



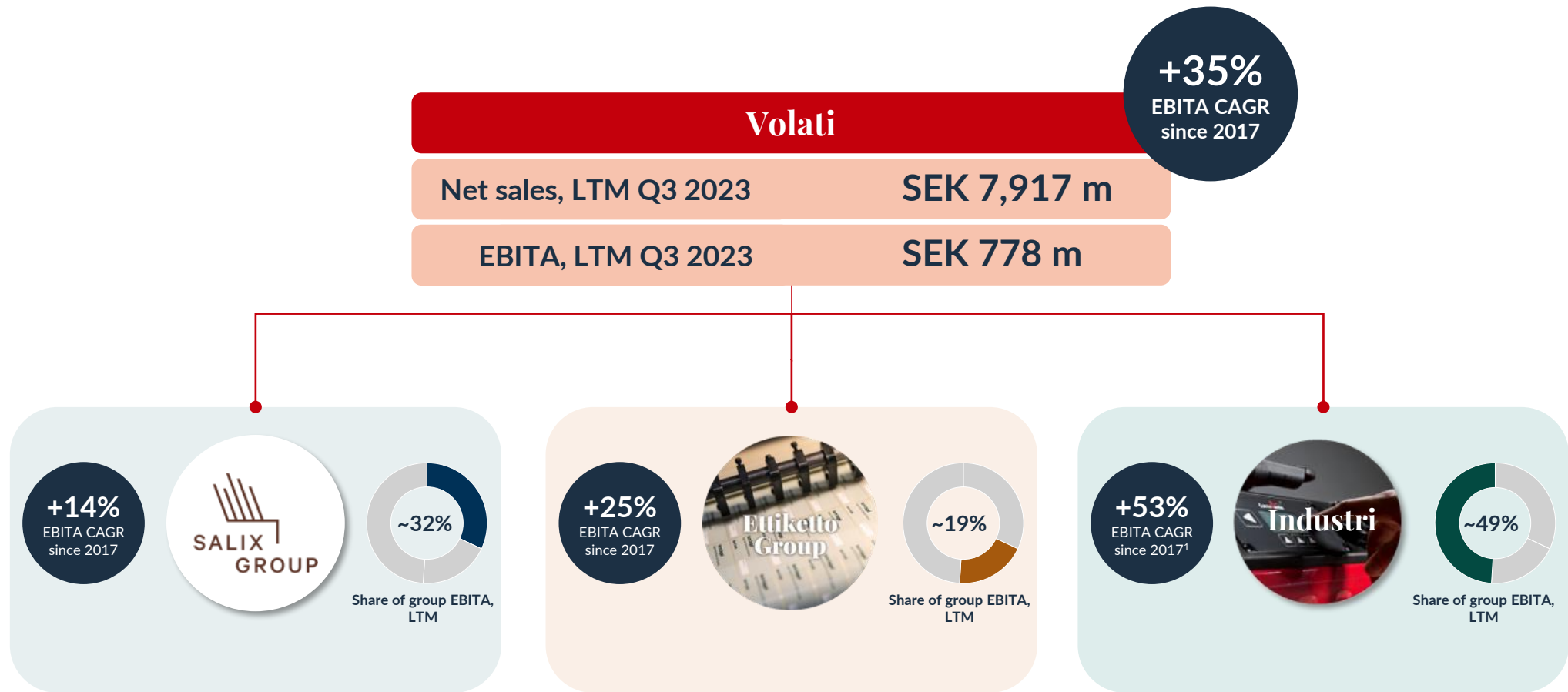
Interim Report Jul-Sep 2023

Andreas Stenbäck, CEO

Martin Aronsson, CFO

25 October 2023

Volati is a Growing Group of Well-Managed Companies with Strong Earnings

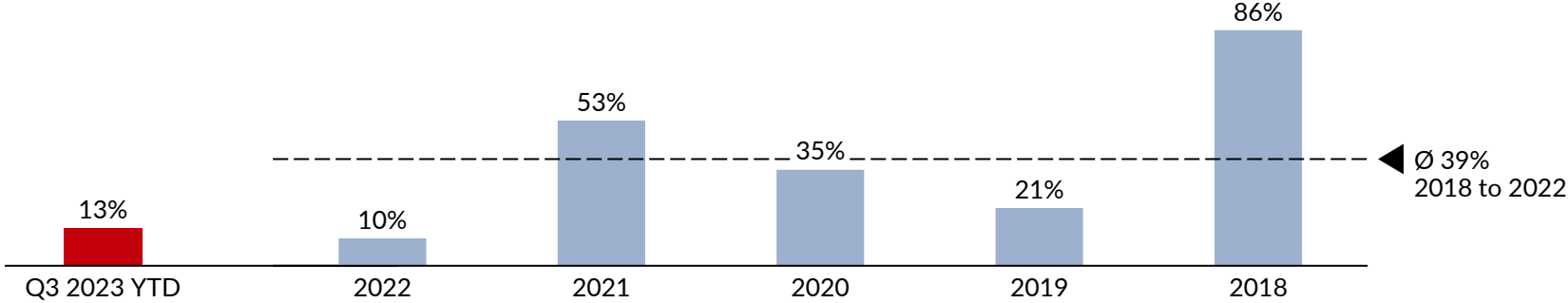


1) Excluding Ettiketto Group

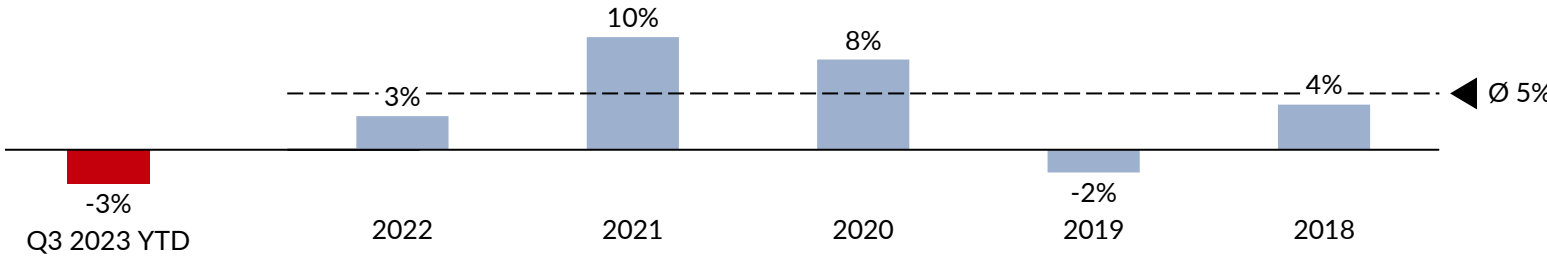
Proven track record of long-term value creation

Continued operations, Growth, Percent

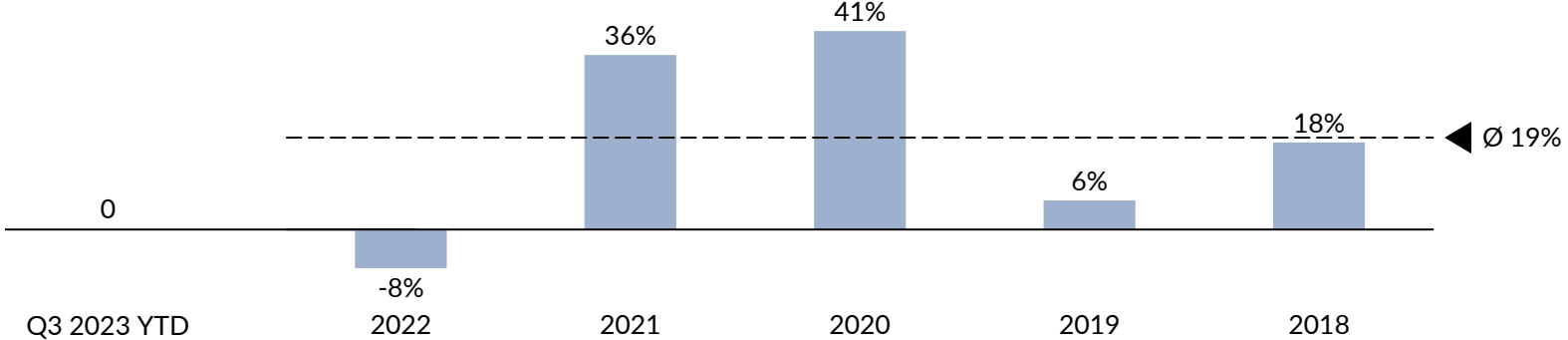
EBITA growth



Organic net sales growth

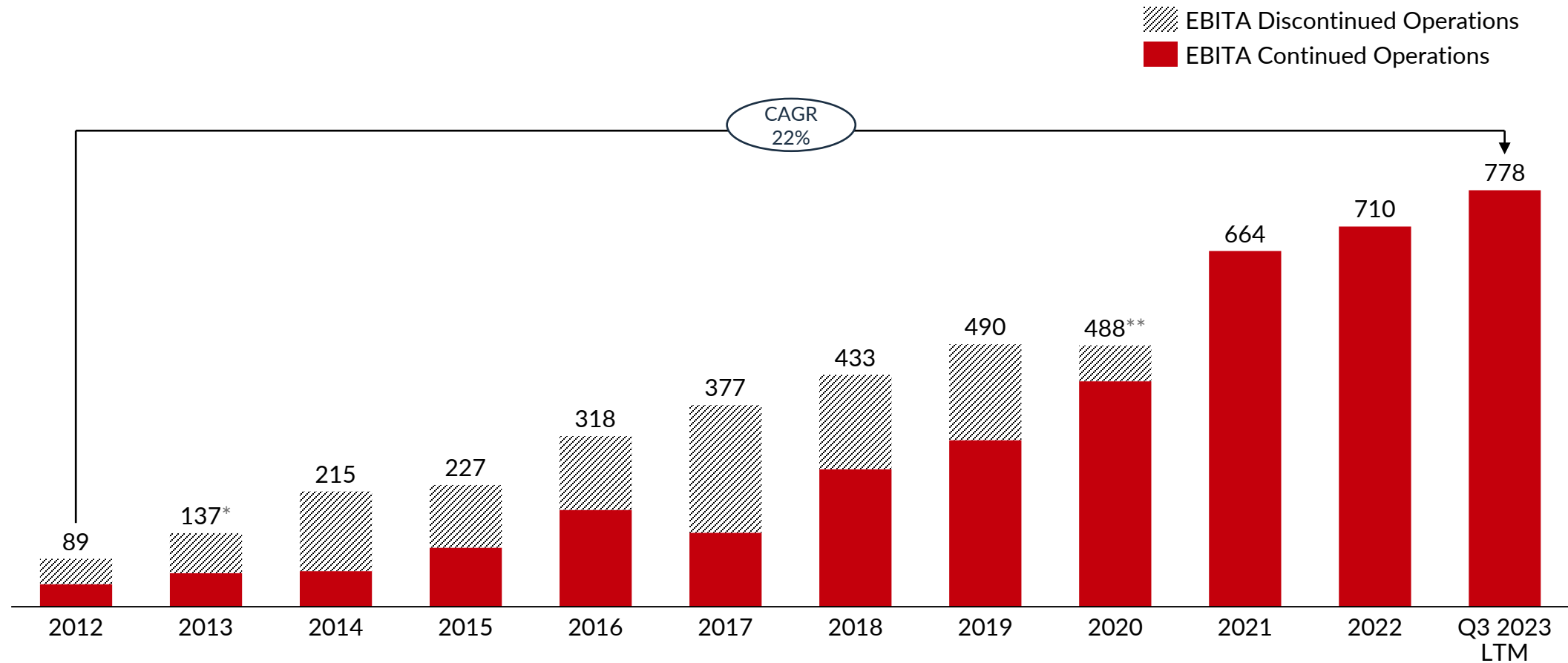


Organic EBITA growth



Proven track record of long-term value creation (cont.)

MSEK



* Excluding capital gain of SEK 189 m

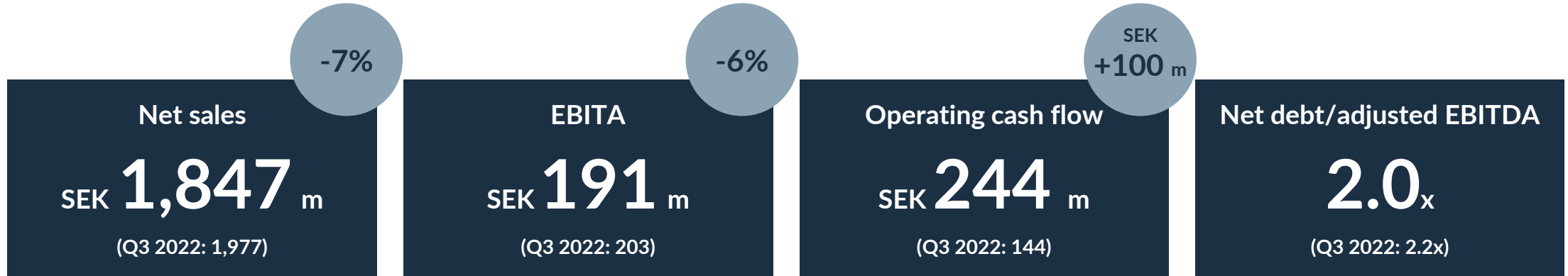
** For years 2012-2019 EBITA is excluding IFRS 16 effect (22 MSEK effect in 2019), years thereafter are including IFRS 16 effect

Q3 – Continued Improved Margins and Strong Cash Flow

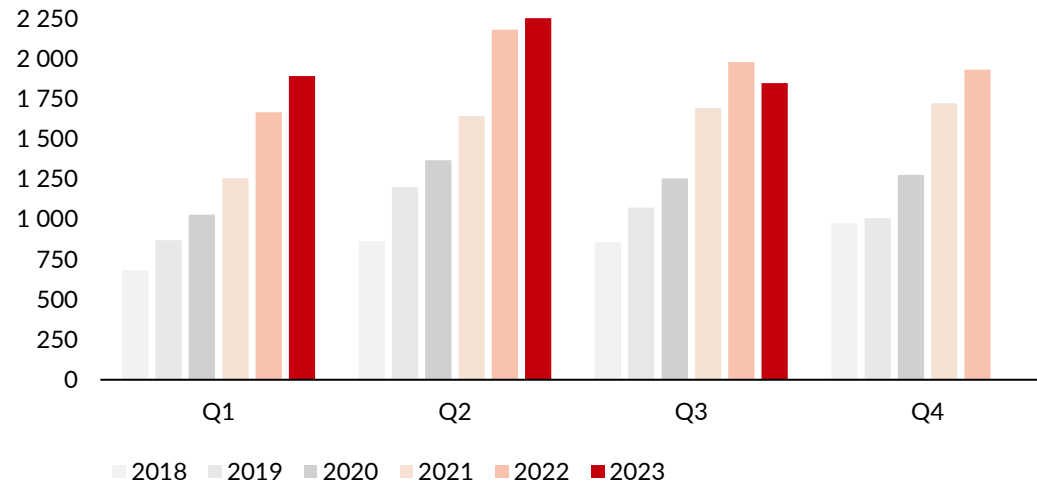
volati.

- We are showing a strong quarter in five out of six platforms, where we are growing our EBITA as well as improving our margins.
- Despite that, because of a stronger slowdown than expected in our platform Communication, both revenue and profit for the Group in the quarter are lower than previous year.
 - Ettiketto Group continues to increase margins from 16 to 21% in the quarter (20% excluding electricity support). The EBITA margin improvement is largely based on Ettiketto Group's proven strategy to realize synergies from acquired businesses.
 - Salix Group deliver a strong quarter in a challenging market. Despite 5% lower sales, the EBITA contribution in the quarter was higher compared to last year, and the EBITA margin increased to 10% compared to 8% in Q3 2022. This shows that the cost and margin measures taken has effect.
 - Industry delivers a strong third quarter in three out of four platforms. Poor development in the Communication platform which has seen a slowdown stronger than expected in combination with tough comparables from last year.
- Electricity support of a total of SEK 12 m in the quarter.
- YTD sales are in line with last year, but EBITA has shown growth of 13%.
- Very strong cash flow of SEK 244 m (SEK 144 m), and YTD SEK 537 m (SEK 108m), through successfully reducing working capital.
- One acquisition during the quarter, in a strong position for further acquisitions

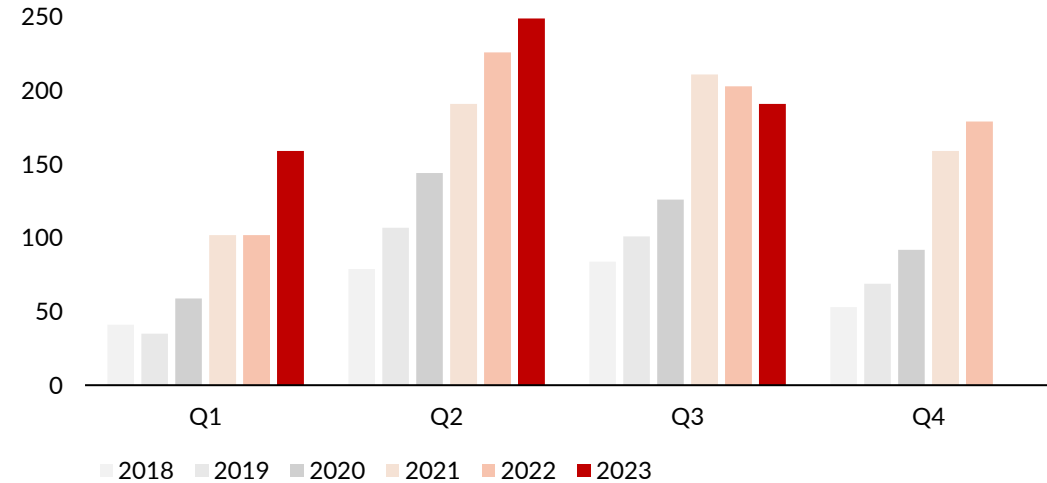
Financial Development, Q3 2023



Net sales, SEK m



EBITA, SEK m

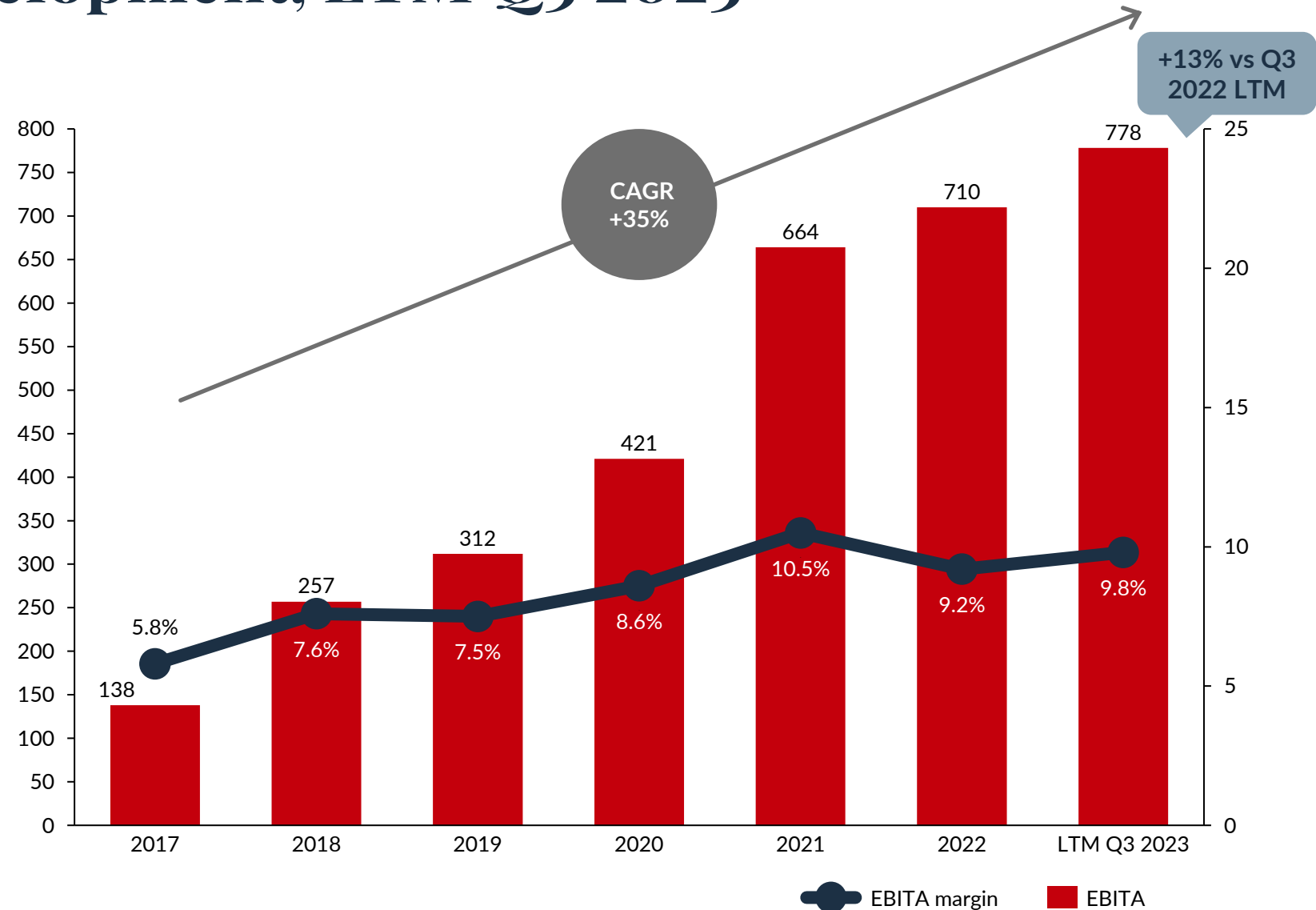


Financial Development, LTM Q3 2023

Net sales
SEK 7,917 m
 (Q3 2022: 7,544)

EBITA
SEK 778 m
 (Q3 2022: 690)

Operating cash flow
SEK 860 m
 (Q3 2022: 398)



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%

(Q3 2022: 16%)

Return on adjusted equity

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

Return on adjusted equity

28%

(Q3 2022: 33%)

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

2.0_x

(Q3 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.

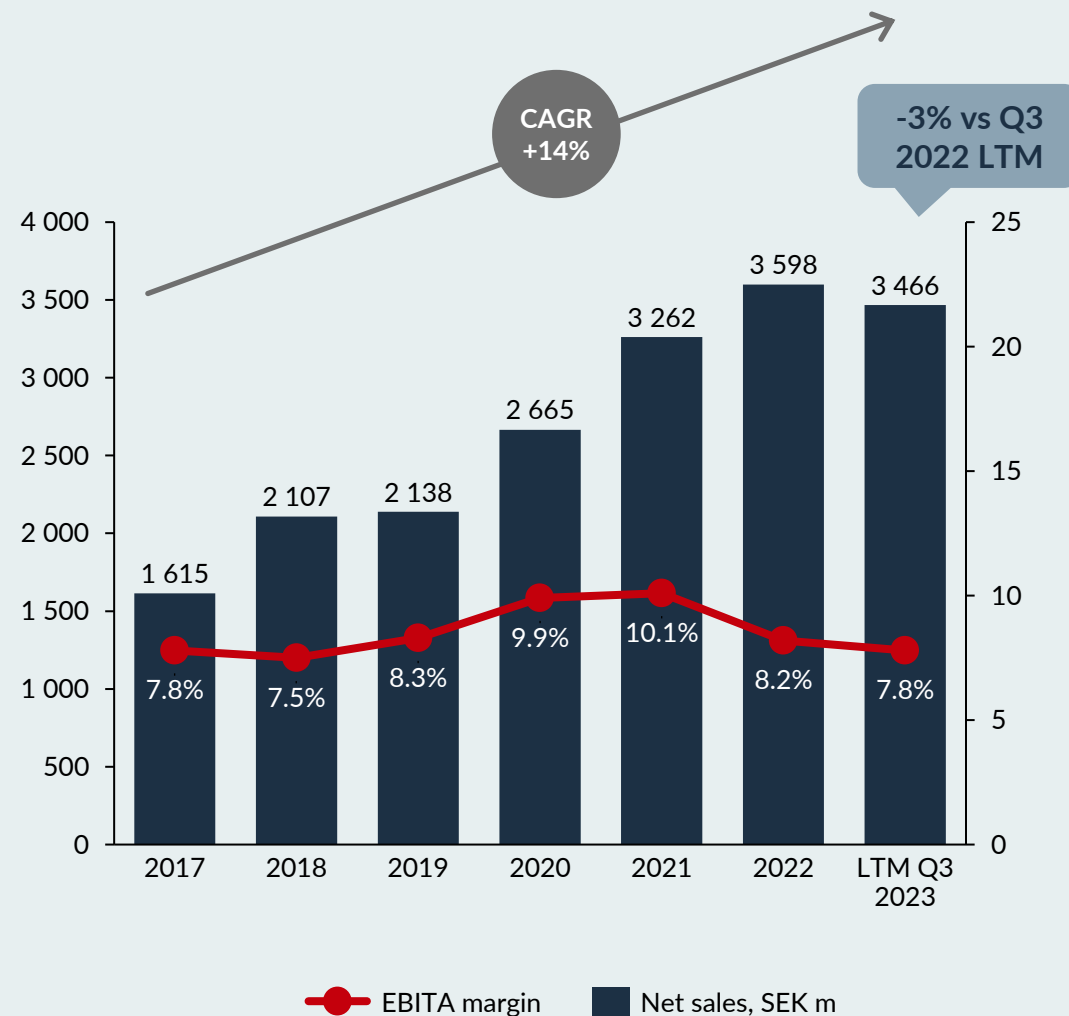


Four businesses with leading market positions in their niches; Products and solutions for grain management. Products for dampness and water damage management. Infrastructure for telecom, lighting and solar panels. Stone and cement products for infrastructure and construction.

Salix Group

- EBITA increased compared to last year for the first time in five quarters and the EBITA margin during the quarter increased to 10% from 8% in Q3 2022.
- The demand in the quarter continues to be hampered due to the current macro-economic environment, resulting in a 5% sales decline in the quarter.
- The group has successfully worked with cost control and synergy realisation to counter the effects of lower demand.
- When demand recovers, Salix Group is in a good position to capitalise on the growth
- Unfavourable currency effect in the quarter is somewhat mitigated by lower freight costs and prices on some raw materials.

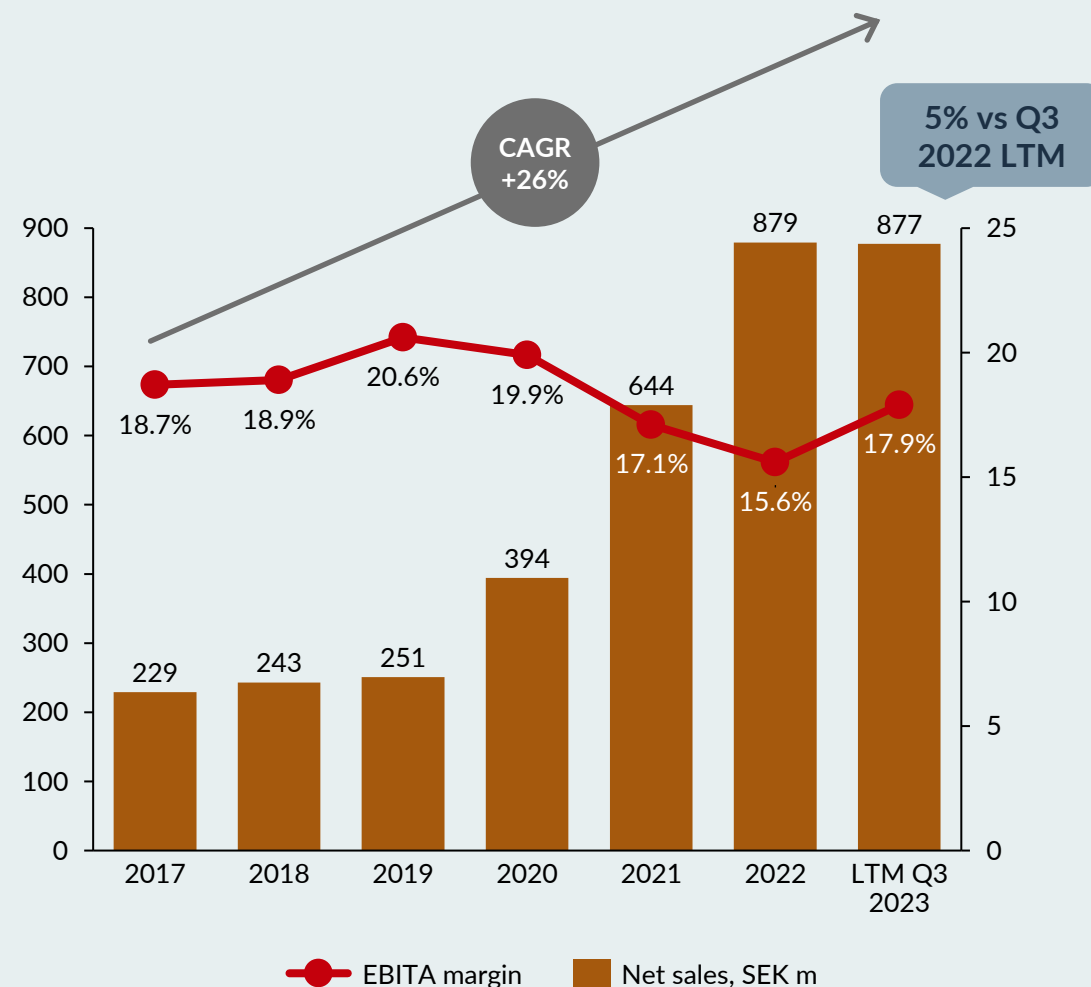
	Jul-Sept 2023	Jul-Sept 2022	LTM Q3 2023	FY 2022
Net sales, SEK m	826	868	3,466	3,598
EBITA, SEK m	79	73	269	296
EBITA-margin, %	10	8	8	8
ROCE excl. goodwill, %	24	29	24	26



Ettiketto Group

- Net sales decline of 3% for the quarter, increase of 5% during the last 12 months.
- EBITA margins increased by 5 pp to 21% in the quarter (20% without electricity support), due to continued synergy realisation and actively working with operational improvement.
- Since 2022, the LTM margins have increased by 2 pp.
- Demand remains good and order intake is solid.
- Well-positioned for continued acquisition-driven growth, both in its Nordic home markets and in the rest of Europe.

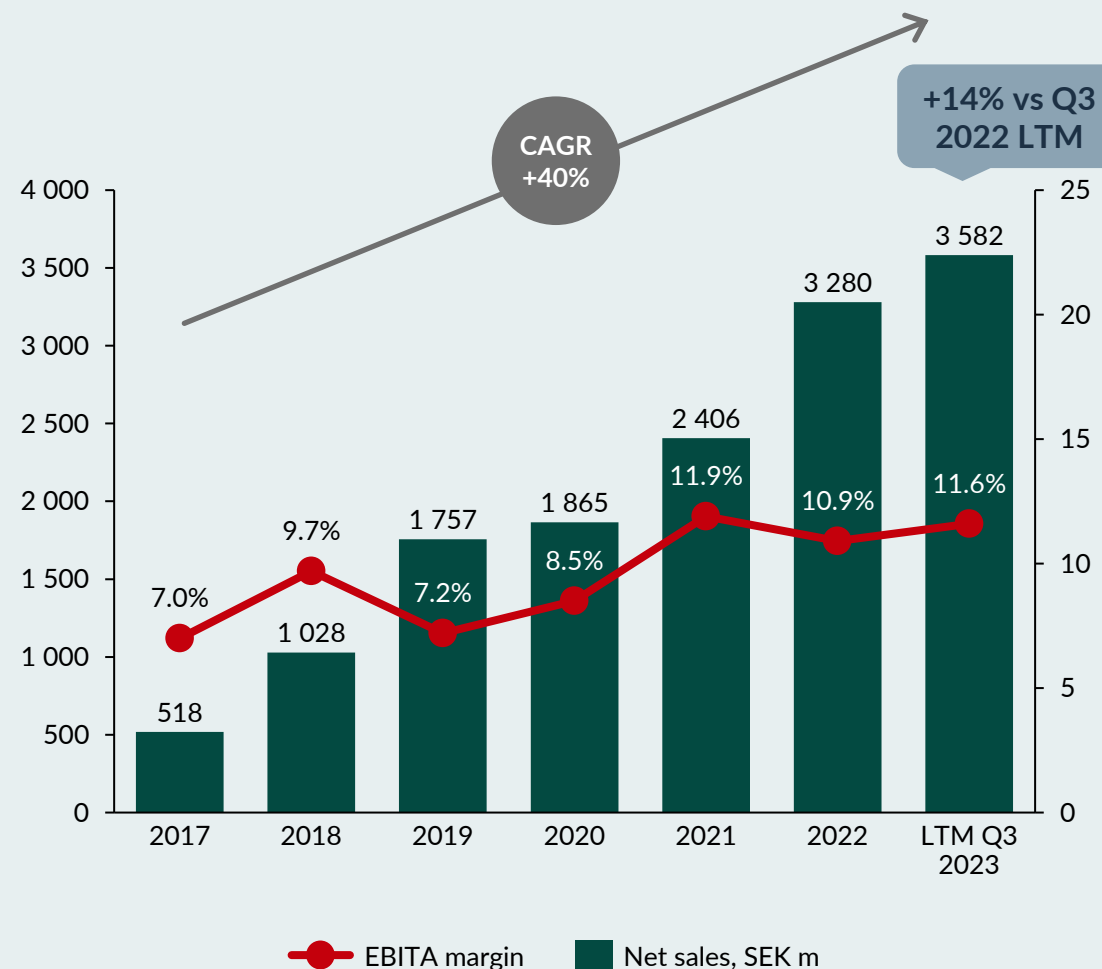
	Jul-Sept 2023	Jul-Sept 2022	LTM Q3 2023	FY 2022
Net sales, SEK m	203	209	877	879
EBITA, SEK m	43	34	157	137
EBITA-margin, %	21	16	18	16
ROCE excl. goodwill, %	65	58	65	57



Industry

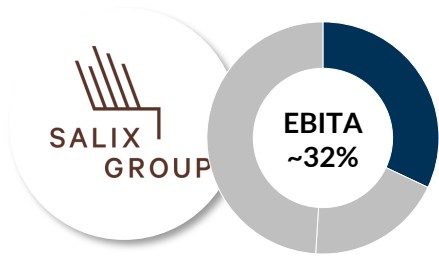
- Sales declined by 9% in the quarter, and EBITA margin by 2pp, while YTD sales is up 13% and EBITA margin is up by 1pp.
- Three out of four platforms are performing well in the quarter with increased margins and results
 - Corroventa positively affected by several late storms in Europe.
 - Tornum Group delivers another solid quarter.
 - S:t Eriks continues to meet good demand in the infrastructure segment, while demand in the construction segment is weak
- The platform Communication is negatively affected by a slow-down in the 5G rollout, especially in North America, along with challenging comparables from 2022.
- During the quarter the add-on acquisition of Gunnar Prefab to the platform S:t Eriks was completed

	Jul-Sept 2023	Jul-Sept 2022	LTM Q3 2023	FY 2022
Net sales, SEK m	819	900	3,582	3,280
EBITA, SEK m	91	117	417	358
EBITA-margin, %	11	13	12	11
ROCE excl. goodwill, %	37	33	37	34



Strategic Acquisitions totalling SEK 2.9 Billion Since 2020

volati.



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

Benli 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

Corroventa

Tornum

JPT January 2021	SALES 76 MSEK
Apisa July 2021	SALES 152 MSEK
Terästorni April 2022	SALES 216 MSEK
JWI March 2023	SALES 40 MSEK

S:t Eriks

Byggsystem June 2021	SALES 60 MSEK
Meag October 2021	SALES 190 MSEK
Gunnar Prefab September 2023	SALES 81 MSEK

Communication

Scanmast June 2021	SALES 294 MSEK
MAFI April 2022	SALES 325 MSEK

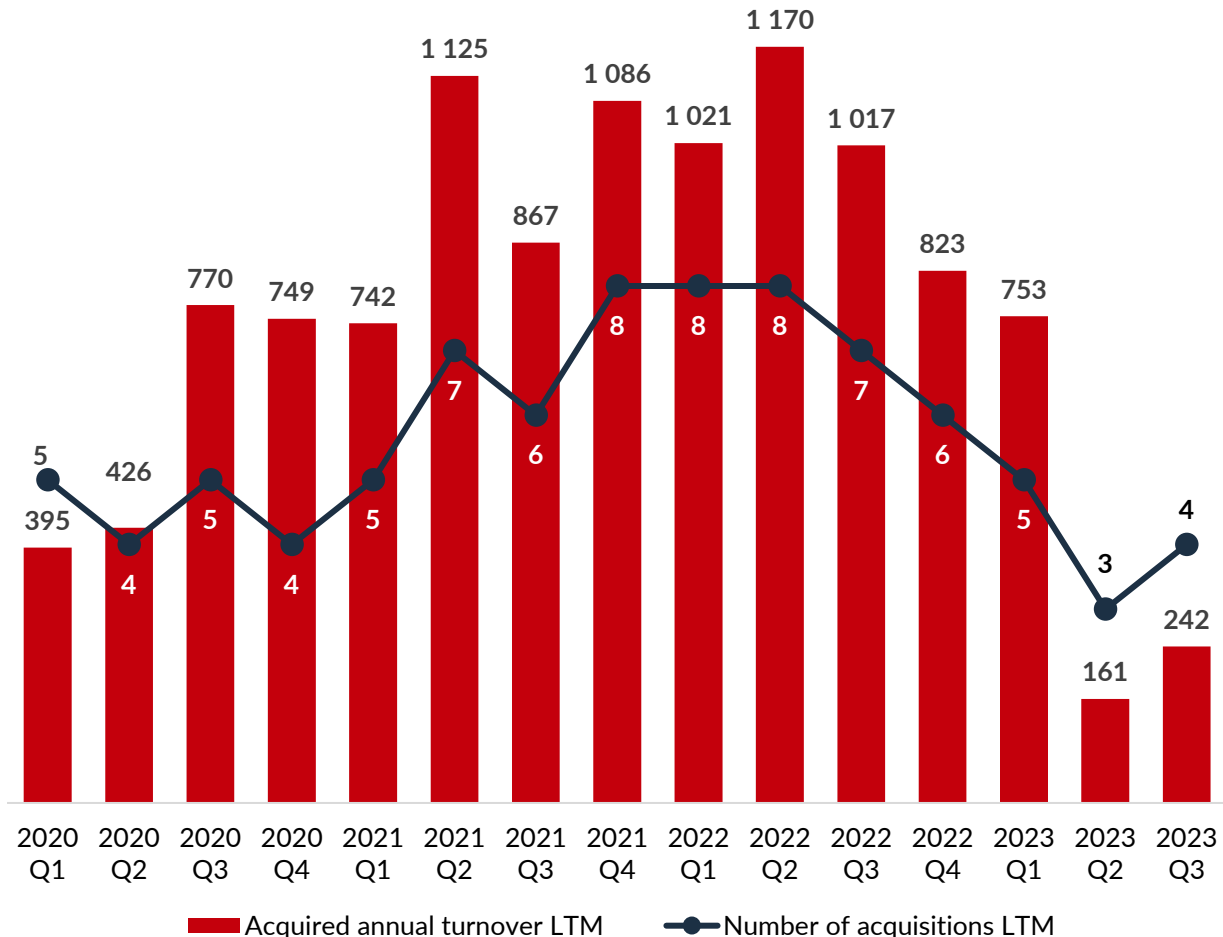
Case Gunnar Prefab AB

- A Swedish family company, founded in 1995
- Annual sales of SEK~80 million
- Acquisition result of a long-term dialogue, emphasizing the sustained effort necessary for success in M&A
- A leading manufacturer and supplier of prefabricated concrete for infrastructure, Gunnar Prefab's most famous product is their in-house developed traffic barrier GPLINK
- Gunnar Prefab and S:t Eriks complement each other, strengthening S:t Eriks' product range, customer base, and expertise through the acquisition.
- Potential for synergies creating additional value



Strategic Acquisitions totalling SEK 2.9 Billion Since 2020

volati.



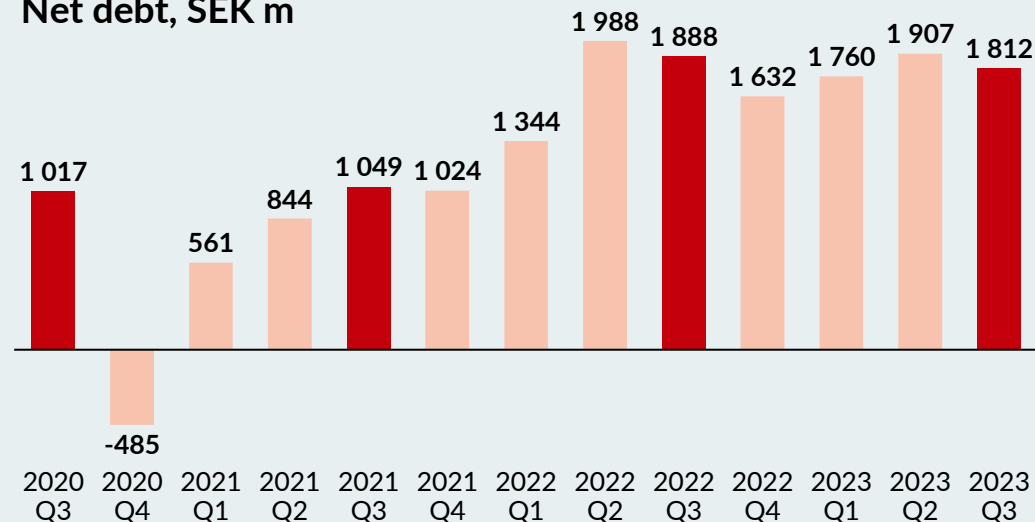
- M&A have over time contributed with annual sales of SEK 700–1,200 million
- Annual pace of 6–8 acquisitions
- Majority of the acquisitions are value creating add-on acquisitions, enabling substantial synergy realisation
- Platforms, financial capacity and processes in place
- One acquisition Q3 2023

Continued Strong Position for Acquired Growth

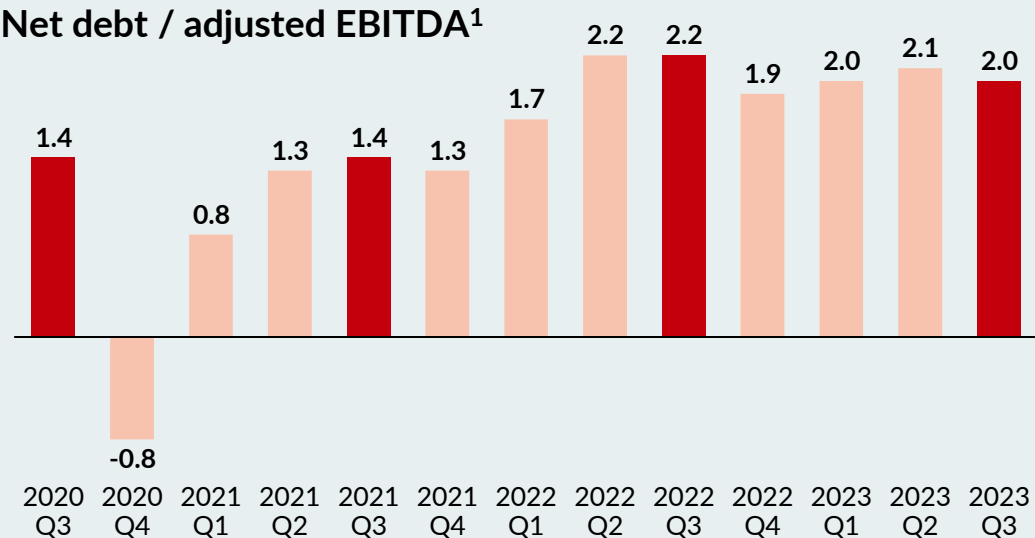
- Good operational cash flow of SEK 244 million, SEK 100 million higher than the same period last year through successfully reducing working capital. For LTM Q3 2023 this means an increase of 369 million which gives flexibility and good conditions for continued growth.
- Total cash generation of 100% during last twelve months
- Net debt decrease with SEK 95 million in the quarter due to
 - Strong operating cashflow of SEK 244 million
 - M&A-related cash outflow of SEK 66 million
 - Tax, interest and dividend outflow of SEK 82 million
- Strong financial position with Net debt / EBITDA of 2.0x 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

- 5 of 6 platforms increase EBITA and margin
- YTD and LTM EBITA is up 13% for the group
- Strong cash flow through successfully reducing working capital

Focus on long-term value creation

- Annual average EBITA growth of 39% 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 28%

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 further growth



volat1.