



Interim Report Jan–Mar 2022

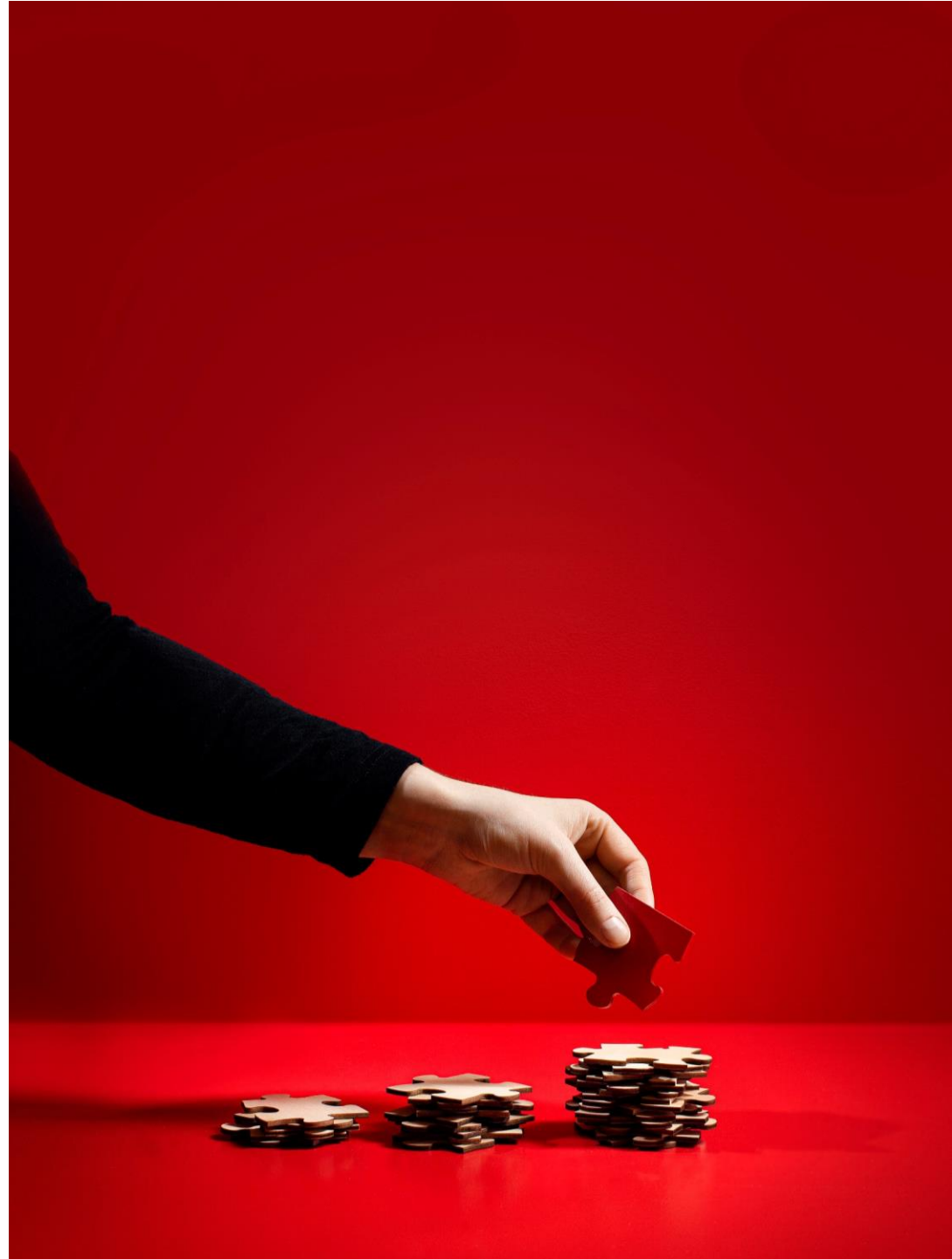
Andreas Stenbäck, CEO

Martin Aronsson, CFO

26 April 2022

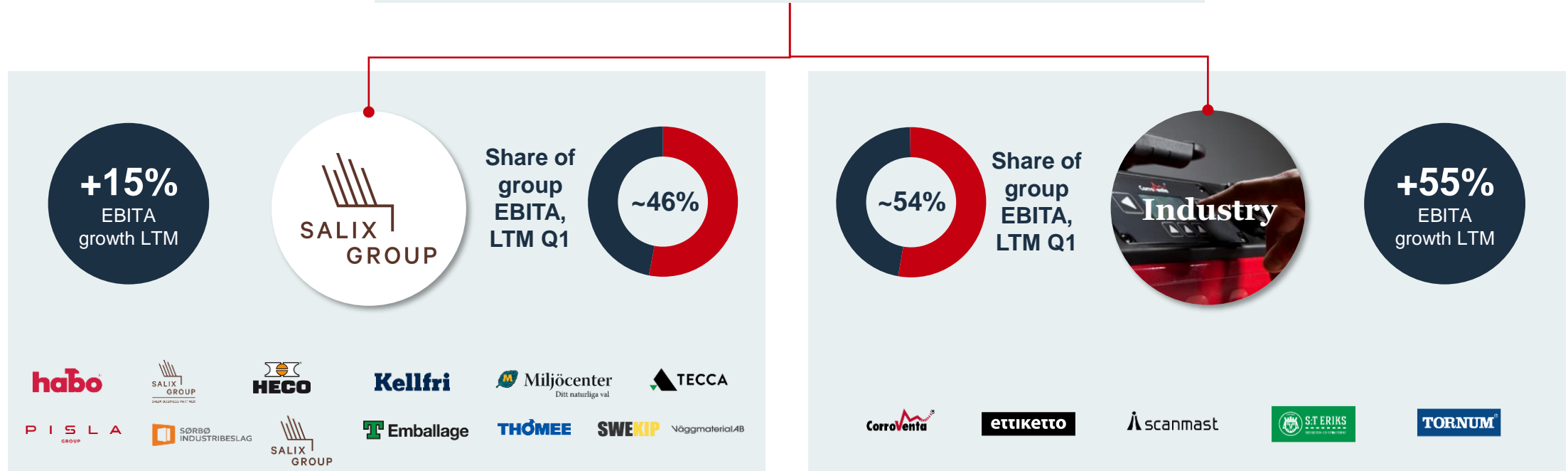
A. Volati at a glance

B. Quarter one update



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

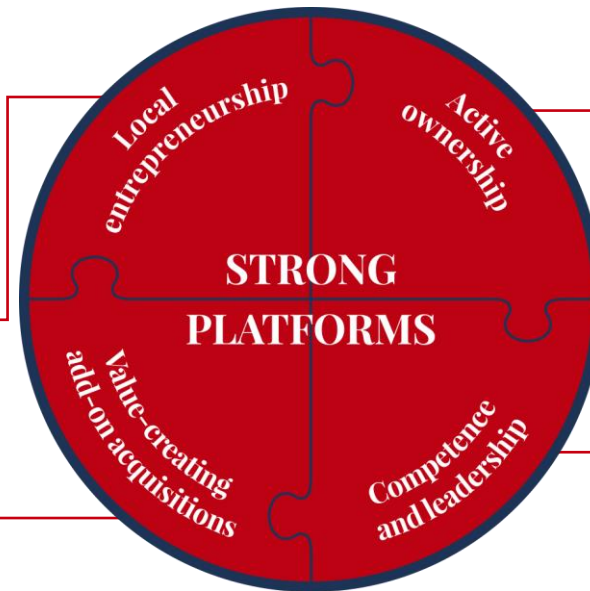
Volati	
Net sales, LTM Q1 2022	SEK 6,720 m
EBITA, LTM Q1 2022	SEK 665 m



A value-creating business model

“We believe in entrepreneurship and it is our view that the best business decisions are made close to customers and the market”

“15 of our 22 CEOs are internally recruited”



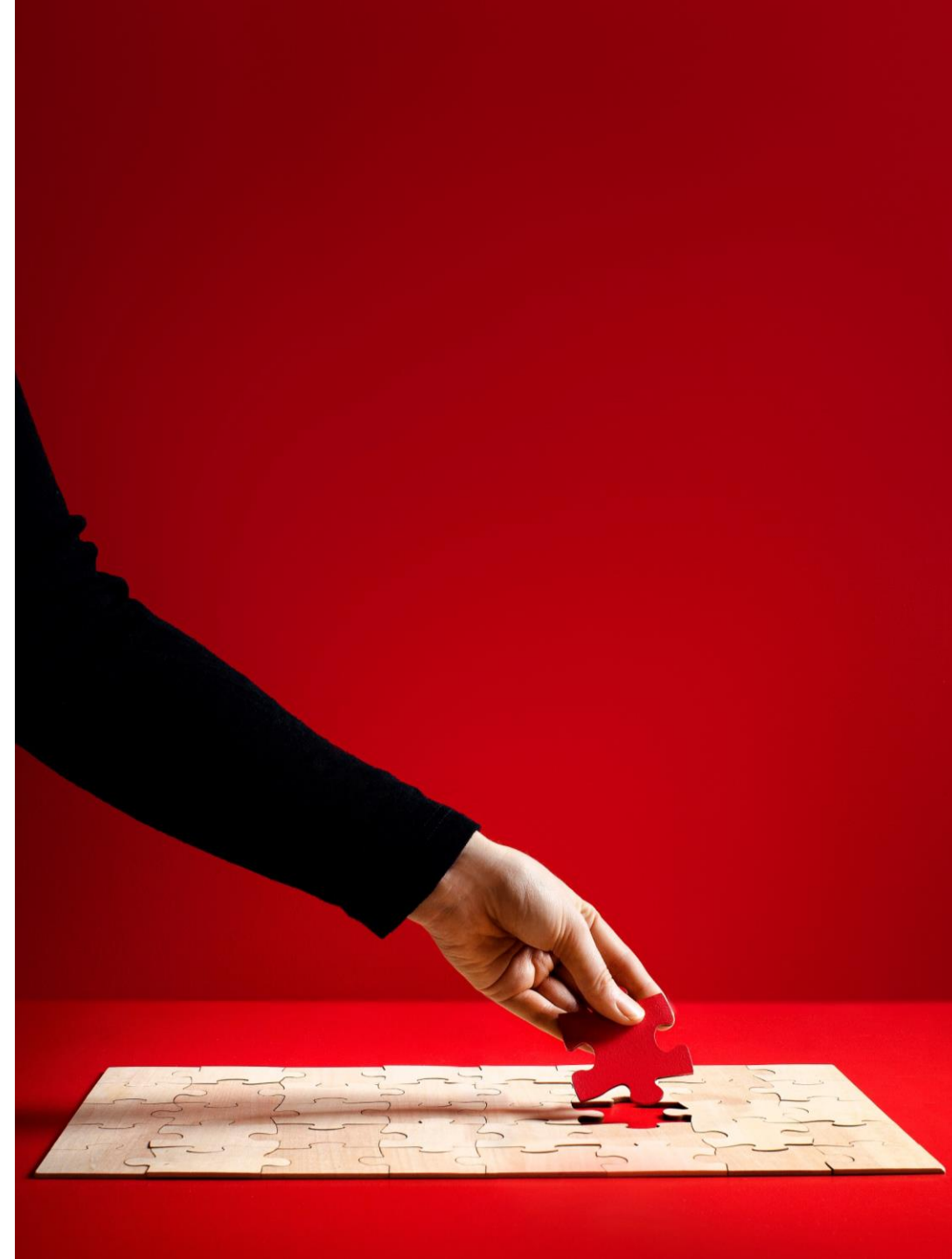
Volati Management Program



Volati creates value by acquiring and developing strong platforms. Our business model contributes to long-term and sustainable value creation

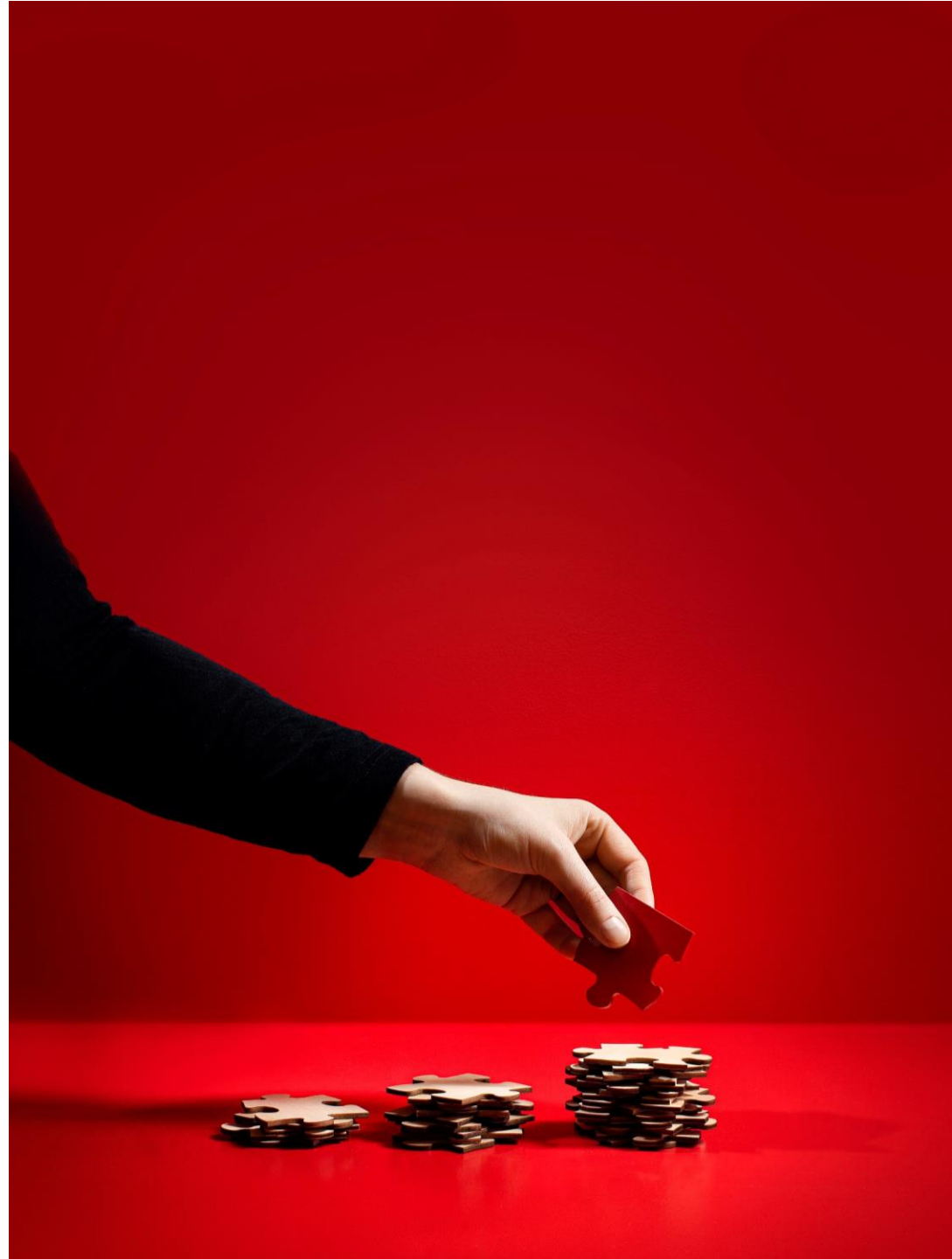
Volati is about long term value growth

- We build strong platforms through focusing on adding value to our units, while still ensuring a decentralized model
- We continuously develop the leadership and talent in our organization, to ensure our platforms have access to competence
- We are focused on creating shareholder value, thus we are restrictive with new share issues or in other ways diluting our share
- With our high ROE, and our ability to create additional value through value adding acquisitions, we can grow at a high, self-financed, pace
- Growth of EBITA earnings per common share of 45% per year since 2017 for our continuing operations
- Our ROE, ~ 36% on continuing operations, is a testament to our ability to create value



A. Volati at a glance

B. Quarter one update

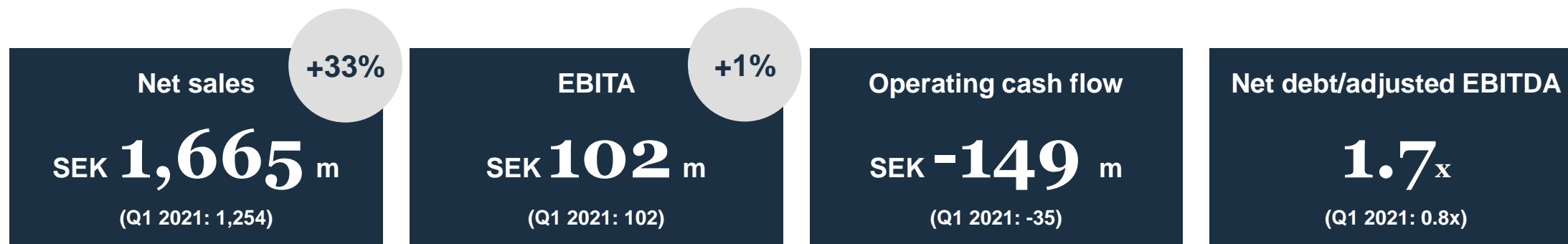


A good start to 2022

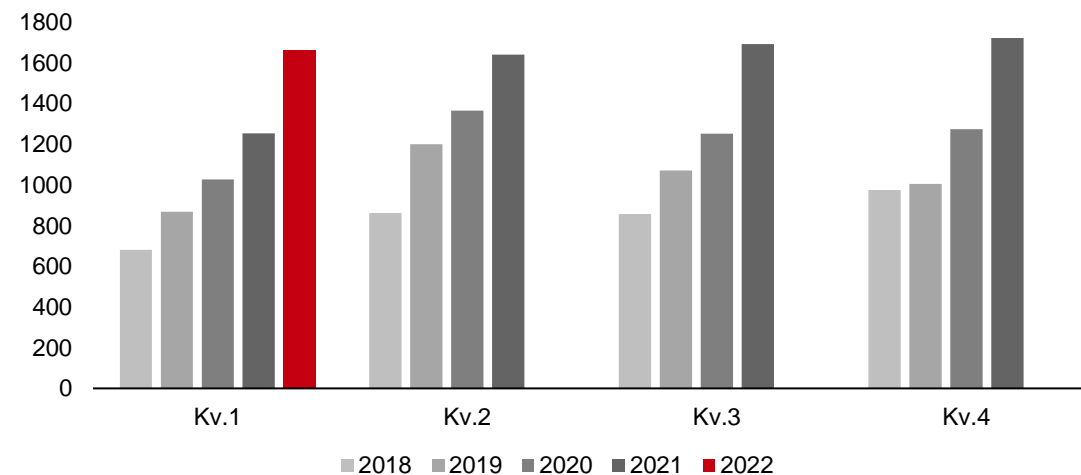
- Net sales growth +33% to SEK 1,665 million
- EBITA growth +1% to SEK 102 million
 - Negative impact from
 - The war in Ukraine
 - Now ended strike at the UPM factory in Finland
- Four add-on acquisitions YTD, adding annual revenues of SEK 650 million
- Salix Group revenues +20% and EBITA +9%
 - Growth focus and disciplined pricing
- Industry revenues +50% and EBITA +1%
 - Strong demand, result impacted by short-term negatives
- Continued development of our operating model
- Very favourable conditions for delivering a strong result for 2022



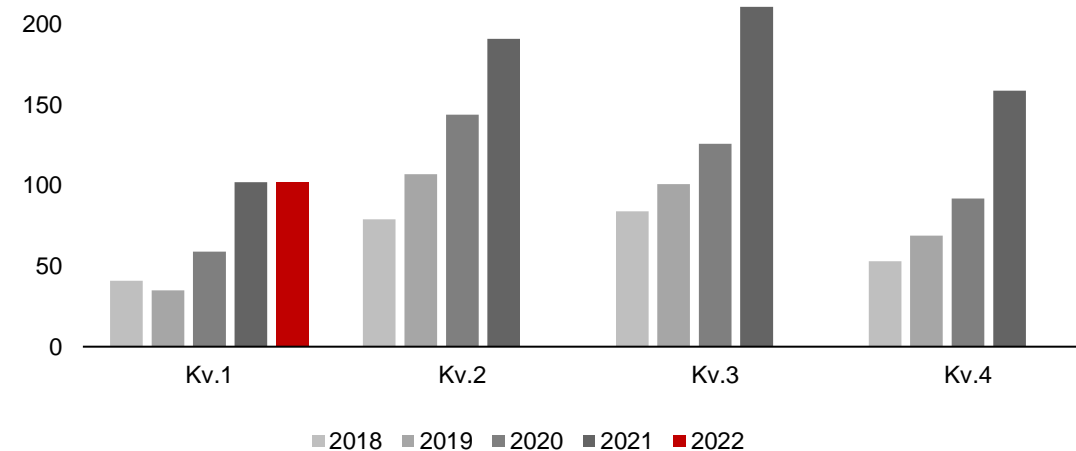
Financial development, Q1 2022



Net sales, SEK m



EBITA, SEK m

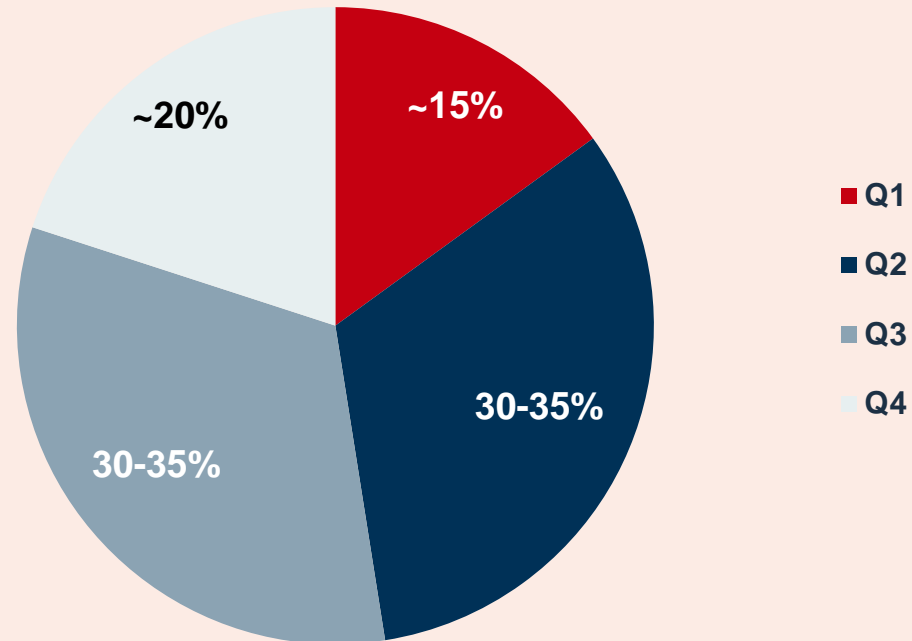


Seasonal variations

Historical distribution of EBITA per quarter

Volati has seasonal variations, with Q1 being the smallest in terms of EBITA.

Volati's earnings are thus most appropriately analyzed in rolling 12 months.



Financial development, LTM Q1 2022

Net sales

SEK **6,720** m

(Q1 2021: 5,147)

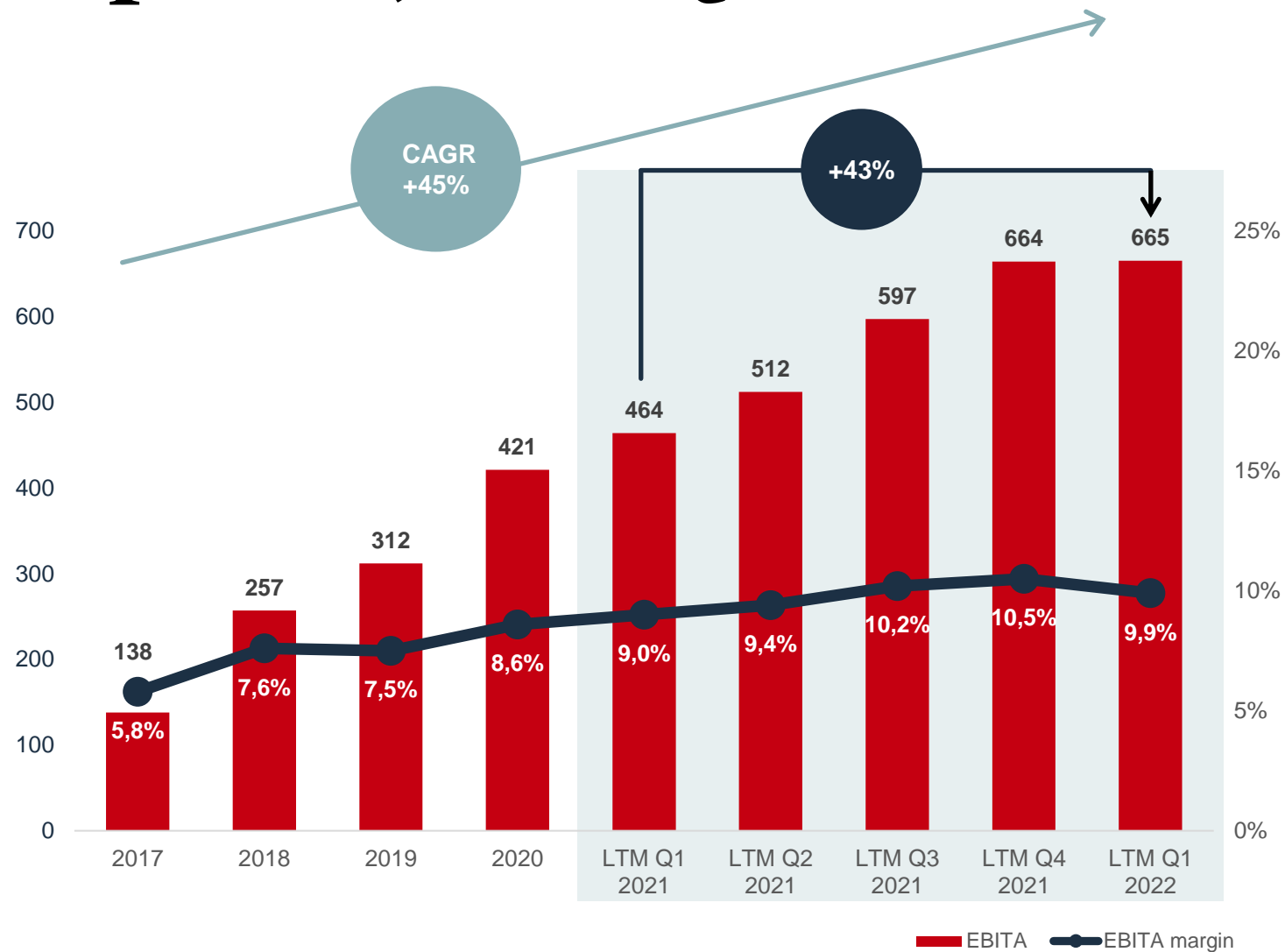
EBITA

SEK **665** m

(Q1 2021: 464)

Operating cash flow

SEK **372** m



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

43%

(2021: 58%)

Return on adjusted equity

The long-term target is a return on adjusted equity²⁾ of 20 percent¹⁾.

Return on adjusted equity

45%

(2021: 40%)

Capital structure

The target is a net debt/adjusted EBITDA²⁾ ratio of 2 to 3 times as an average over the last four quarters, and not exceeding 3.5 times.

Net debt/adjusted EBITDA

1.4x

(2021: 1.2x)

1) Including divested operations. 2) See pages 127-132 of the 2021 Annual Report for definitions of alternative performance measures.

Two business areas with high growth focus



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



Products and solutions for companies in grain management, dampness and water damage management, labels, critical infrastructure e.g. for telecom, stone products and cement products.



46%
of Group
EBITA, LTM

Growth focus and disciplined pricing

- Sales increased by 20% and EBITA by 9% over Q1 2022
- Healthy growth despite high comparative figures from last year
- Increased demand in the construction and wood industries for professionals, some cautiousness in the consumer segment
- Disciplined work with customer communication, pricing, and cost control have countered effects of high material prices and supply chain disruptions
- One acquisition since beginning of the year and good opportunities for further acquisition-driven growth

	Jan-Mar 2022	Jan-Mar 2021	LTM Q1 2022	Full year 2021
Net sales, SEK m	878	730	3,409	3,262
EBITA, SEK m	71	65	335	329
EBITA margin, %	8	9	10	10
ROCE excl. goodwill, %	37	41	37	40
ROCE incl. goodwill, %	18	18	18	19

Financial development, LTM Q1 2022

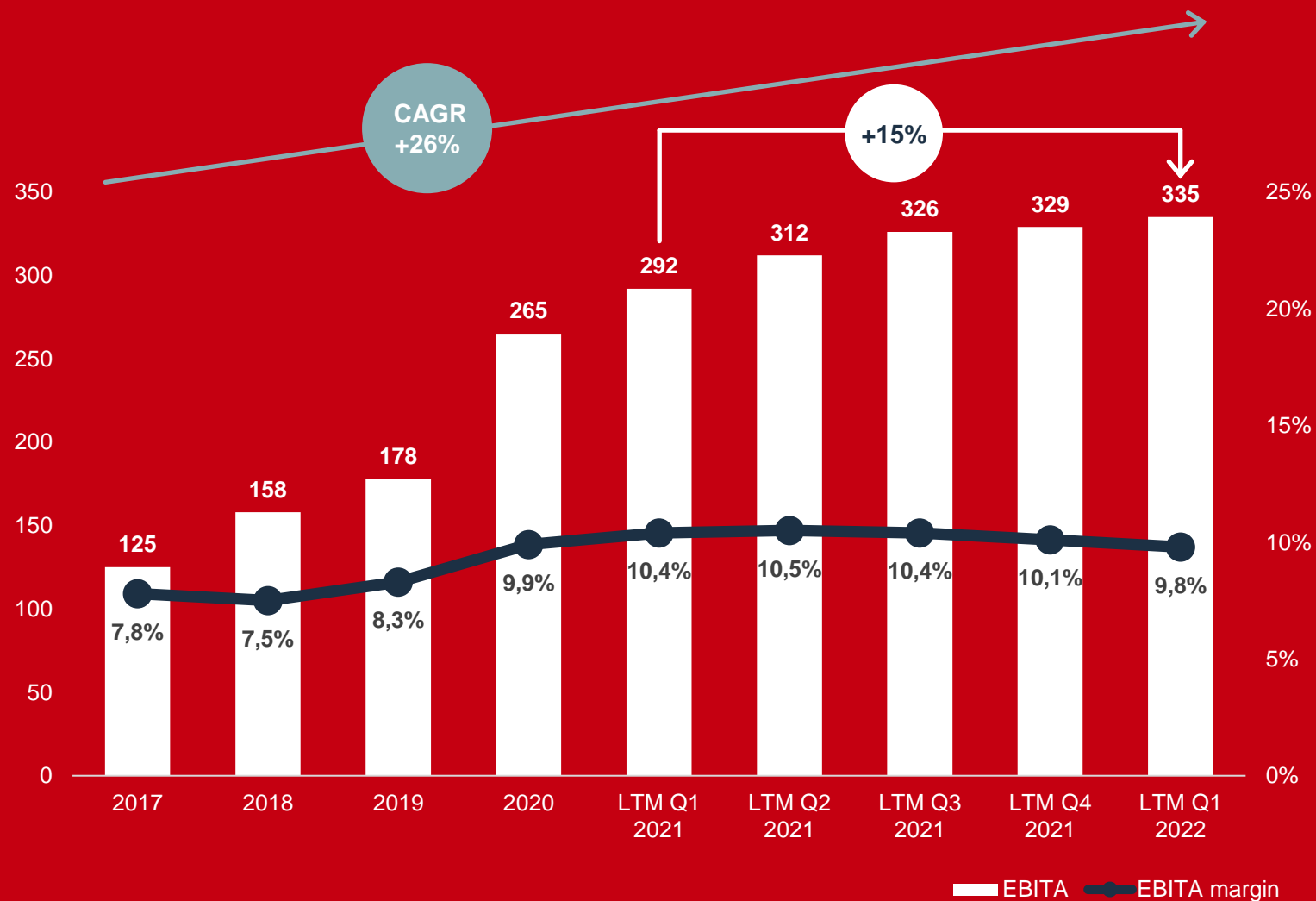


Net sales

SEK **3,409** m
(Q1 2021: 2,804)

EBITA

SEK **335** m
(Q1 2021: 292)



Business area
Industry

54%
of Group
EBITA, LTM

Strong demand, result impacted by short-term negatives

- Sales growth of 50% and an EBITA increase of 1%, vs. Q1 2021
- EBITA negatively impacted by Tornum's exposure to Ukraine and Russia (-25 MSEK) and the now ended strike at UPM in Finland (-10 MSEK)
- Strong underlying demand, however continued high raw material and freight costs
- Strong acquisition driven growth - three acquisitions since beginning of the year
- Good opportunities for continued acquisition-driven growth

	Jan-Mar 2022	Jan-Mar 2021	LTM Q1 2022	Full year 2021
Net sales, SEK m	788	524	3,314	3,050
EBITA, SEK m	50	50	397	397
EBITA margin, %	6	10	12	13
ROCE excl. goodwill, %	38	31	38	42
ROCE incl. goodwill, %	23	20	23	25

Financial development, LTM Q1 2022

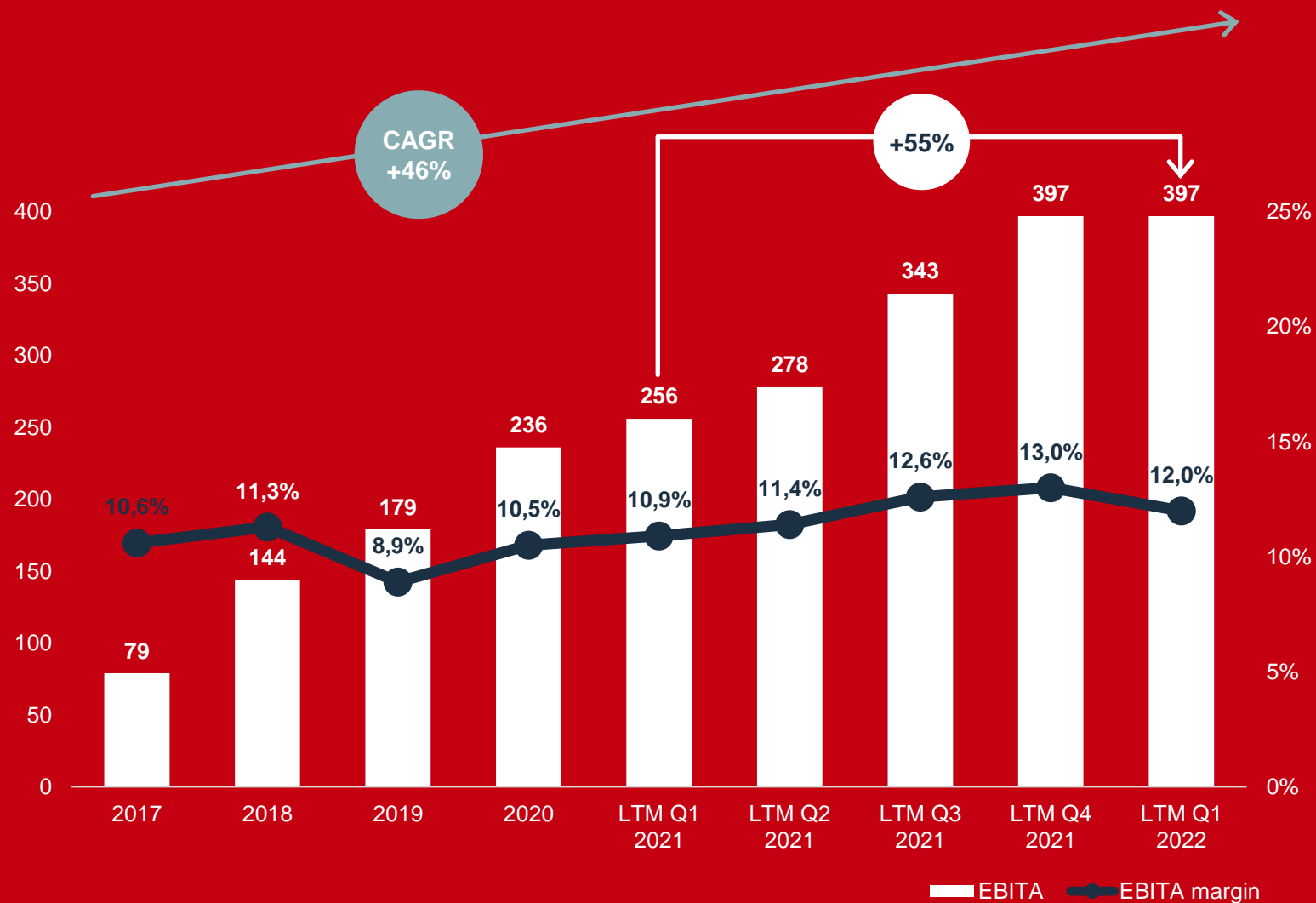


Net sales

SEK **3,314** m
(Q1 2021: 2,344)

EBITA

SEK **397** m
(Q1 2021: 256)



Acquisitions LTM with a total annual turnover of SEK 1.6 billion, SEK 650 million YTD

Acquisition capacity
SEK +2.0 Bn.
company value

Scanmast

June
2021



StrongPoint Labels

June
2021



Byggsystem Direkt

June
2021



Apisa

July
2021



Meag Va-system

October
2021



Jigraf

November
2021



Skipnes

January
2022



Gunnar Eiklid AS

March
2022



Terästorni OY

April
2022



MAFI

April
2022



Focus on integration and synergy realisation

Case MAFI

- Sales of SEK ~325 million
- A global market leader within its niche, offering mounting solutions, primarily for telecom equipment and solar panels.
- The company, founded in 1992, is headquartered in Mora
- In addition to Sweden, MAFI is represented in the US, China and Kenya.
- Volati's fourth acquisition during 2022.
- Complements Scanmast well and strengthens Volati's offering within critical infrastructure solutions.
- The company is showing strong growth and profitability in line with Volati as a whole.



Summary

Continuing to offer long term value growth

- Net sales growth +33% to SEK 1,665 million

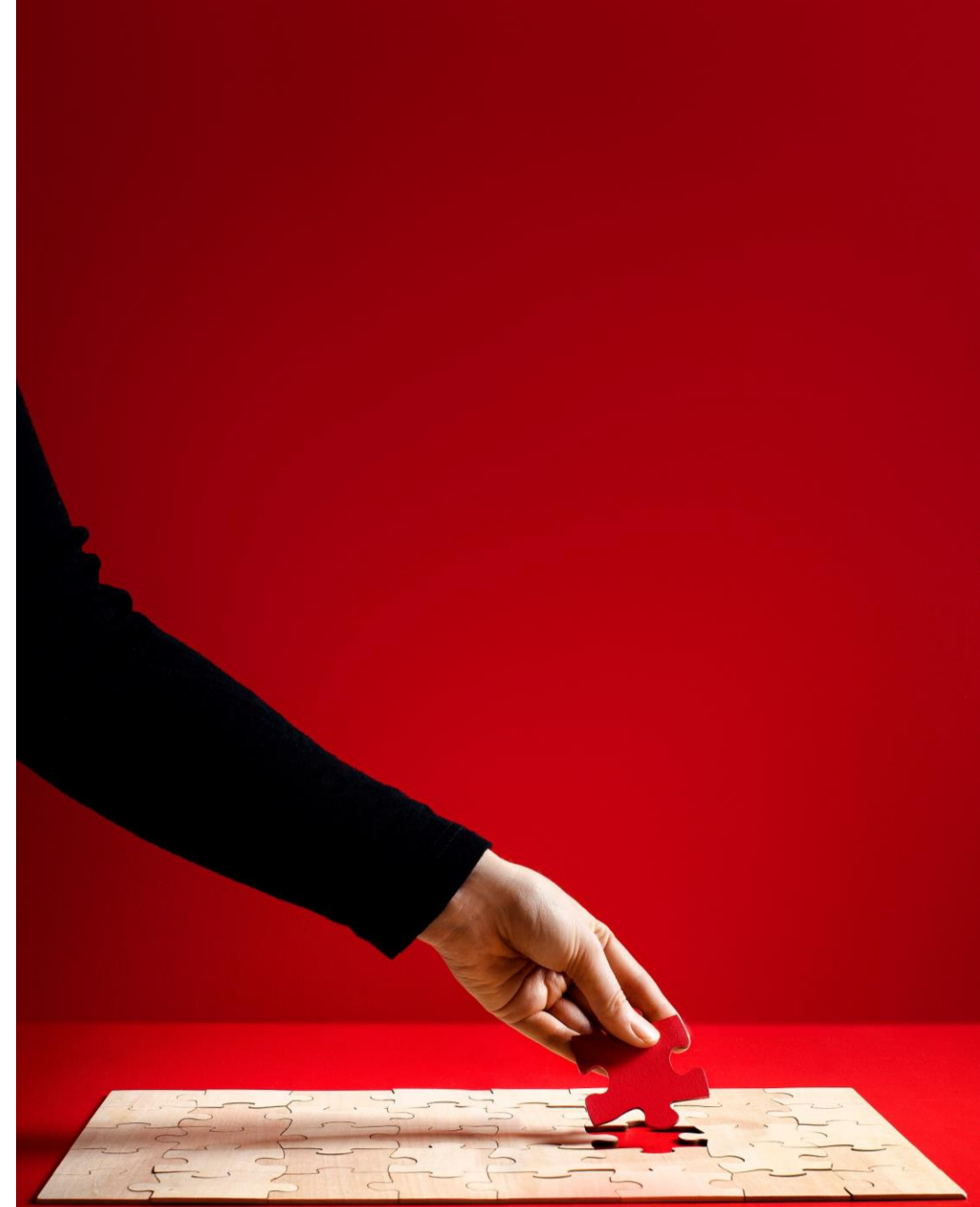
Delivering on our growth journey

- Acquisition of Skipnes and Gunnar Eiklid AS
- Acquisition of Terästorni and MAFI after end of Q1
- Acquisitions the last 12 months have added annual sales of SEK 1.6 billion, SEK 650 million YTD

A value creating business model

- Local entrepreneurship
- Active ownership
- Competence and leadership
- Value-creating add-on acquisitions

Favourable conditions for delivering a strong result for 2022



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