
P R E S S R E L E A S E 12 February 2018

Ratos divests Jøtul

Ratos has signed an agreement to sell all of its shares in its subsidiary Jøtul A/S (Jøtul), a market-leading Norwegian manufacturer of cast-iron stoves and fireplaces with global distribution, to OpenGate Capital for approximately NOK 360m (enterprise value). The divestment generates an estimated net result effect of approximately SEK 40m. The investment has generated a negative average annual rate of return (IRR).

Founded in 1853, Jøtul manufactures stoves, fireplaces and inserts. Jøtul is a world-leading brand with global distribution and strong market positions. Manufacturing mainly takes place in the company's own production facilities in Norway, Denmark and the US, and to some extent via partners.

In recent years, the focus has been on enhancing the efficiency of the operations to improve profitability, which yielded results in 2017, when the company reported growth and higher operational EBITA. Jøtul's sales and operational EBITA amounted to NOK 898m and NOK 11m, respectively, per rolling 12 months as of 30 September 2017.

“The positive trend of improved operational EBITA that began in 2014 continued in 2017 and the company has, under the leadership of CEO Nils Agnar Brunborg, a solid foundation from which to grow. The market demand has been volatile and has had a negative development during Ratos's ownership and the company has therefore had an unsatisfactory sales and earnings performance. The measures carried out the last three years have improved production efficiency and lowered the cost base and at the same time investments in product development have strengthened the company's long-term competitiveness. Ratos has owned Jøtul since 2006 and we believe now is an appropriate time for the company to develop further under a new owner,” says Johan Rydmark, Investment Director at Ratos.

An agreement has been signed regarding the sale of all shares in the company, which for Ratos is equivalent to a holding of about 93%. The enterprise value amounts to approximately NOK 360m. The divestment generates an estimated net result effect of approximately SEK 40m. The investment has generated a negative internal rate of return (IRR). The transaction is expected to be completed during the first quarter of 2018.

For further information, please contact:

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Financial calendar from Ratos:

Year-end report 2017	16 February 2018
Interim report January–March 2018	3 May 2018
Annual General Meeting 2018	3 May 2018
Interim report January–June 2018	17 August 2018
Interim report January–September 2018	25 October 2018

Ratos is an investment company that owns and develops unlisted medium-sized companies in the Nordic countries. Our goal as an active owner is to contribute to long-term and sustainable business development in the companies we invest in and to make value-generating transactions. Ratos's portfolio consists of 14 medium-sized Nordic companies and the largest segments in terms of sales are Industrials, Consumer goods/Commerce and Construction. Ratos is listed on Nasdaq Stockholm and has a total of approximately 13,400 employees.