4,868	16,797	16,098	20,941

Organic growth, Ratos's holding

SEKm	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Ratos business group, Growth Net Sales, %	-0.3%	-6.2%	-6.6%	0.7%	-1.8%
Ratos business group, Net sales	5,560	5,577	17,175	18,385	24,053
Acquired net sales	424	4	612	35	40
Effects from change in currency	57	-382	-87	-896	-1,227
Ratos business group, adjusted Net Sales	5,078	5,955	16,649	19,246	25,240
Divested net sales in the comparison period	604	50	1,892	231	231
Ratos business group, adjusted Net Sales in the comparison period	4,973	5,898	16,494	18,026	24,251
Ratos business group, Organic growth	106	57	156	1,220	989
Ratos business group, Organic growth, %	1.9%	1.0%	0.8%	6.8%	4.0%

EBITDA, EBITA and Group operating profit

SEKm	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Ratos business group, EBITDA	606	718	2,311	2,426	3,041
Depreciation and impairment	-247	-292	-723	-847	-1,131
Ratos business group, EBITA	360	426	1,588	1,579	1,910
Ratos business group, EBITA margin	6.5%	7.6%	9.2%	8.6%	7.9%
EBITA in subsidiaries, holding not owned by Ratos	55	78	159	218	308
Subsidiaries divested during current year		-109		-321	-504
Investments recognised according to the equity method	-26	-29	-68	-94	-100
Income and expenses attributable to the parent company and central companies	-173	-45	-386	-117	-151
Other	1	1	3	3	3
Ratos Group, EBITA continued operations	217	321	1,296	1,267	1,468
Amortisation and impairment of intangible assets in connection with company acquisitions	-9	-3	-20	-9	-12
Ratos Group, Operating profit/loss continued operations	208	318	1,277	1,259	1,457

Cash flow from operations

SEKm	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Ratos business group, Cash flow from operations	-56	205	525	1,329	1,768
Cash flow from operations in subsidiaries, holding not owned by Ratos	55	107	29	267	327
Cash flow from operations, holdings divested during current year	-0		40		
Investments recognised according to the equity method	-210	-92	-112	5	-140
Investment and disposals, intangible assets/property, plant and equipment	110	155	304	459	664
Lease payment	272	235	575	704	932
Income tax paid	-14	-57	-151	-189	-223
Attributable to the parent company and central companies	14	-16	71	-99	51
Eliminations	-30	-0	-68	-0	-180
Ratos Group, Cash flow from operating activities	142	536	1,214	2,476	3,201

Interest-bearing net debt

SEKm	2021-09-30	2020-09-30	2020-12-31
Ratos business group, Interest-bearing net debt	7,024	7,953	8,149
Interest-bearing net debt in subsidiaries, holding not owned by Ratos	230	764	777
Investments recognised according to the equity method	-567	-786	-620
Internal loans	-2,680		
Attributable to the parent company and central companies	-896	-1,133	-1,061
Other	9	22	23
Ratos Group, Interest-bearing net debt	3,120	6,820	7,269

	2021-09-30	2020-09-30	2020-12-31
Interest-bearing liabilities, other	832	4,530	4,503
Interest-bearing liabilities, leasing	5,082	4,865	5,362
Provisions for pensions	85	697	629
Interest-bearing assets	-93	-53	-43
Cash and cash equivalents	-2,788	-3,218	-3,182
Ratos Group, Interest-bearing net debt	3,120	6,820	7,269

Note 4 Acquired and divested businesses

Acquisitions within subsidiaries

HL Display

On 4 March, HL Display acquired Concept Group, a UK supplier of store solutions and services with an annual sales of approximately GBP 5.4m and 65 employees.

On 1 April, HL Display acquired the company CoolPresentation, thus strengthening its market position in the Netherlands. CoolPresentation has established a strong position in the Dutch market with high-quality products and services for grocery retailers, pharmacies and brand manufacturers. CoolPresentation has approximately SEK 40m in annual sales.

On 1 September, HL Display acquired the company Display Italia, with annual sales of approximately SEK 100m. The acquisition strengthened HL Display's customer base and position as a market-leading supplier of in-store communication solutions for grocery retailers in Europe.

Refer to the preliminary purchase price allocation for the acquisitions below.

Preliminary purchase price allocation (PPA), add-on acquisition HL Display

	SEKm
Intangible assets	3
Property, plant and equipment	7
Right-of-use assets	27
Financial assets	0
Deferred tax asset	2
Trade receivables	45
Current assets	24
Cash and cash equivalents	23
Deferred tax liability	-0
Non-current liabilities and provisions	-41
Current liabilities	-34
Net identifiable assets and liabilities	55
Goodwill	110
Purchase price	166
of which, paid in cash	146
of which, contingent consideration	19

KVD

On 16 July, KVD acquired Forsbergs Fritidscenter, which is the largest mobile home dealer in the Nordics. With this acquisition, KVD expanded its range and strengthened its offering to the end consumer. Forsbergs has annual sales of approximately SEK 940m.

Preliminary purchase price allocation (PPA), add-on acquisition KVD

	SEKm
Intangible assets	1
Property, plant and equipment	20
Right-of-use assets	40
Trade receivables	12
Current assets	212
Cash and cash equivalents	56
Deferred tax liability	-10
Non-current liabilities	-75
Current liabilities	-81
Net identifiable assets and liabilities	176
Goodwill	96
Purchase price	272
of which, paid in cash	272

Acquisition of Vestia

In March, Ratos signed an agreement to acquire 62.8% of the shares of the construction company Vestia Construction Group, active in the Gothenburg market. Vestia works in accordance with a so-called "partnering model", whereby work is based on a target budget and Vestia is paid running costs coupled with a predetermined fee. The acquisition was completed on 9 April.

The total purchase price for the shares in Vestia Construction Group amounted to SEK 262m, of which Ratos's share amounted to SEK 165m. A maximum contingent consideration of SEK 95m may be paid depending on EBITA for the period from July 2020 to June 2023. The fair value of the contingent consideration amounted to SEK 77m on the acquisition date and corresponds with the carrying amount. Goodwill in the preliminary purchase price allocation amounts to SEK 232m and is attributable to the company's growth and business model. This goodwill is not expected to be tax-deductible.

Vestia has been included in the Ratos Group from the date of acquisition, with net sales of SEK 455m and profit before tax of SEK 12m. For the January to September period, net sales amounted to SEK 633m and profit before tax to SEK 19m. Acquisition-related transaction costs amounted to approximately SEK 3.8m.

Preliminary purchase price allocation (PPA), Vestia

	SEKm
Customer contracts	45
Property, plant and equipment	0
Right-of-use assets	6
Trade receivables	79
Current assets	5
Cash and cash equivalents	33
Deferred tax liability	-9
Non-current liabilities and provisions	-23
Current liabilities	-105
Net identifiable assets and liabilities	31
Goodwill	232
Purchase price	262
of which, paid in cash	185
of which, contingent consideration	77

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 is presented below.

Acquisitions and divestment of Bisnode Belgium

For the divestment of Bisnode to Dun & Bradstreet, Bisnode's Belgian operations were not included in the transaction. Bisnode Belgium was included in the Ratos Group in the first quarter. 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	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Income		869	105	2,722	3,691
Expenses		-872	-116	-2,519	-3,291
Profit/loss before tax		-2	-10	203	400
Tax		-31	-1	-81	-131
Profit/loss after tax		-34	-11	122	269
whereof Bisnode		-34	9	122	269
Capital gain from divestment of discontinued operations			1,727		
whereof Bisnode			1,816		
Total profit/loss for the period		-34	1,715	122	269
<i>Profit/loss for the period attributable to:</i>					
Owners of the parent		-24	1,719	85	189
Non-controlling interests		-10	-3	37	81
Earnings per share, SEK					
- basic earnings per share		-0.07	5.33	0.27	0.59
- diluted earnings per share		-0.07	5.29	0.27	0.59

Cash flow statement from discontinued operations

SEKm	Q3 2021	Q3 2020	Q1-3 2021	Q1-3 2020	Full Year 2020
Cash flow from operating activities		153	61	497	655
Cash flow from investing activities		-50	2,636	-170	-224
Cash flow from financing activities		-29	-191	-90	-192
Change in cash and cash equivalents		75	2,506	237	238

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

Note 5 Operating segments

SEKm	Net sales					EBITA and operating profit ¹⁾				
	Q3	Q3	Q1-3	Q1-3	Full Year	Q3	Q3	Q1-3	Q1-3	Full Year
	2021	2020	2021	2020	2020	2021	2020	2021	2020	2020
Aibel						35	9	90	4	43
airteam	310	317	941	939	1,331	30	37	84	72	126
HENT	1,849	2,106	5,903	6,495	8,644	57	61	129	136	172
Speed Group	269	169	742	523	726	33	21	90	45	62
Total Construction & Services	2,428	2,593	7,586	7,957	10,701	156	127	394	256	403
KVD	458	94	703	288	393	22	12	42	23	37
Oase Outdoors	114	113	456	408	418	14	7	100	63	48
Plantasjen	918	901	3,905	3,829	4,582	69	67	734	596	566
Total Consumer	1,489	1,108	5,065	4,524	5,393	105	86	877	683	651
Diab	471	528	1,421	1,593	2,121	13	67	75	224	280
HL Display	422	369	1,269	1,126	1,520	48	47	166	125	163
LEDIL	124	90	362	293	389	34	18	92	60	76
TFS	230	181	638	615	828	20	21	49	32	42
Total Industry	1,247	1,168	3,691	3,628	4,858	115	152	382	442	561
Total companies all reported periods	5,164	4,869	16,342	16,108	20,952	376	365	1,653	1,381	1,615
Vestia	207		455			13		27		
Total companies acquired during reported periods	207		455			13		27		
Elimination of sales internal	-0	-0	-0	-11	-12					
Total Net Sales and EBITA, companies	5,371	4,868	16,797	16,098	20,941	389	365	1,679	1,381	1,615
Revaluation listed shares						-149		-280		
Income and expenses in the parent company and central companies						-24	-45	-106	-117	-151
Other						1	1	3	3	3
Consolidated EBITA continued operations						217	321	1,296	1,267	1,468
Amortisation and impairment of intangible assets in connection with company acquisitions						-9	-3	-20	-9	-12
Consolidated operating profit continued operations						208	318	1,277	1,259	1,457
Bisnode		864	60	2,707	3,673		101	13	298	473
Bisnode Belgium			45					-19		
Total companies divested during reported periods		864	104	2,707	3,673		101	-6	298	473
Bisnode								1,816		
Other								-89		
Total exit gains								1,727		
Consolidated net sales and operating profit	5,371	5,732	16,901	18,805	24,614	208	419	2,998	1,557	1,929

¹⁾ Subsidiaries are included with 100% in consolidated profit/loss. Investments recognised according to the equity method are included with holding percentage of profit/loss including tax for the period.

SEKm	Q3	Q3	Q1-3	Q1-3	Full Year
	2021	2020	2021	2020	2020
<i>Break down of net sales</i>					
Sales of goods	2,481	2,068	8,044	7,456	9,314
Service contracts	463	340	1,285	1,074	1,461
Construction contracts	2,366	2,424	7,299	7,423	9,964
Reimbursable expenditures	61	37	169	145	202
	5,371	4,868	16,797	16,098	20,941

Note 6 Financial instruments

Ratos applies fair value measurements to a limited extent and mainly for derivatives, synthetic options, contingent considerations and put options. These items are measured according to levels two and three, respectively, in the fair value hierarchy.

In the statement of financial position at 30 September 2021, the total value of financial instruments measured at fair value in accordance with level three was SEK 504m (643 at 31 December 2020). This change was mainly attributable to the exercising of synthetic options in conjunction with the sale of subsidiaries and additional contingent considerations in connection with the acquisition of subsidiaries.

In the statement of financial position at 30 September 2021, the net value of derivatives amounted to SEK -23m (-31 at 31 December 2020), of which SEK 13m (1 at 31 December 2020) was recognised as an asset and SEK 36m (33 at 31 December 2020) as a liability.

Note 7 Goodwill

Goodwill changed during the period as shown below.

SEKm	Accumulated cost	Accumulated impairment	Total
Opening balance 1 January 2021	8,302	-1,344	6,958
Business combinations	438		438
Translation differences for the period	187	-27	160
Closing balance 30 September 2021	8,927	-1,371	7,556

Note 8 Related party disclosures

Transactions with related parties are made on market terms.

Parent company

The parent company has a related party relationship with its Group companies. For more information, refer to Note 29 in the 2020 Annual Report. The parent company has no pledged assets. The parent company has contingent liabilities to subsidiaries and associates amounting to SEK 128m (554 at 31 December 2020).

The parent company's transactions with subsidiaries and associates for the period and the parent company's balance sheet items in relation to its subsidiaries and associates at the end of the period are presented below. During the period, the parent company commenced work for Ratos's business group to be financed centrally and issued loans to Diab, HL Display, KVD, LEDiL and Plantasjen. The decline in contingent liabilities was due to the fact that bank guarantees for Plantasjen expired in connection with the repayment of the company's bank loans.

No unusual business transactions of material value occurred between Ratos and Board members or other senior executives of the Group.

SEKm	Financial income	Other income	Capital contribution	Dividend
2021 Q1-3	25			
2020 Q1-3			288	175
2020 Full Year		5	288	175

SEKm	Receivable	Provision	Liability	Contingent liability
2021-09-30	2,765	60	621	128
2020-09-30	181		445	552
2020-12-31	7		391	554

Note 9 Exchange rates

Exchange rates, average

SEK	Q1-3 2021	Q1-3 2020	Full Year 2020
Danish crowns, DKK	1.365	1.415	1.407
Euro, EUR	10.152	10.557	10.487
Norwegian crowns, NOK	0.992	0.987	0.979

Exchange rates, closing

SEK	2021-09-30	2020-09-30	2020-12-31
Danish crowns, DKK	1.372	1.416	1.349
Euro, EUR	10.201	10.541	10.038
Norwegian crowns, NOK	1.001	0.951	0.955

Definitions

Certain of the following performance measures are presented for Ratos's business group – both for the companies in their entirety (100%) regardless of Ratos's holding and also presented adjusted for the size of Ratos's holding in each company. When performance measures are presented adjusted for Ratos's holdings the performance measure is multiplied by the percentage of the holding. For example: Ratos's holding amounts to 70% and the company's EBITA is SEK 100m for the period, EBITA adjusted for Ratos's holdings then amounts to SEK 70m (70% x SEK 100m).

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 divided by average equity attributable to owners of the parent.

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 operating profit

Operating profit for the Group excluding revaluation of listed shares.

Adjusted profit

Profit for the period for the Group excluding revaluation of listed shares.

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. Dilution resulting from convertible debt instruments is calculated by increasing the number of shares by the total number of shares to which the convertibles correspond and increasing earnings by the recognised interest expense after tax. Potential ordinary shares are considered to have a dilutive effect only during periods when they result in lower earnings or a higher loss per share.

Interest-bearing net debt

Interest-bearing liabilities and pension provisions minus 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.

Telephone conference

25 October 9:00 a.m. SE: +46 8 505 583 54
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Financial calendar

2022
Year-end report 2021 14 February

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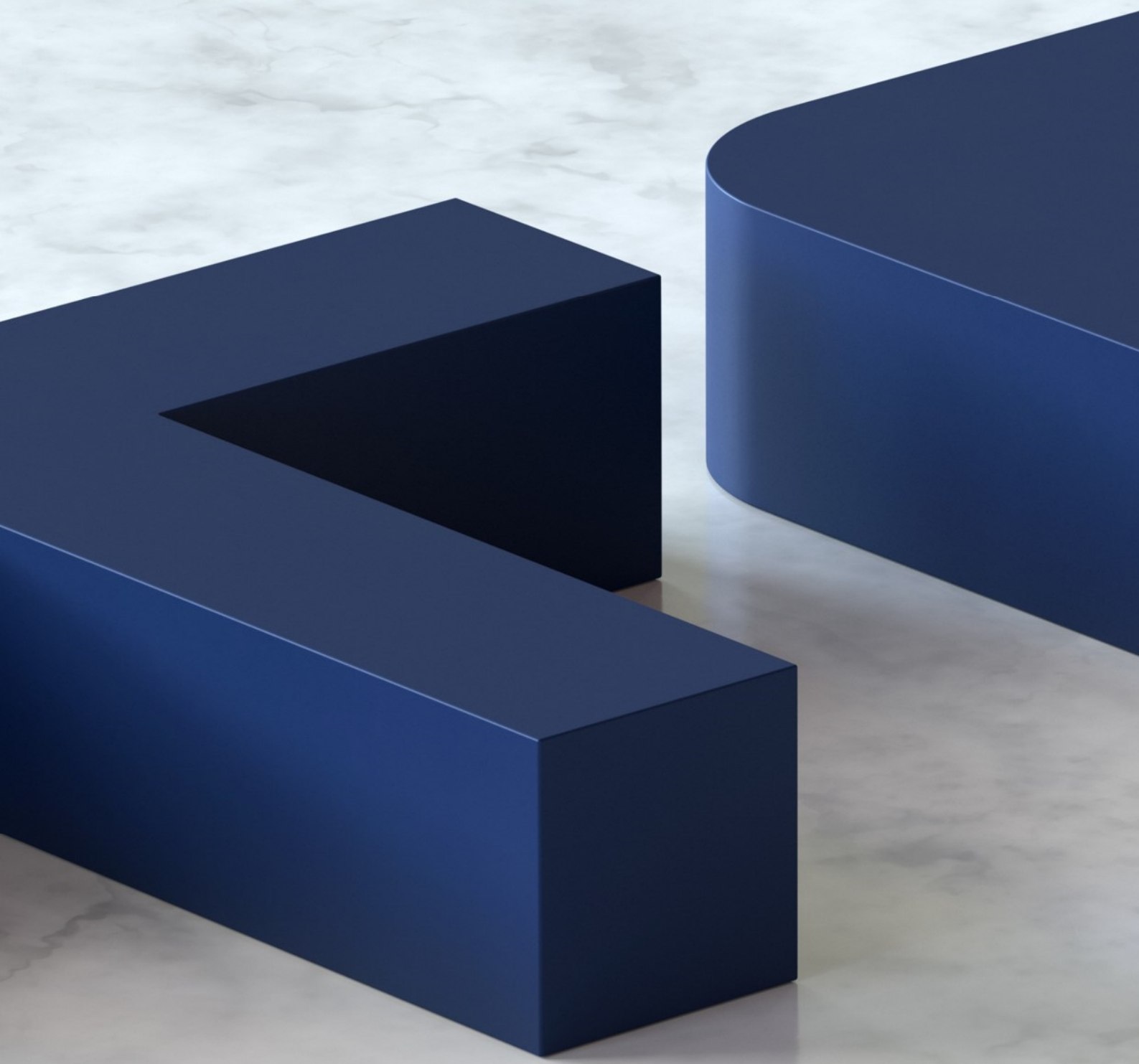
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This is information that Ratos AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 7:00 a.m. CEST on 25 October 2021.

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

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Ratos is a business group consisting of 12 companies divided into three business areas: Construction & Services, Consumer and Industry. Our business concept is to develop companies headquartered in the Nordics that are or can become market leaders. We enable independent companies to excel by being part of something larger. A focus on people, leadership, culture and values is a key component of Ratos. Everything we do is based on Ratos's core values: Simplicity, Speed in Execution and It's All About People.



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