
P R E S S R E L E A S E 22 May 2017

Ratos divests Nebula to Telia Company

Ratos has signed an agreement to divest all of its shares in its subsidiary Nebula – Finland's leading provider of cloud services to small and medium-sized companies – to Telia Company for EUR 165m (enterprise value). The divestment generates a net exit gain of approximately SEK 500m, an average annual return (IRR) of approximately 37% and a money multiple of 3.3x.

Nebula is a market leading provider of cloud services, managed services, and network services to small and medium-sized enterprises in the Finnish market. The company has approximately 44,000 customers, 90% subscription-based recurring revenue, and industry-leading profitability.

During Ratos's four years as an active owner of Nebula the company has implemented a number of value-generating strategic initiatives. Two synergistic add-on acquisitions have reinforced its market-leading position among Finnish SMEs. Investments have been made in the company's product development and its sales & marketing capabilities. The customer base has grown by more than 30% during Ratos's ownership and the number of employees from 110 to 145. The annual growth rate has been approximately 12%*) since the acquisition in 2013, with sales amounting to EUR 35.2m and an EBITA of EUR 10.6m per rolling 12 months as of 31 March 2017.

“Together with Nebula's management and our co-investors Rite Ventures, we have focused on continued growth and profitability. Through strategic measures and added resources, we have strengthened the company's market position. Improved customer offerings have secured strong customer relationships and high customer satisfaction. Nebula is a well-run company positioned for further growth. Following our discussions with Telia Company, which is a logical buyer, we have arrived at a purchase price that takes Nebula's position and prospects into account. On this basis, we have agreed to sell and believe the time is right to hand over to a new owner. We are convinced that Nebula and Telia Company complement each other well and can benefit from each other's respective strengths,” says Johan Rydmark, Investment Director at Ratos.

The selling price for 100% of the shares (equity value) amounts to EUR 110m and the enterprise value to EUR 165m. Ratos's share of the equity value is approximately EUR 78m and the net exit gain totals approximately SEK 500m, calculated on the book value of Ratos's holding in Nebula at 31 March 2017. Average annual return (IRR) amounts to approximately 37%. Ratos's holding in Nebula is 73%. The transaction is expected to be completed during the third quarter and is subject to customary merger control filings.

*) The annual growth rate includes the acquisition of Sigmatic.

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Financial calendar from Ratos:

Interim report January-June 2017	17 August 2017
Interim report January-September 2017	14 November 2017

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 17 medium-sized Nordic companies and the largest segments in terms of sales are Construction, Industrials and Consumer goods/Commerce. Ratos is listed on Nasdaq Stockholm and has a total of approximately 14,200 employees.