

Ratos carries out major infrastructure maintenance acquisition

Ratos has signed an agreement to acquire 75% of the shares in Presis Infra, a leading Norwegian maintenance group in critical transportation infrastructure. Through this acquisition, Ratos has established a long-desired presence in a stable and growing market. During the most recent 12-month period ending September 2021, Presis Infra had sales of NOK 1,696m, with EBITA of NOK 238m. The cash-free, debt-free purchase price for 100% of the company amounts to NOK 2.6 billion.

“Service and maintenance for critical infrastructure is an attractive, growing niche that Ratos has sought to enter for some time. Presis Infra has excellent prerequisites for continued organic and acquisition-driven growth in current and adjacent infrastructure segments and in new geographic markets,” says Christian Johansson Gebauer, President Business Area Construction & Services at Ratos.

Presis Infra has market-leading margins, high growth and is currently the second-largest player in the Norwegian market for transportation infrastructure services, such as road and tunnel maintenance, ferry quay operations and maintenance, and rockfall protection. The company has an EBITA margin of 14% and has reported 12% annual growth since 2018.

“With the acquisition of Presis Infra, Ratos has secured a majority shareholding in the most profitable player in the Nordics within transportation infrastructure maintenance. We are impressed by Presis Infra’s culture, operational efficiency, customer focus and decentralised corporate governance, all of which form the basis for the company’s industry-leading profitability. The current majority owner, KB Gruppen, is choosing to re-invest with a holding of 25%, which is very positive, and we look forward to a productive partnership,” continues Christian Johansson Gebauer.

“Presis Infra has established a strong position as the clear leader in the Norwegian market in terms of profitability. With Ratos as a new majority owner, we can move on to the next phase of our growth journey. There are significant opportunities to take our business model into new geographic areas and segments, such as the Swedish road maintenance market, which resembles that of Norway,” says Eivind Iden, CEO of Presis Infra.

Acquisition financing and valuation and impact on Ratos

From 1 October 2020 to 30 September 2021, Presis Infra had sales of NOK 1,696m, with EBITA of NOK 238m. The cash-free, debt-free purchase price (enterprise value) for 100% of the shares amounts to NOK 2,600m, which corresponds to an EV/EBITA multiple of 10.9x for the period from October 2020 to September 2021. The acquisition will be financed with Ratos’s own funds and bank financing.

For the Ratos business group, the acquisition represents just over 5% pro forma increased sales and just over 9% increased EBITA for the period from October 2020 until September 2021. The pro forma leverage for the Ratos business group as of September 2021 increased to 0.3x EBITDA. The transaction with the current majority owner, KB Gruppen, includes a clause where either party, three years after the transaction, can demand that Ratos acquire the 25% holding in Presis Infra that KB Gruppen reinvested in conjunction with the transaction.

“The acquisition is a smart move for Ratos and suits our strategy to acquire companies that are, or can become, market leaders, with leading profitability, strong cash flows and a decentralised structure. The acquisition of Presis Infra is a step towards our financial targets for 2025. So far this year, the Ratos Group has carried out acquisitions with total sales of around SEK 3.6 billion, including Presis Infra,” says Jonas Wiström President & CEO at Ratos.

Terms of the transaction

The acquisition, which is conditional on the customary competition clearance, is expected to be completed in December 2021.



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About Ratos:

Ratos is a business group consisting of 12 companies divided into three business areas: Construction & Services, Consumer and Industry. In total 2020, the companies have approximately SEK 34 billion in sales. 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. People, leadership, culture and values are key focus areas for 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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