



## Acquisition of Mölnlycke Health Care

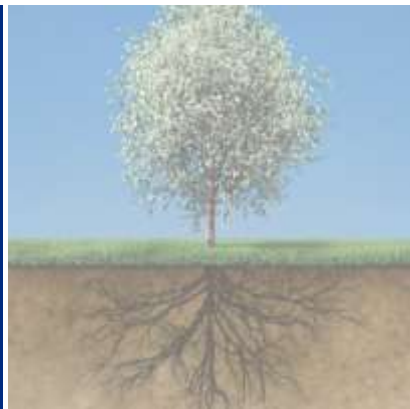
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January 26, 2007



## Today's presentation



- > The transaction
- > The company
- > Investment rationale



## The transaction – in brief

- > A vehicle equally owned by Investor AB and Morgan Stanley Principal Investments (with Management as minority owner) are acquiring Mölnlycke from Apax Partners
- > Investor AB will commit ~65% of capital and Morgan Stanley Principal Investments ~35%
- > Transaction valued at EUR 2.85 bn. (enterprise value)
- > Investor is investing ~SEK 5.5 bn.
- > Stand-alone leveraged financing
- > Closing after customary antitrust approvals



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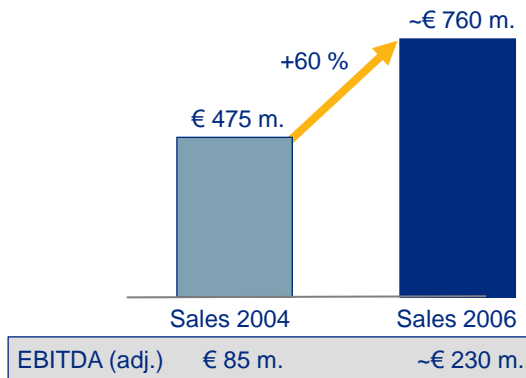
## Mölnlycke - today

- > Created through merger of Mölnlycke (Sweden), Medlock (U.K.) and Regent (U.K.) in 2005
- > Headquartered in Gothenburg
- > Fast-growing global player in advanced wound care and European leader in surgical consumables
- > Revenues 2006: EUR ~760 m.  
EBITDA 2006: EUR ~230 m. (30% margin)
- > 5,570 employees worldwide



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## Mölnlycke today vs. 2004



### Change since 2004:

- > Integration of Mölnlycke, Regent and Medlock
- > New product areas:
  - Surgical gloves
  - Compression and dermatology products
  - Antiseptics products
- > Exit from U.S. drapes and gowns market



## Overview of Mölnlycke

Wound Care Products (~36% of revenues)			Surgical Products (~64% of revenues)			
Advanced Wound Care	Conventional Wound Care	Oldham Assortment	Surgical Drapes & Staff Clothing	Custom Procedure Trays	Surgical Gloves	Antiseptics
Advanced wound care includes moist and antimicrobial dressings	Surgical dressings and fixation products	Compression, dermatology, orthopedics and wound care antiseptics	Surgical drapes, gowns and apparel	Prepackaged single-use medical products	Powder free latex and synthetic surgical gloves	Antimicrobial substances to prevent transmission of infections



## Wound care products

– the fastest-growing major industry player

- > European No. 1 and global No. 2 foam-based supplier
- > Patented Safetac foam technology (“no trauma, no pain”)
- > Innovative R&D pipeline in advanced and active products
- > Still significant untapped potential in many markets



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## Surgical Products

– market-leading position within single-use surgical consumables

- > Global No. 1 in powder-free surgical gowns
- > European No. 1 in headwear and surgical drapes & gowns
- > European No. 2 in Custom Procedure Trays and Masks



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## Investment rationale

– favorable underlying market trends

- > Aging population and increasing health care spending
- > Growth in welfare-related chronic diseases
- > New types of surgical procedures
- > Growth in number of surgical procedures
- > EU directive supporting conversion from multi-use to single-use drapes and gowns
- > Hospitals increasingly focusing on infection control and total system cost



## Investment rationale

– Leverage strong platform for growth through our value creation plan

### Organic growth prospects:

- > Accelerated growth in existing markets
- > Further expand into new geographic markets
- > Increase R&D investments & accelerate new product launches

### Acquisition growth prospects:

- > Add-on products or company acquisitions
- > Expand acute and home care sectors



## Investor as an owner of Mölnlycke

- > Part of Operating Investments
- > In line with strategy of increasing portion of unlisted assets
- > Ring-fenced leverage, strong financial flexibility remains
- > Investor's equity investment ~ SEK 5.5 bn.
- > No predetermined exit horizon
- > Accounted for as an associated company (i.e. no consolidation)



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## Summary

- > Mölnlycke is a well positioned international company with strong positions in several growing market segments
- > Attractive and stable financials
- > Favorable long-term underlying market trends
- > Clear value-creating agenda defined
- > Investor has strong knowledge, network and track record within the sector
- > Attractive investment with strong return potential for Investor shareholders



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