



Interim Report Apr–Jun 2023

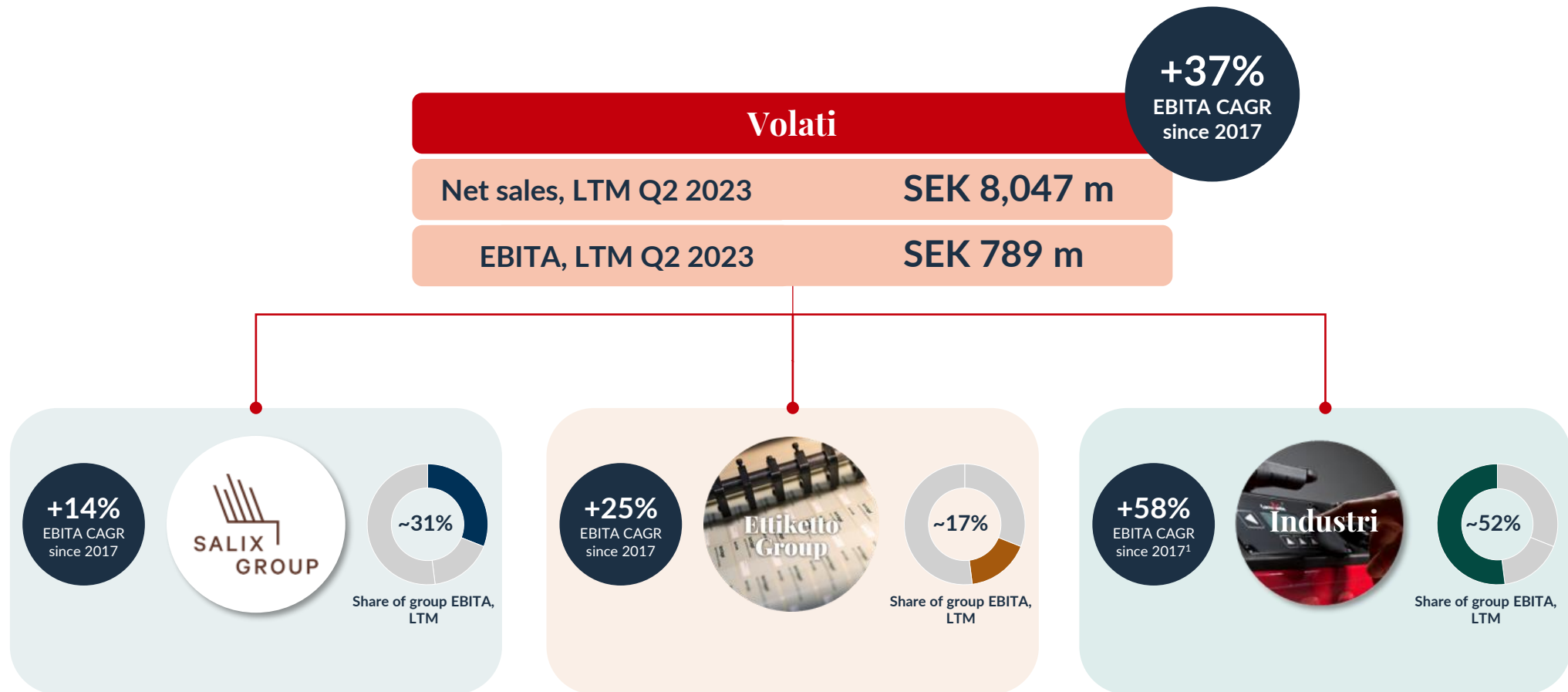
Andreas Stenbäck, CEO

Martin Aronsson, CFO

17 Juli 2023

Volati is a growing group of well-managed companies with strong earnings



volati.

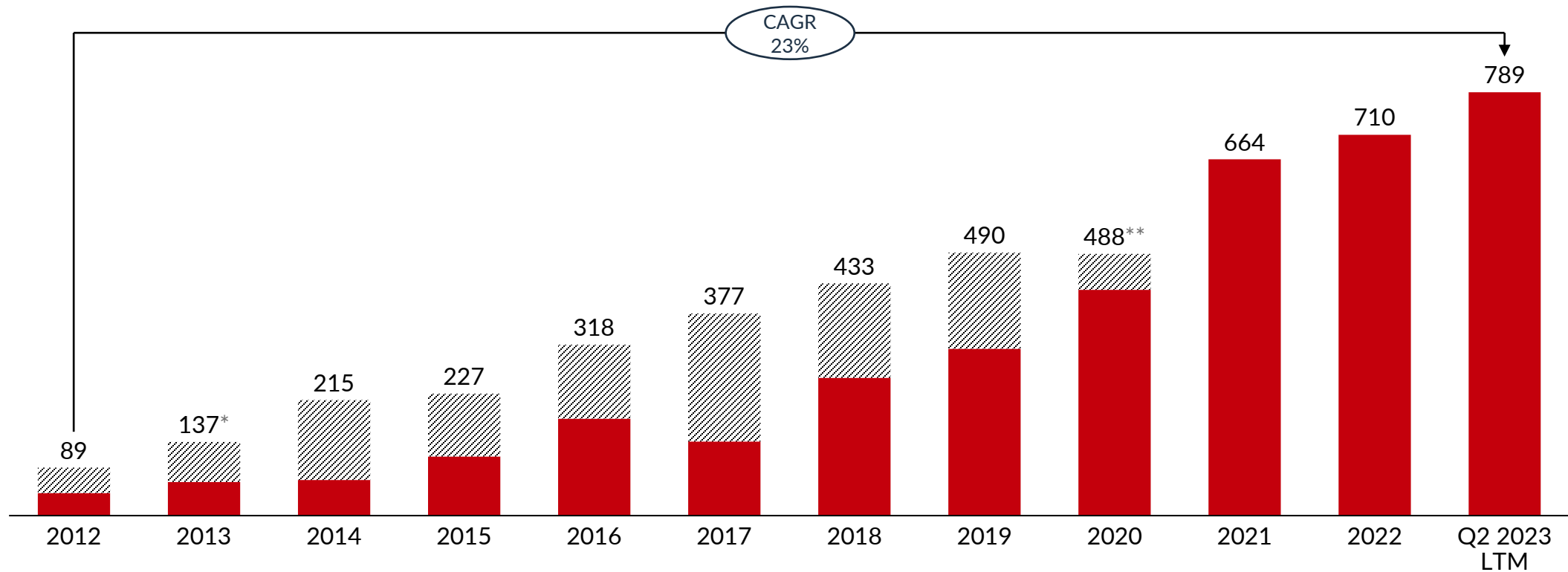


1) Excluding Ettiketto Group

Proven track record of long-term value creation

MSEK

 EBITA Discontinued Operations
 EBITA Continued Operations



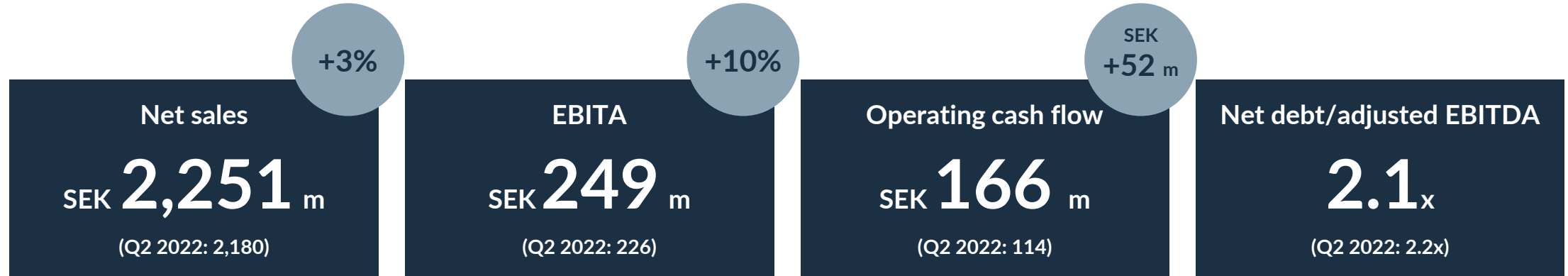
* Excluding capital gain of SEK 189 m

** For years 2012-2019 EBITA is excluding IFRS 16 effect (22 MSEK effect in 2019), years thereafter are including IFRS 16 effect

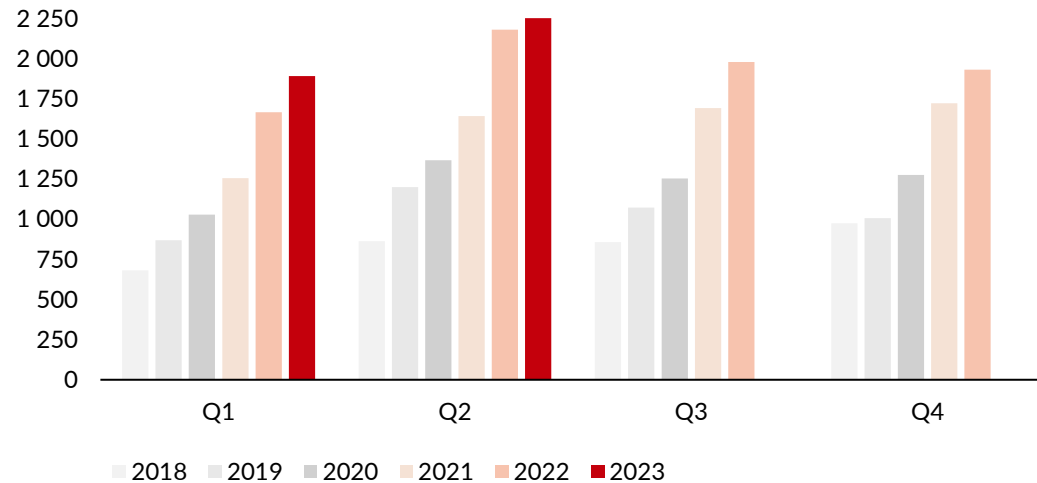
Q2 in brief – Continued improved margins

- Strong Q2 with EBITA increase of +10% compared to Q2 2022 and margin increase of 1 pp.
 - Industry delivers a strong second quarter with a sales growth of 15% and with EBITA increase of 20%, predominantly organic development.
 - Ettiketto Group continues to increase margins from 15% last year to 17% in Q2 2023. The EBITA margin improvement is largely based on Ettiketto Group's successful strategy to realize synergies from acquired businesses.
 - Salix Group deliver a solid quarter in a challenging market. Despite lower sales, the margin during the quarter is in line with last year.
- Good operational cash flow of SEK 166 million, SEK 52 million higher than same period last year through successfully reducing working capital. For H1 2023 this means an increase of 328 million which gives flexibility and good conditions for continued growth.
- New credit facility secured with Nordea and SEB during early Q2, which later in the quarter was sustainability linked. This is another step for us to improve our ability to reach our sustainability targets, thereby strengthening our ability to create long-term value.
- One acquisition during the quarter, and good potential to increase pace of acquired growth.

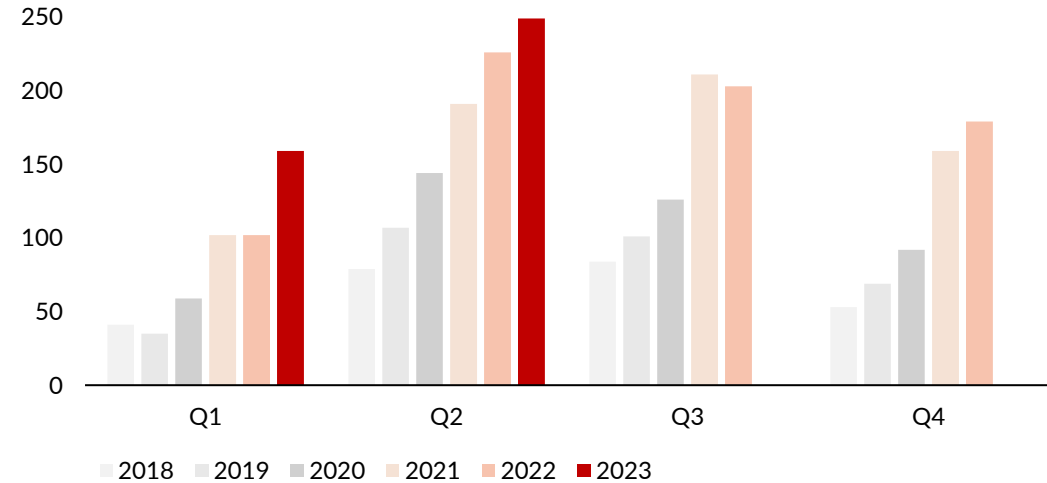
Financial development, Q2 2023



Net sales, SEK m



EBITA, SEK m

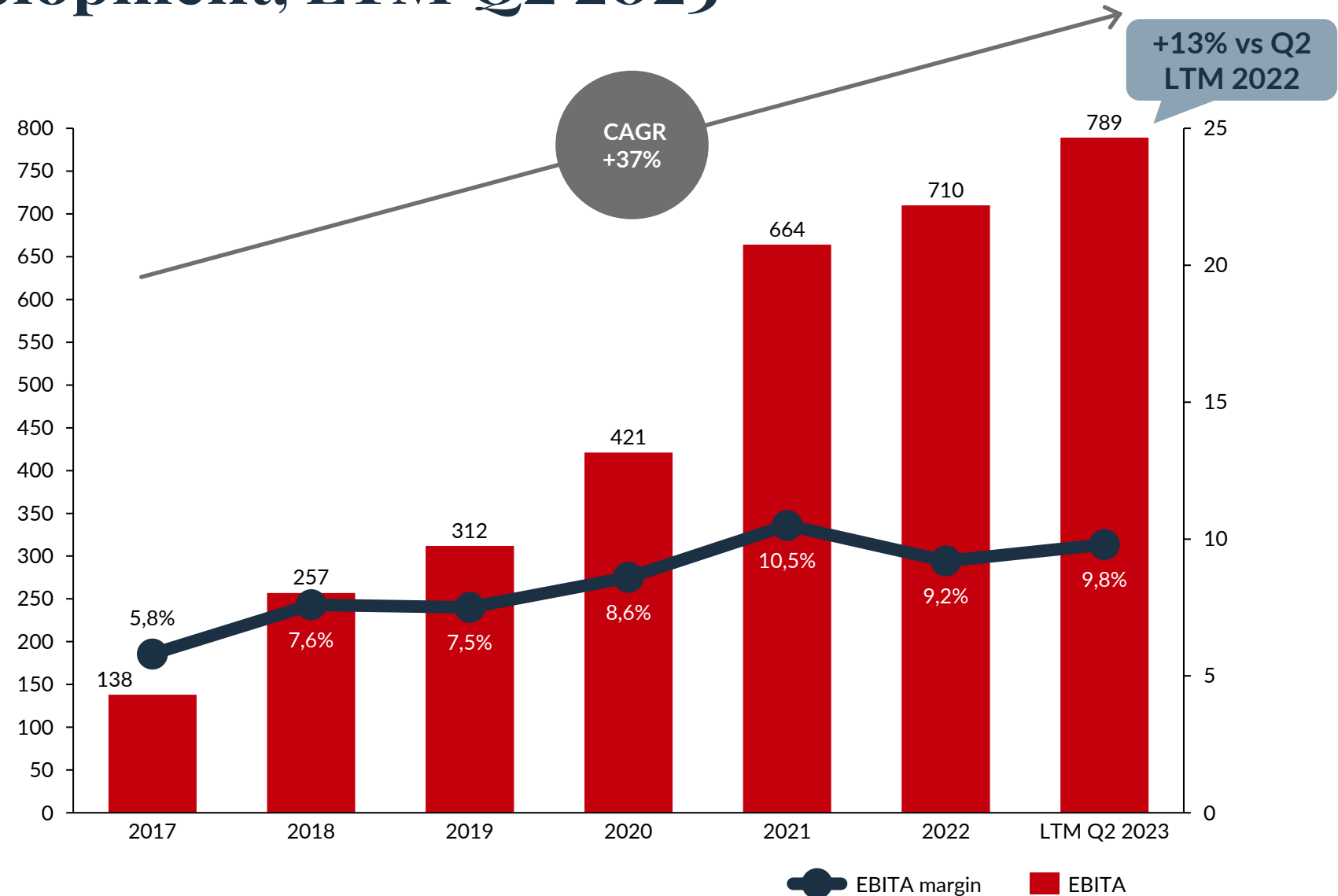


Financial development, LTM Q2 2023

Net sales
SEK 8,047 m
 (Q2 2022: 7,260)

EBITA
SEK 789 m
 (Q2 2022: 699)

Operating cash flow
SEK 760 m
 (Q2 2022: 391)



Financial targets

EBITA growth

The target is an average annual growth in EBITA²⁾ per ordinary share of at least 15 percent over a business cycle.

Growth in EBITA per
ordinary share, LTM

13%

(Q2 2022: 37%)

Return on adjusted equity

The long-term target is a return on adjusted equity¹⁾ of 20 percent²⁾.

Return on adjusted equity

30%

(Q2 2022: 37%)

Capital structure

The target is a net debt/adjusted EBITDA²⁾ ratio of 2 to 3 times, and not exceeding 3.5 times.

Net debt/adjusted EBITDA

2.1x

(Q2 2022: 2,2x)

1) See pages 134-138 of the 2022 Annual Report for definitions of alternative performance measures. 2) Including divested operations.

Three business areas with growth focus



Products and materials for builder's hardware, consumables, construction, home & garden, packaging and forestry & agriculture.



Self-adhesive labels and machines for various applications; from decorative labels to technically advanced labels in medical technology.

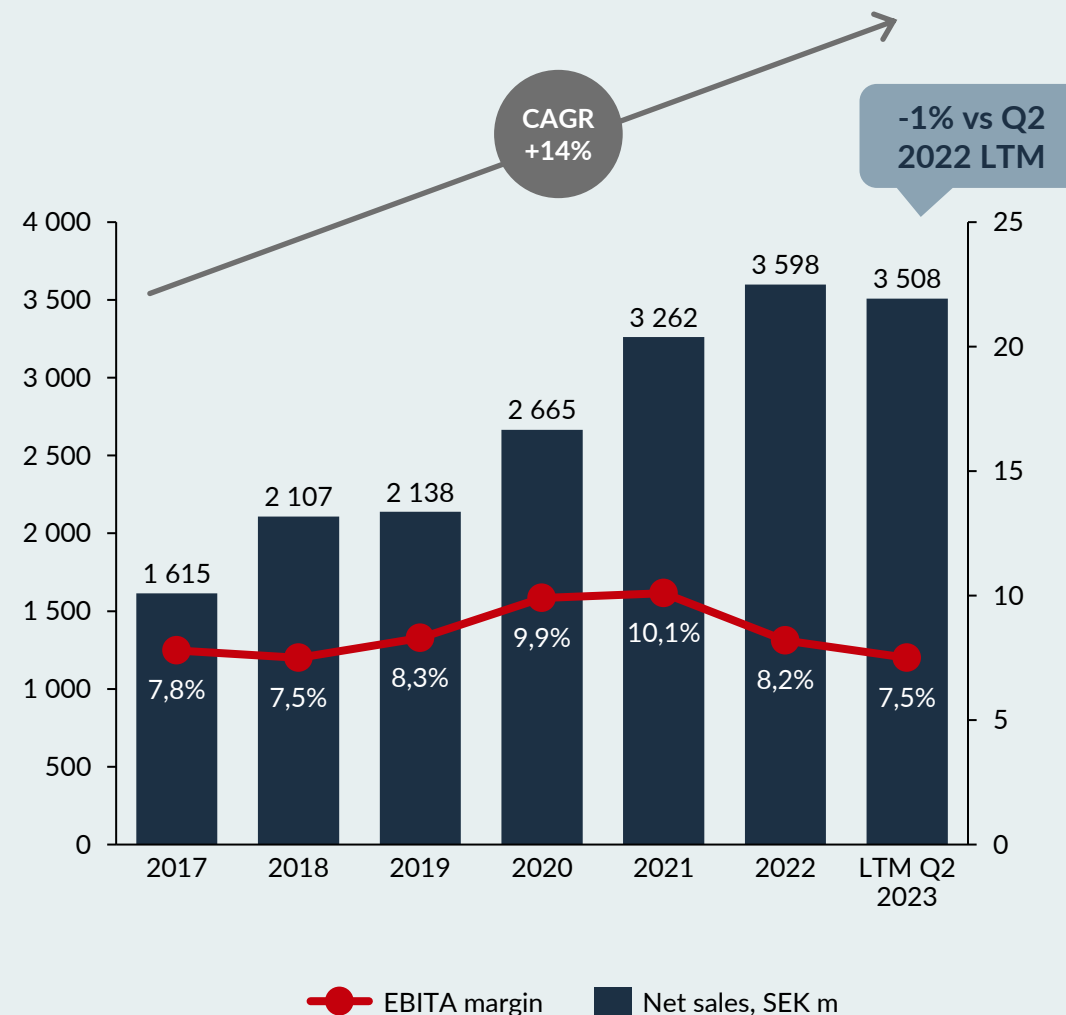


Four businesses with leading market positions in their niches; Products and solutions for grain management. Products for dampness and water damage management. Infrastructure for telecom, lighting and solar panels. Stone and cement products for infrastructure and construction.

Salix Group

- Sales decline of -7% in the quarter and -1% LTM.
- EBITA margin during the quarter in line with Q2 2022.
- The demand in the industrial and professional segments has started to slow down but is still relatively good. Continued weak demand in the consumer segment.
- Unfavorable currency effect in the quarter, but lower freight costs and prices on some raw materials mitigate the effect.
- Continued focus on cost control, pricing and realizing coordination benefits within the business area.
- One acquisition in the quarter and good opportunities for further acquisition-driven growth.

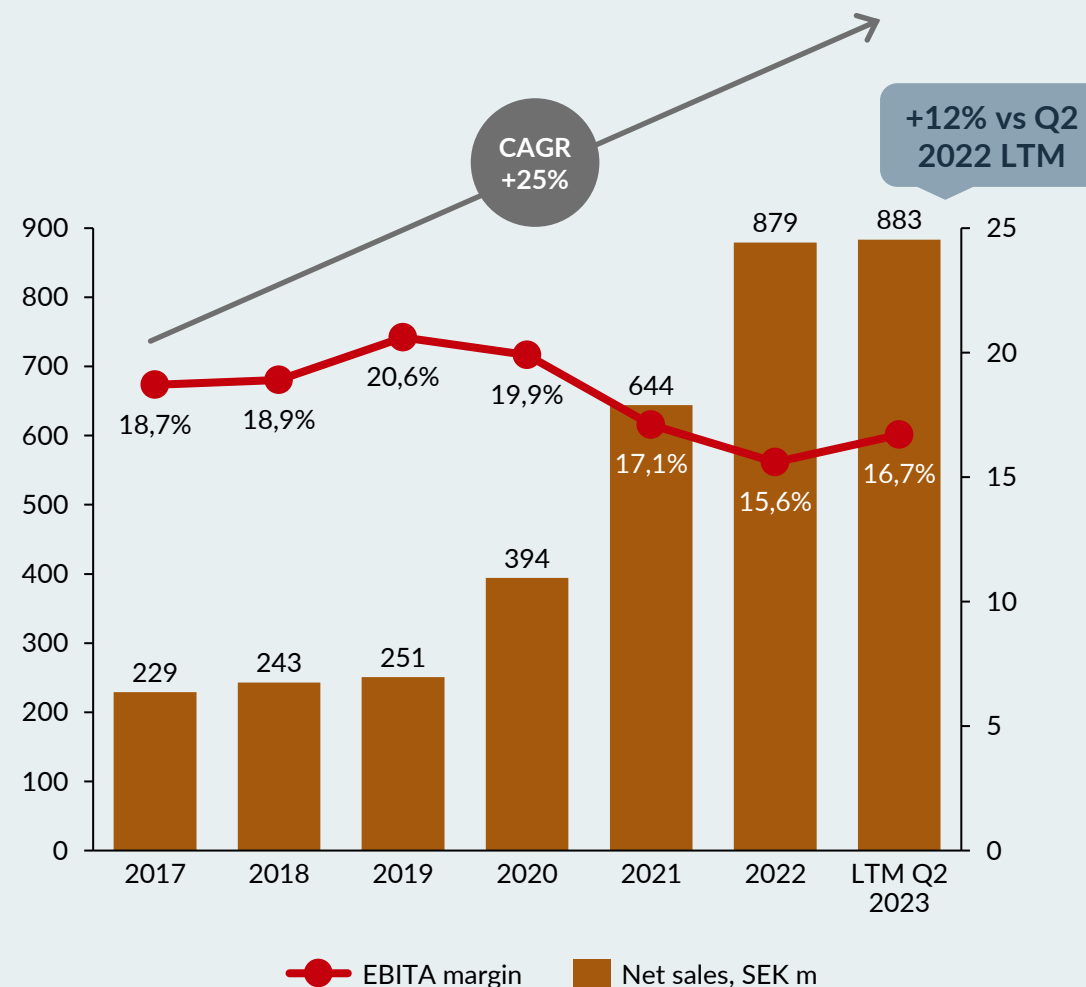
	Apr-Jun 2023	Apr-Jun 2022	LTM Q2 2023	FY 2022
Net sales, SEK m	962	1,029	3,508	3,598
EBITA, SEK m	92	107	263	296
EBITA-margin, %	10	10	7	8
ROCE excl. goodwill, %	23	34	23	26



Ettiketto Group

- Sales growth of 12 % LTM
- EBITA margin increase of 2pp compared to Q2 2022
- Continued focus on extracting synergies and operational improvements from acquired companies
- Strong demand and solid order intake with Ettiketto Group expanding the production capacity to meet the demand
- Well-positioned for continued acquisition-driven growth, both in its Nordic home markets and in the rest of Europe

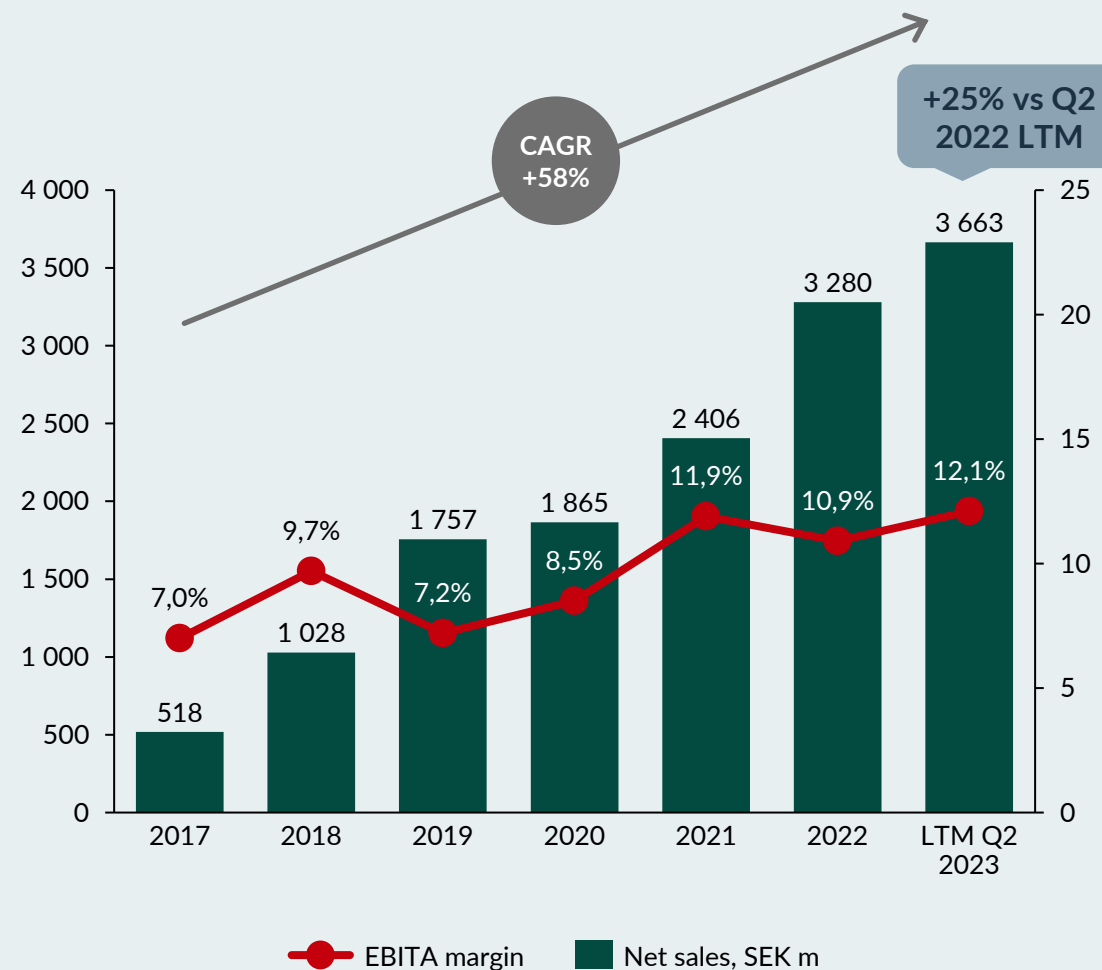
	Apr-Jun 2023	Apr-Jun 2022	LTM Q2 2023	FY 2022
Net sales, SEK m	219	220	883	879
EBITA, SEK m	38	34	148	137
EBITA-margin, %	17	15	17	16
ROCE excl. goodwill, %	59	61	59	57



Industry

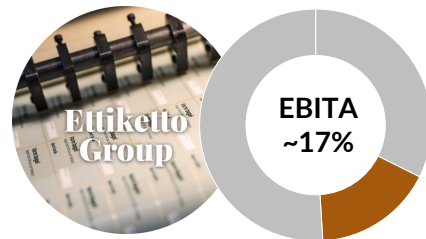
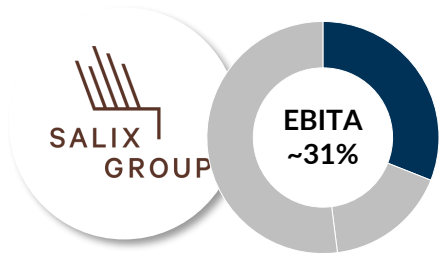
- Strong quarter with 15% sales growth, 25% LTM
- EBITA increased of 20% in the quarter, predominantly organic
- The demand continues to be good, and the four units are performing well
- Tornum Group with a solid performance in the quarter
- S:t Eriks is experiencing continued weakened demand from the construction segment, especially from retail customers - the demand in the infrastructure segment continues to be good.
- Corroventa performing well despite the lack of significant summer-storms
- Communications continues to perform well in the quarter, softening demand from very high levels during the past 12 months
- The add-on acquisition of JWI to Tornum is performing according to plan and good opportunities for continued acquisition-driven growth

	Apr-Jun 2023	Apr-Jun 2022	LTM Q2 2023	FY 2022
Net sales, SEK m	1,072	933	3,663	3,280
EBITA, SEK m	132	110	443	358
EBITA-margin, %	12	12	12	11
ROCE excl. goodwill, %	40	34	40	34



Acquisitions LTM with a total annual turnover of SEK 161 million

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Heco
January 2020
SALES **183** MSEK

Pisla
September 2020
SALES **242** MSEK

Duschy
March 2021
SALES **100** MSEK

Gunnar Eiklid
March 2022
SALES **39** MSEK

Nibu/SkanCo
May 2022
SALES **147** MSEK

Embo Import
November 2022
SALES **25** MSEK

Sweja
May 2023
SALES **96** MSEK

Beneli
June 2020
SALES **156** MSEK

Märkas
September 2020
SALES **168** MSEK

Strongpoint
June 2021
SALES **185** MSEK

Jigraf
November 2021
SALES **29** MSEK

Skipnes
January 2022
SALES **72** MSEK



JPT
January 2021
SALES **76** MSEK

Apisa
July 2021
SALES **152** MSEK

Terästorni
April 2022
SALES **216** MSEK

JWI
March 2023
SALES **40** MSEK

Byggsystem
June 2021
SALES **60** MSEK

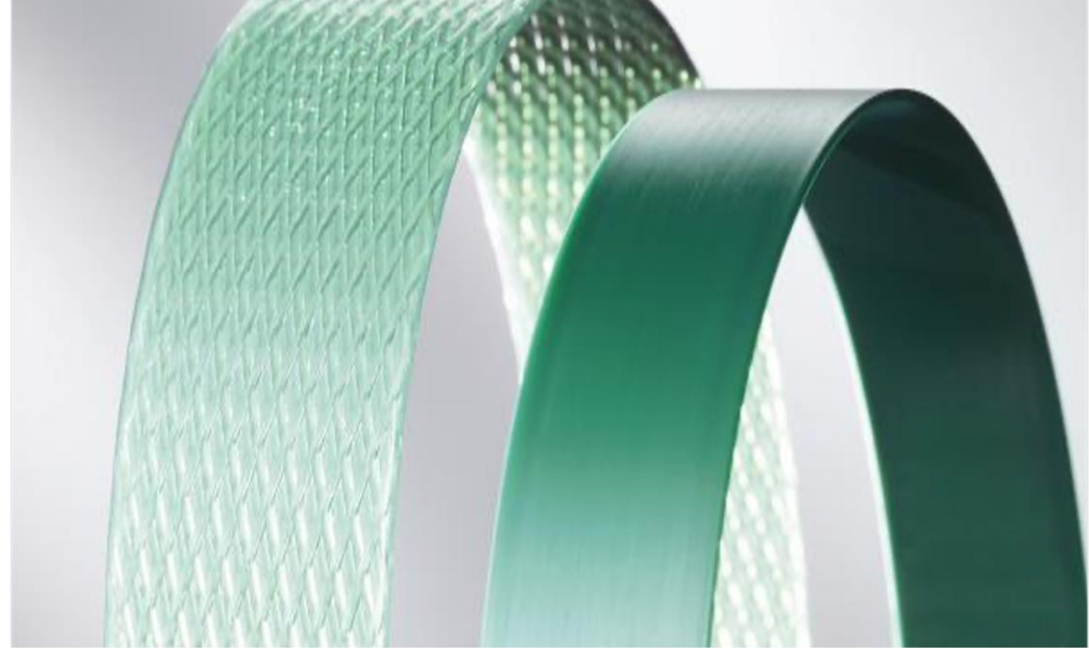
Meag
October 2021
SALES **190** MSEK

Scanmast
June 2021
SALES **294** MSEK

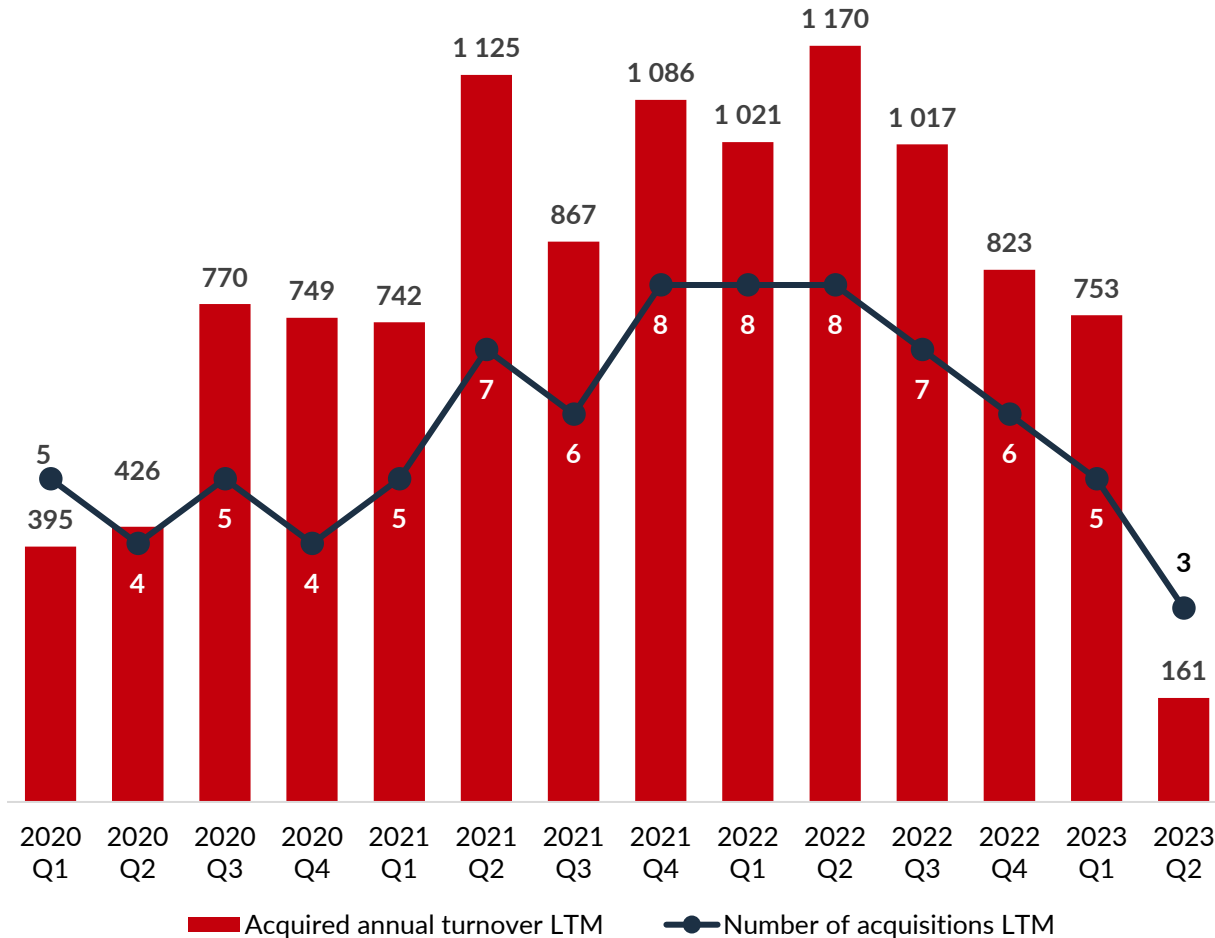
MAFI
April 2022
SALES **325** MSEK

Case Sweja Industriförnödenheter AB

- A Swedish family company, founded in 1977
- Offers packaging and machine solutions to Swedish industry, with focus on the tape and stretch film segment
- Annual sales of SEK~96 million
- Alongside T-Emballage's existing operations, the acquisition of Sweja gives Salix Group a broader product and service offering
- Also we will see cost synergies creating additional value
- **Strengthens Salix Group's position in the Swedish packaging market**



Acquired annual turnover LTM from 2020



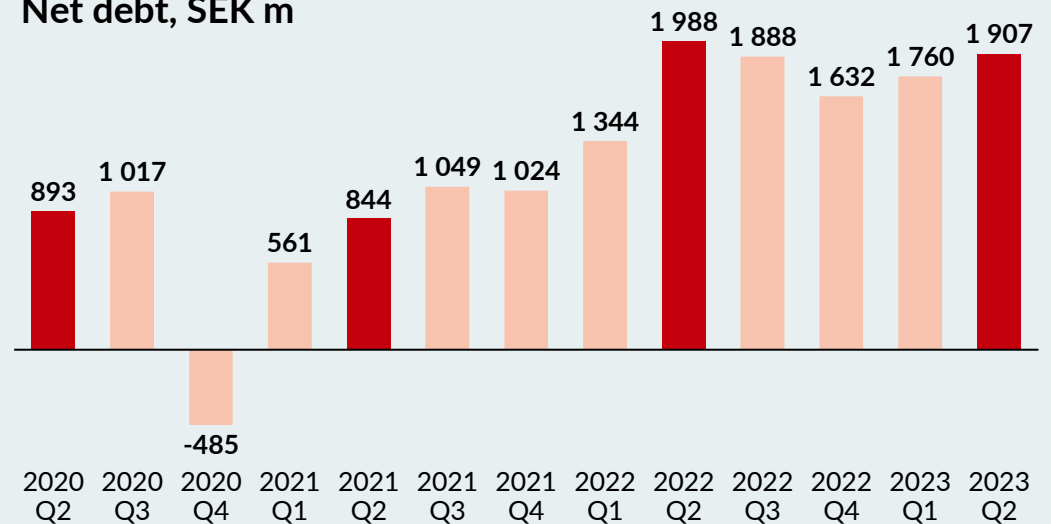
- M&A have over time contributed with annual sales of SEK 700–1,200 million
- Annual pace of 6–8 acquisitions
- Majority of the acquisitions are value creating add-on acquisitions, enabling substantial synergy realisation
- Platforms, financial capacity and processes in place
- Two acquisition H1 2023, and good position to accelerate pace during the rest of the year

Continued strong position for acquired growth

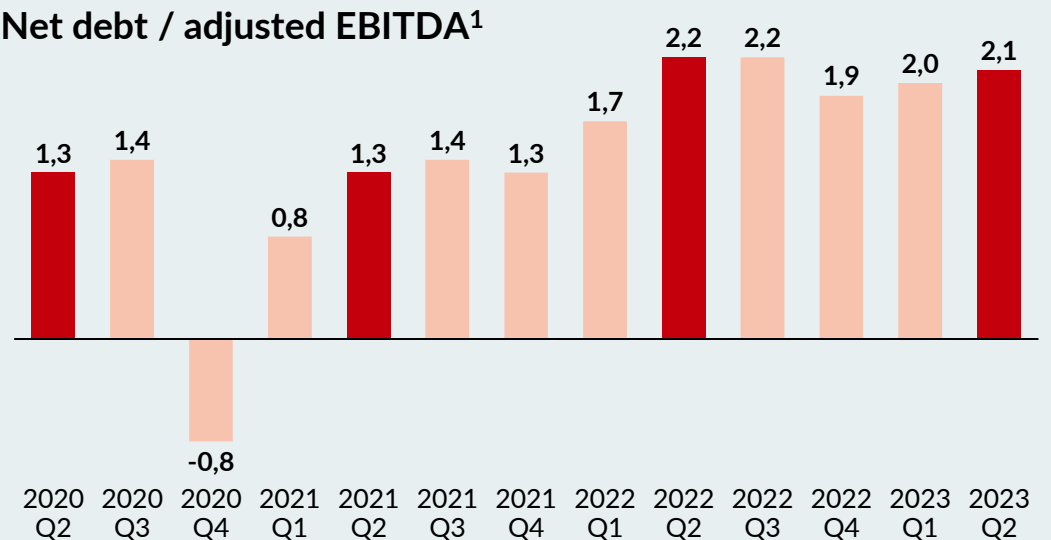
- Operating cashflow of SEK 166 million in the quarter, an increase of SEK 52 million compared to Q2 2022. An increase of SEK 328 million during H1 2023 compared to H1 2022
- Net debt increase with SEK 147 million in the quarter due to
 - Strong operating cashflow of SEK +166 million
 - M&A-related cash outflow of SEK -39 million
 - Tax, interest and dividend outflow of SEK -232 million
- New credit agreement with Nordea and SEB totaling to SEK 2.9 billion signed early April – total liquidity through debt facilities and cash of SEK + 1.1 billion
- Strong financial position with Net debt / EBITDA of 2,1x positions Volati well for acquisition driven growth

1) See pages 134-138 of the 2022 Annual Report for definitions of alternative performance measures.

Net debt, SEK m



Net debt / adjusted EBITDA¹



Summary

Solid second quarter in 2023

- EBITA growth of 10%
- EBITA margin increase of 1 pp
- Strong cash flow through successfully reducing working capital

Focus on long-term value creation

- Annual average EBITA growth of 37% for continued operations during the last 5 fiscal years, of which roughly half organic
- SEK 2,0 billion distributed to common shareholders since IPO in 2016
- ROE of 30%

Continue delivering on our growth journey

- Six platforms in place with long-term sustainable business models and good growth opportunities
- Growth potential through M&A in all platforms
- Financial strength to support growth



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