

Q3

Interim report
January–September 2023

”Improved margins and strong
cash flow”

Andreas Stenbäck, President and CEO

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish original and the translation, the Swedish shall have precedence.

volat1.

Interim Report January–September 2023

Quarter July–September 2023

- Net sales declined by 7 percent to SEK 1,847 (1,977) million
- EBITA declined by 6 percent to SEK 191 (203) million
- Profit after tax declined by 19 percent to SEK 101 (125) million
- Earnings per ordinary share fell by 21 percent to SEK 1.03 (1.30)
- Electricity support of SEK 12 million was received during the quarter
- The acquisition of Gunnar Prefab AB – a leading producer of prefabricated concrete products primarily for infrastructure – for the S:t Eriks platform was completed on 6 September

Period January–September 2023

- Net sales increased by 3 percent to SEK 5,987 (5,822) million
- EBITA increased by 13 percent to SEK 599 (531) million
- Profit after tax amounted to SEK 328 (329) million
- Earnings per ordinary share increased by 1 percent to SEK 3.40 (3.36)

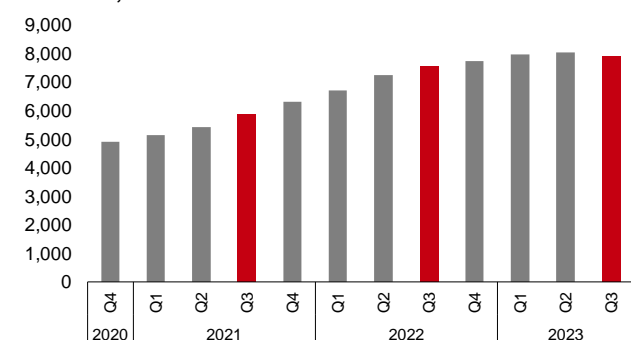
Events after the reporting period

- No significant events have taken place after the end of the reporting period

Summary of results and key figures

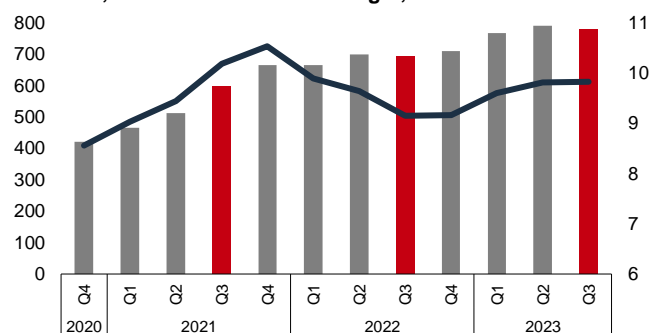
SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Net sales	1,847	1,977	5,987	5,822	7,917	7,751
EBITA ¹⁾	191	203	599	531	778	710
EBITA margin, %	10	10	10	9	10	9
EBIT	167	180	527	469	682	624
Profit after tax	101	125	328	329	433	433
Operating cash flow ¹⁾	244	144	537	108	860	431
Net debt/adjusted EBITDA, x ¹⁾	2.0	2.2	2.0	2.2	2.0	1.9
Basic and diluted earnings per ordinary share, SEK	1.03	1.30	3.40	3.36	4.48	4.44
Return on adjusted equity, % ¹⁾	28	33	28	33	28	32

Net sales²⁾, SEK million



■ Net sales, LTM, SEK million

EBITA^{1),2)}, SEK million & EBITA margin, %



■ EBITA, LTM, SEK million

— EBITA margin, LTM, %

1) See note 7 for definitions of alternative performance measures. 2) Key figure excluding discontinued operations

Improved margins and strong cash flow

We can look back on a stable third quarter, with good results from our profitability improvement work, which has strengthened earnings and margins in five of our six platforms. It is particularly pleasing to see Salix Group increasing its EBITA compared with the previous year's quarter for the first time in five quarters. At the same time, the improvement in earnings and margins in Ettiketto Group shows that our acquisition strategy is working. Sales development for the quarter was negative, largely due to the performance of the Salix Group and the Communication platform in the Industry business area. The Communication platform's slowdown in the quarter was worse than expected, while the comparative figure from the previous year's third quarter was strong. The Group is in good shape overall and, as in previous quarters, we see a continuation of the positive trend of reduced tied-up capital, strong operational cash flow and a debt/equity ratio that leaves us well placed for continued acquisitive growth.

Ettiketto Group strengthens its margin

Ettiketto Group delivered a very strong quarter, showing once again that the strategy of acquiring companies and then realising synergies and making operational improvements really works. The EBITA margin for the quarter strengthened significantly from 16 to 21 percent. Adjusted for electricity support, the margin was 20 percent. Sales were in line with the previous year's tough comparative figures, which were positively affected by pent-up customer demand as a result of a strike.

Increased profitability from operational measures in Salix Group

Salix continues to face a challenging economy with lower volumes as a result. This has contributed to a decline of 5 percent in sales for the quarter. Despite lower demand, we managed to improve the margin compared with the same quarter in the previous year, which increased EBITA from SEK 73 million to SEK 79 million. This shows that the measures taken in response to lower demand have paid off. It is also pleasing to start seeing the long-term strategic operational measures translating into improved margins. We will reap great benefits from this work once volumes return and we are confident of strong long-term demand for our products.

Industry – strong performance for three of the four platforms

Industry had an acceptable quarter overall. The Tornum Group, Corroventa and S:t Eriks platforms performed strongly with improved earnings and profitability. Tornum Group and Corroventa continue to see good market prospects, with Corroventa having been favourably affected by the floods in



Europe towards the end of the quarter. S:t Eriks continues to experience strong demand in infrastructure while demand in the construction-related part of the business remains weak.

The Communication platform had a challenging quarter. Communication experienced very good demand in the second half of 2022 and early 2023. The slowdown we pointed out in the previous quarter was more extreme than expected, resulting in lower volumes, which had a significant impact on earnings. We have taken measures and have processes in place to meet the lower demand that is expected until demand normalises.

Acquisitions and long-term value creation

Volati's overall goal is to generate long-term value growth. We have a business model to support this, with acquisitions being a key element. In recent years, we have successfully shifted our acquisition strategy towards value-creating add-on acquisitions for existing platforms. At the same time, we are continuously evaluating the acquisition of new platforms that fit in well with our model. It is important for us to be disciplined and make the right acquisition, which means that the acquisition rate will vary a little over time. Since 2020, we have acquired 21 companies with total annual sales of SEK 2.9 billion. Of these, 20 were add-on acquisitions and one was a new platform. We have made four add-on acquisitions over the last 12 months. One of these was the acquisition of Gunnar Prefab for the S:t Eriks platform, which was completed in the third quarter. We continue to actively seek new acquisitions, and have platforms and processes in place that enable us to act when the right opportunities arise.

Despite tougher market conditions and a slightly lower acquisition rate over the last 12 months, our EBITA growth per ordinary share was 13 percent at the end of the quarter. Once again, I would remind you that we are best evaluated in the longer term, and our average annual EBITA growth over the most recent 10-year period is 22 percent per year. With a business model that supports long-term value creation, a net debt/EBITDA ratio at the lower end of our target range and an acquisition market that suits us well, we are well equipped for continued long-term growth.

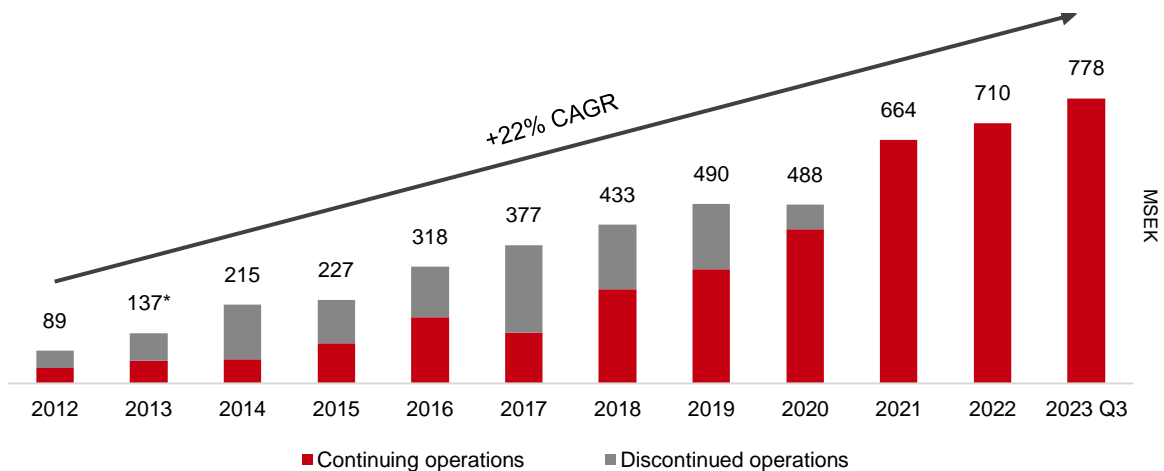
Andreas Stenbäck, President and CEO

This is Volati

Volati is a Swedish industrial group with the vision to be Sweden's best owner of medium-sized companies. Through value-creating add-on acquisitions and long-term, sustainable company development, Volati has been delivering consistently strong profitable growth since the start in 2003. The Group consists of the business areas Salix Group, Ettiketto Group and Industry.

Proven track record in long-term value creation

EBITA trend, 2012-2023 Q3, LTM



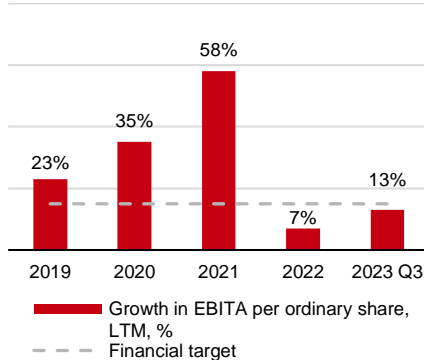
*Figure excluding a capital gain of SEK 189 million

Financial targets

Volati's financial targets are designed to support continuing successful operations in accordance with our business model. The targets should be assessed on an overall basis.

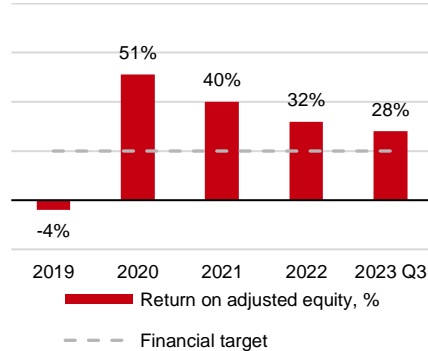
EBITA growth

The target is average annual growth in EBITA¹⁾ per ordinary share of at least 15 percent over a business cycle.



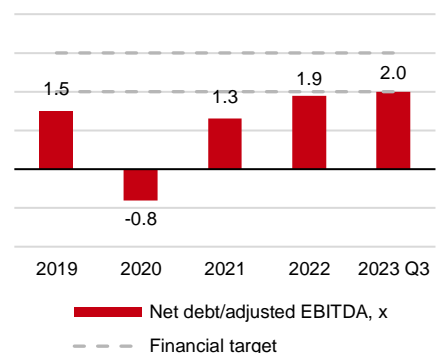
Return on adjusted equity

The long-term target is a return on adjusted equity¹⁾ of 20 percent.²⁾



Capital structure

The target is a net debt/adjusted EBITDA¹⁾ ratio of 2 to 3 times, not exceeding 3.5 times.



1) See note 7 for definitions of alternative performance measures

2) Includes discontinued operations

Consolidated financial trend

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Net sales, SEK million	1,847	1,977	5,987	5,822	7,917	7,751
EBITA ¹⁾ , SEK million	191	203	599	531	778	710
EBIT, SEK million	167	180	527	469	682	624
Profit after tax, SEK million	101	125	328	329	433	433

1) See note 7 for definitions of alternative performance measures

Net sales

-7%

Net sales
Q3 2023

The Group's net sales for Q3 2023 amounted to SEK 1,847 (1,977) million, a decline of 7 percent compared with the same period in the previous year. Organically, net sales fell by 10 percent during the quarter.

The Group's net sales for the period January-September 2023 amounted to SEK 5,987 (5,822) million, an increase of 3 percent compared with the same period the previous year. Organically, net sales fell by 3 percent during the same period.

Net sales for the last 12 months increased by 5 percent to SEK 7,917 (7,544) million. The increase in sales is mainly due to the effects of acquisitions. Organically, net sales fell by 2 percent during the same period.

Earnings

-6%

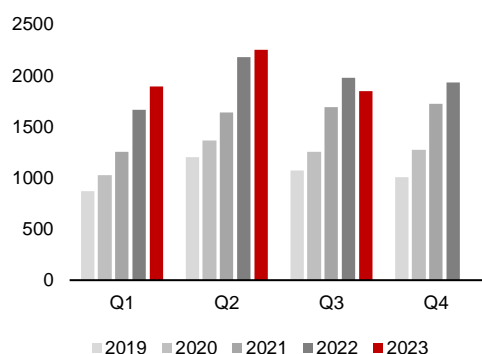
EBITA
Q3 2023

EBITA for Q3 fell by 6 percent to SEK 191 (203) million. The Salix Group and Ettiketto Group business areas contributed positively, reporting increased earnings compared with the same quarter in the previous year, while Industry's earnings for the quarter were lower than in the previous year. Items affecting comparability had a negative effect of SEK 9 (9) million during the period. Profit after tax for Q3 fell by 19 percent to SEK 101 (125) million.

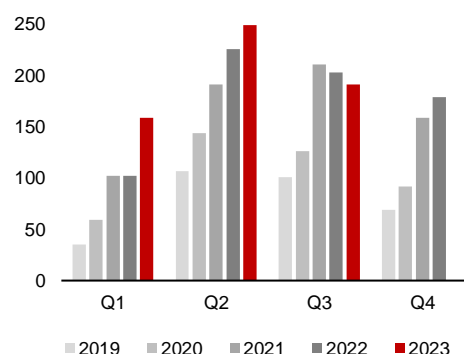
EBITA for the period January-September 2023 increased by 13 percent to SEK 599 (531) million. Profit after tax for the period amounted to SEK 328 (329) million.

EBITA for the last 12 months increased by 13 percent to SEK 778 (690) million. Profit after tax for the last 12 months amounted to SEK 433 (433) million.

Net sales, SEK million



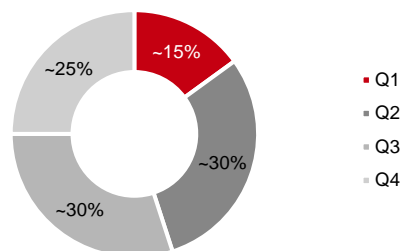
EBITA, SEK million



Seasonal variations

Volati's sales, earnings and cash flow are affected by seasonal variations. This means that Volati's operations, sales and earnings development should ideally be analysed on a rolling 12-month basis.

Historical breakdown of EBITA by quarter (continuing operations)



Cash flow

SEK
860
million

Operating cash flow
LTM, Q3 2023

Operating cash flow (for definition and calculation, see pages 24-25) amounted to SEK 244 (144) million in Q3 2023. Compared with the same quarter in the previous year, operating cash flow was positively affected by a reduction in tied-up working capital. Operating cash flow for the period January-September 2023 was SEK 537 (108) million, an increase of SEK 429 million, which was mainly due to a lower increase in tied-up working capital, but also increased earnings. Operating cash flow for the last 12 months was SEK 860 million compared with SEK 431 million for the full year 2022. The increase from the 2022 figure was due to increased earnings and a reduction in capital tied up in inventories compared with 2022 when there was a significant increase in inventories.

Cash flow from operating activities for Q3 (see page 16) amounted to SEK 233 (160) million. Compared with the same quarter in the previous year, cash flow was positively affected by a reduction in tied-up working capital. Cash flow from operating activities for the period January-September 2023 amounted to SEK 447 (135) million, an increase of SEK 312 million. Cash flow from operating activities for the last 12 months was SEK 794 million, compared with SEK 483 million for the full year 2022. Over the last 12 months, cash flow has been positively affected by a reduction in tied-up capital.

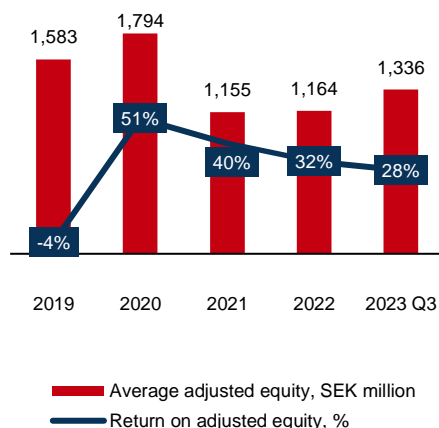
Investments in non-current assets during Q3 amounted to SEK 17 (18) million and were primarily investments in the businesses, including ongoing investments in machinery, equipment and IT systems. In addition, acquisitions of companies had an effect of SEK 65 million on cash flow for Q3.

Total dividends of SEK 16 (18) million were paid in Q3.

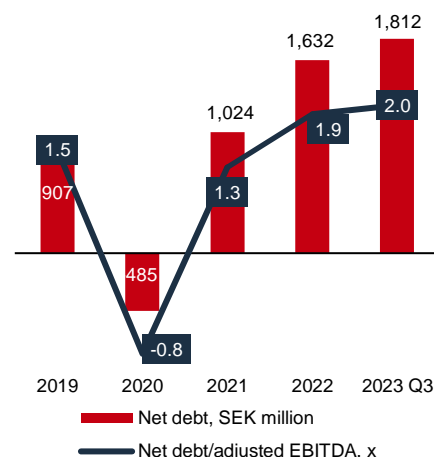
Equity

The Group's equity amounted to SEK 2,202 million at the end of the period, compared with SEK 2,136 million at the end of 2022. The change is mainly attributable to the period's net profit and dividends. The equity ratio was 33 percent on 30 September 2023, compared with 32 percent on 31 December 2022. The return on adjusted equity was 28 percent, compared with 32 percent at the end of 2022.

Equity and return on adjusted equity



Capital structure trend



Net debt

The Group had net debt of SEK 1,812 million at the end of the period, compared with SEK 1,632 million on 31 December 2022. The change in debt is mainly due to earnings for the period, dividends, acquisitions and changes in working capital. Net debt/adjusted EBITDA was 2.0x at the end of the quarter, compared with 1.9x on 31 December 2022. Total liabilities amounted to SEK 4,490 (4,550) million on 30 September 2023, of which interest-bearing liabilities, including pension obligations and lease liabilities, amounted to SEK 2,377 (2,381) million.

2.0x

Net debt/
adjusted EBITDA
Q3 2023

Business acquisitions and divestments

Acquisitions are a core element of Volati's strategy for creating long-term value growth, and the Company continuously evaluates both complementary add-on acquisitions and acquisitions in new lines of business. It is Volati's assessment that there is a lower risk level for add-on acquisitions than for acquisitions in new lines of business, as in-depth industrial know-how and a recipient organisation are already in place in the acquiring company. Add-on acquisitions also enable synergies.

On 6 September, Volati acquired all shares in Gunnar Prefab AB, a leading producer and supplier of prefabricated concrete products primarily for infrastructure. The acquisition, which is an add-on acquisition for the S:t Eriks platform, strengthens S:t Eriks' offering in barrier elements and foundations, as well as its existing operations. Gunnar Prefab reported annual sales of SEK 81 million in 2022. The acquisition was conducted with immediate access to the shares.

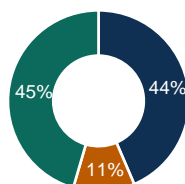
For acquisitions during the first six months of 2023, see note 4.

Volati's business areas

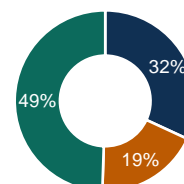
Volati's net sales and earnings by business area

The diagrams relate to the 12-month period 1 October 2022 to 30 September 2023. Acquired operations are included in the relevant business area from the acquisition closing date and their proportion is calculated net of central costs and items affecting comparability.

Net sales by business area



EBITA by business area



■ Salix Group ■ Ettiketto Group ■ Industry

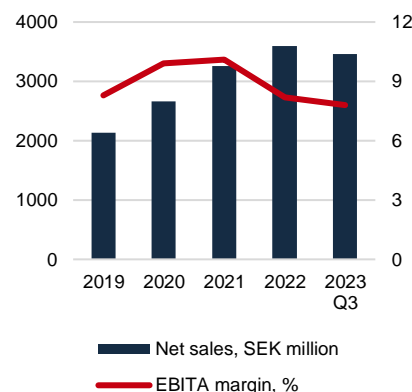
Salix Group

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Net sales, SEK million	826	868	2,643	2,775	3,466	3,598
EBITA, SEK million ¹⁾	79	73	224	252	269	296
EBITA margin, % ¹⁾	10	8	8	9	8	8
EBIT, SEK million	74	69	210	240	250	280
ROCE excl. goodwill, % ¹⁾	24	29	24	29	24	26
ROCE incl. goodwill, % ¹⁾	13	15	13	15	13	14

1) See note 7 for definitions of alternative performance measures.

The Salix Group business area offers products for building and industry, primarily hardware, consumables, material and packaging. The business area also offers a broad range of products for home and garden, and agriculture and forestry. The products consist of both own brands and external brands.

Salix Group increased its EBITA compared with the previous year's quarter for the first time in five quarters, despite a decline of 5 percent in Q3 sales compared with the same quarter in the previous year. The EBITA margin for Q3 increased to 10 percent from 8 percent for the corresponding quarter in 2022. Sales for the period January-September declined by 5 percent and the EBITA margin fell by 1 percentage point. Salix Group's sales for the last 12 months declined by 3 percent and the EBITA margin fell by 1 percentage point.



Market demand for Salix Group's products remains subdued due to the current economic situation. Factors such as high inflationary pressures, high interest rates and increased geopolitical uncertainty are affecting end customers for Salix Group's products, and the Group's sales declined in the quarter. The lower demand is being addressed by active work on cost control. This has resulted in an increase in the EBITA contribution compared with the previous year's quarter, despite the decline in sales. The long-term need for Salix Group's products is good, with the housing shortage in Sweden driving long-term demand for new construction, refurbishment and renovation of housing. The efficiency improvements mean that Salix Group will be optimally positioned when volumes return.

The unfavourable currency situation has continued during the quarter, but the effect has been mitigated by the fact that freight prices and some raw material prices have fallen. Salix Group is actively responding to this by continuing its disciplined work on customer communication, pricing and a focus on growth.

The process of integrating the operations of Embo Import AB and Sweja Industriförnödenheter is progressing according to plan. The acquisitions strengthen the business area's offering to the paint retail sector and the packaging market. The business area sees further acquisition opportunities in most of its operations.

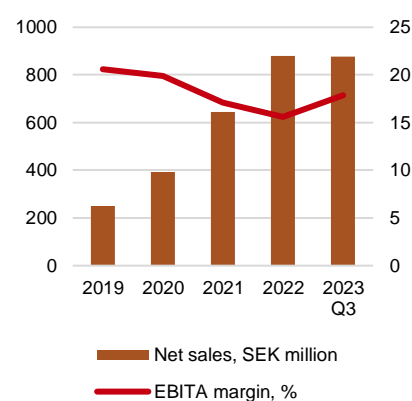
Ettiketto Group

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Net sales, SEK million	203	209	643	645	877	879
EBITA, SEK million ¹⁾	43	34	119	99	157	137
EBITA margin, % ¹⁾	21	16	19	15	18	16
EBIT, SEK million	38	28	104	83	136	116
ROCE excl. goodwill, % ¹⁾	65	58	65	58	65	57
ROCE incl. goodwill, % ¹⁾	33	27	33	27	33	28

1) See note 7 for definitions of alternative performance measures.

Ettiketto Group is a leading Nordic supplier of self-adhesive labels for a variety of applications including consumer goods, food and industry. The company also has a comprehensive range of labelling machines that are integrated into customers' production lines.

Ettiketto Group's sales for Q3 showed a decline of 3 percent compared with the same quarter in 2022, which was strong as a result of pent-up demand after the strike at materials supplier UPM. The EBITA margin for Q3 increased by 5 percentage points, mainly driven by operational improvements but also by electricity support. Sales for the period January-September were in line with the same period in the previous year, and the EBITA margin increased by 4 percentage points. Ettiketto Group's sales for the last 12 months increased by 5 percent and the EBITA margin rose by 2 percentage points.



Ettiketto Group continued its margin-strengthening measures during the quarter and reported an EBITA margin of over 20 percent, which is the level at which Ettiketto Group performed before the acquisition journey began in 2020. This shows that Ettiketto Group has succeeded in its strategy to acquire companies, often with lower margins than its own, and to subsequently increase profitability through operational improvements and realisation of synergies.

Demand for Ettiketto Group's products remains good and the order intake continues to be strong. The company's business is not particularly cyclically sensitive, as demand for food and other everyday products that use labels is less affected by macroeconomic developments. Ettiketto Group continues to work actively on realising synergies and operational improvements, and increasing production capacity and broadening the product range.

The business area works actively to identify companies to acquire, both in the Nordic region and the rest of Europe. The prospects for acquisitive growth remain good.

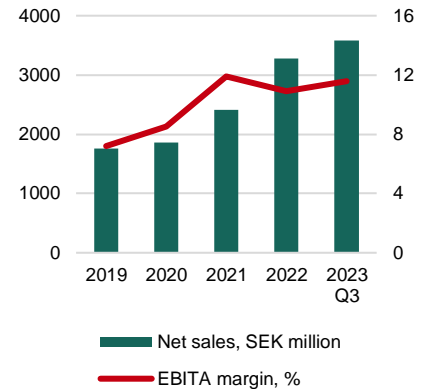
Industry¹⁾

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Net sales, SEK million	819	900	2,707	2,405	3,582	3,280
EBITA, SEK million ²⁾	91	117	304	245	417	358
EBITA margin, % ²⁾	11	13	11	10	12	11
EBIT, SEK million	77	103	262	211	360	310
ROCE excl. goodwill, % ²⁾	37	33	37	33	37	34
ROCE incl. goodwill, % ²⁾	24	22	24	22	24	22

1) The periods have been restated excluding Ettiketto Group.

2) 2) See note 7 for definitions of alternative performance measures.

The Industry business area consists of four businesses with leading market positions in their own niches. The businesses are manufacturing suppliers of solutions in various sectors – grain handling, moisture and water damage restoration, infrastructure for telecom and lighting, and stone and cement products for infrastructure, paving and roofing.



Three of Industry's four platforms performed well in the quarter. Q3 sales for the business area as a whole declined by 9 percent, driven by a slowdown in the Communication platform. The EBITA margin for Q3 fell by 2 percentage points. Sales for the period January-September increased by 13 percent and the EBITA margin rose by 1 percentage point. Industry's sales for the last 12 months increased by 14 percent and the EBITA margin rose by 1 percentage point.

The Industry business area is relatively insensitive to cyclical fluctuations as the business is diversified and demand for the units' products is mainly driven by factors other than economic developments. The Tornum Group platform continues to perform well and increased both its earnings and margin in the quarter. The Corroventa platform is also performing well, and in the second half of the quarter was positively affected by the consequences of the recent storms in Europe. The resulting flooding in several countries has increased demand for Corroventa's water damage restoration products. Within the S:t Eriks platform, the construction market segment is experiencing weak demand, particularly for consumer-oriented products, while the infrastructure segment is performing well. S:t Eriks increased its earnings and EBITA margin for the quarter compared with the previous year. The quarter was adversely affected by a slowdown in the Communication platform as a result of 5G rollout delays, notably in North America and India. Communication is also up against very strong comparative figures due to good demand in the second half of 2022 and early 2023. Cost inflation has continued to have an impact during the quarter, and the businesses' active work on price discipline, productivity improvements and good cost control has enabled them to manage these challenges effectively.

The process of integrating and developing JWI and Gunnar Prefab is progressing according to plan. The acquisitions strengthen and complement Volati's offering in the Tornum Group and S:t Eriks platforms. The business area sees further acquisition opportunities in most of its operations.

Head office

Head office comprises the central costs in the Parent Company Volati AB and associated operations. Head office costs for the quarter amounted to SEK 13 (12) million.

Other information

Share capital

Volati has two classes of shares: ordinary shares and preference shares. The shares are listed on Nasdaq Stockholm under the tickers VOLO and VOLO PREF. The number of shareholders at the end of Q3 was 11,831.

The number of ordinary shares on 30 September 2023 was 79,406,571 and the number of preference shares was 1,603,774. Share capital amounted to SEK 10 million on the same date.

Related-party transactions

In September, Volati sold three shares in Volati Infrastruktur AB to a key individual in the company. This transaction reflects Volati's business model that aims to create common interest with key individuals within Volati through co-investments.

Other related-party transactions are listed in the 2022 annual report and the Q1 and Q2 2023 interim reports. All transactions have been conducted at market conditions.

Events after the end of the reporting period

No significant events have taken place after the end of the reporting period.

Financial calendar

2023 Year-end Report	9 February 2024
Interim Report January-March 2024	24 April 2024
2024 Annual General Meeting	25 April 2024
Interim Report, January-June 2024	16 July 2024

Declaration by the Board

The Board of Directors and the CEO hereby certify that this interim report provides a fair overview of the Parent Company's and the Group's operations, financial position and performance and describes material risks and uncertainties faced by the Parent Company and Group companies.

Volati AB (publ)

The Board of Directors and CEO
Stockholm, 25 October 2023

Patrik Wahlén
Chairman of the Board

Karl Perlhagen
Board Member

Björn Garat
Board Member

Christina Tillman
Board Member

Maria Edsman
Board Member

Anna-Karin Celsing
Board Member

Magnus Sundström
Board Member

Andreas Stenbäck
CEO

This interim report has been reviewed by the Company's auditors. See the Auditors' Review Report on page 30.

This information is information that Volati AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons below, at 7.45 a.m. CEST on 25 October 2023.

Conference call

CEO Andreas Stenbäck and CFO Martin Aronsson will present the interim report in a conference call on 25 October at 09.00. The presentation will be conducted in English.

For a webcast of the conference call (opportunity for written questions), go to:
<https://www.finwire.tv/webcast/volati/q3-2023/>

The conference call (opportunity for oral questions) can be accessed at:
Phone number +46 8 5016 3827, Meeting ID 893 8043 0639,*9 to ask a question.

For more information, please contact:

Andreas Stenbäck, CEO Volati AB, 070-889 09 60, andreas.stenback@volati.se
Martin Aronsson, CFO Volati AB, +46 70 741 20 12 martin.aronsson@volati.se

Volati AB (publ)

Corporate reg. no. 556555-4317
Engelbrektsplan 1, SE-114 34 Stockholm
Tel: +46 8-21 68 40
www.volati.se

Financial Statements

Condensed consolidated income statement

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Operating income						
Net sales	1,847	1,977	5,987	5,822	7,917	7,751
Operating expenses						
Raw materials and supplies	-1,151	-1,255	-3,713	-3,694	-4,886	-4,867
Other external costs	-99	-121	-364	-360	-501	-498
Personnel expenses	-338	-335	-1,111	-1,052	-1,503	-1,443
Other operating income and expenses	-1	-1	-4	2	8	14
EBITDA	258	266	796	717	1,036	956
Depreciation	-67	-64	-197	-186	-258	-247
EBITA	191	203	599	531	778	710
Acquisition-related amortisation	-24	-23	-72	-62	-96	-85
EBIT	167	180	527	469	682	624
Finance income and costs						
Finance income and costs	-39	-19	-110	-41	-140	-72
Profit before tax	128	160	417	428	542	553
Tax	-26	-35	-89	-99	-109	-119
Net profit	101	125	328	329	433	433
Attributable to:						
Owners of the Parent	98	119	318	315	420	417
Non-controlling interests	4	6	10	14	13	17
Earnings per ordinary share						
Basic and diluted earnings per ordinary share, SEK	1.03	1.30	3.40	3.36	4.48	4.44
No. of ordinary shares	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
Average no. of ordinary shares	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
Average no. of ordinary shares after dilution	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
No. of preference shares	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774
Preference share dividend, SEK	10.00	10.00	30.00	30.00	40.00	40.00

Consolidated statement of comprehensive income

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Net profit	101	125	328	329	433	433
<i>Items that may be reclassified subsequently to profit or loss</i>						
Translation differences for the period	-1	0	-1	11	20	32
Total	-1	0	-1	11	20	32
Total comprehensive income for the period	100	125	327	340	453	465
Owners of the Parent	97	119	317	326	439	449
Non-controlling interests	4	6	10	14	13	17

Condensed consolidated statement of financial position

SEK million	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	2,698	2,648	2,646
Property, plant and equipment	387	371	383
Right-of-use assets	544	590	580
Financial assets	11	11	11
Deferred tax assets	46	41	43
Total non-current assets	3,686	3,660	3,663
Current assets			
Inventories	1,369	1,518	1,474
Trade receivables	1,133	1,241	1,073
Other current receivables	423	351	250
Cash and cash equivalents	80	183	227
Total current assets	3,006	3,293	3,024
Total assets	6,692	6,953	6,686
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the Parent	2,191	1,992	2,119
Non-controlling interests	11	17	17
Total equity	2,202	2,009	2,136
Liabilities			
Non-current interest-bearing liabilities	1,815	24	13
Non-current lease liabilities	398	463	440
Other non-current liabilities and provisions	227	274	266
Deferred tax	358	342	359
Total non-current liabilities	2,798	1,103	1,078
Current interest-bearing liabilities	5	1,974	1,774
Current lease liabilities	159	145	153
Trade payables	666	822	690
Other current liabilities	862	900	854
Total current liabilities	1,692	3,841	3,472
Total liabilities	4,490	4,944	4,550
Total equity and liabilities	6,692	6,953	6,686

Condensed consolidated cash flow statement

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Operating activities						
Profit before tax	128	160	417	428	542	553
Adjustment for other non-cash items	131	107	368	292	460	383
Interest paid and received, excl. interest on lease liabilities	-25	-8	-71	-18	-86	-34
Interest paid on lease liabilities	-8	-9	-25	-24	-31	-30
Income tax paid	-38	-17	-182	-94	-206	-118
Cash flow from operating activities before changes in working capital	188	234	507	583	679	754
Cash flow from changes in working capital						
Change in inventories	105	-24	138	-232	191	-179
Change in operating receivables	168	24	-104	-349	149	-96
Change in operating liabilities	-228	-74	-95	132	-224	3
Cash flow from changes in working capital	45	-73	-61	-448	116	-272
Cash flow from operating activities	233	160	447	135	794	483
Investing activities						
Net investments in property, plant & equipment and intangible assets	-15	-15	-64	-47	-97	-79
Acquisitions and disposals	-65	14	-187	-472	-187	-472
Net investments in financial assets	-	0	-	0	0	0
Cash flow from investing activities	-80	-2	-251	-519	-283	-551
Financing activities						
Dividend	-16	-18	-193	-187	-209	-203
New borrowings and repayment of borrowings, excl. leases	-73	-85	36	799	-179	585
Repayment of lease liabilities	-48	-37	-138	-129	-179	-171
Other financing activities	1	-13	-48	-125	-50	-127
Cash flow from financing activities	-136	-152	-343	358	-618	84
Cash flow for the period	17	6	-148	-26	-106	15
Cash & cash equivalents at beginning of period	63	174	227	203	183	203
Exchange differences	0	3	1	6	4	8
Cash & cash equivalents at end of period	80	183	80	183	80	227

Consolidated statement of changes in equity

SEK million	Share capital	Other paid-in capital	Other reserves	Retained earnings incl. net profit	Non-controlling interests	Total equity
Closing balance, 31 Dec 2021	10	1,995	29	-162	18	1,890
Net profit	-	-	-	315	14	329
Other comprehensive income	-	-	11	-	0	11
Comprehensive income for the period	-	-	11	315	14	340
Warrants	-	-	-	2	-	2
Dividend	-	-	-	-201	-2	-203
Remeasurement of non-controlling interests	-	-	-	-7	-13	-20
Other owner transactions	-	-	-	0	-	0
Closing balance, 30 Sep 2022	10	1,995	40	-54	17	2,009

SEK million	Share capital	Other paid-in capital	Other reserves	Retained earnings incl. net profit	Non-controlling interests	Total equity
Closing balance, 31 Dec 2022	10	1,995	61	53	17	2,136
Net profit	-	-	-	318	10	328
Other comprehensive income	-	-	-1	-	0	-1
Comprehensive income for the period	-	-	-1	318	10	327
Warrants	-	-	-	1	-	1
Dividend	-	-	-	-208	0	-209
Remeasurement of non-controlling interests	-	-	-	-37	-9	-47
Other owner transactions	-	-	-	-	-7	-7
Closing balance, 30 Sep 2023	10	1,995	60	126	11	2,202

Key figures¹⁾

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Net sales, SEK million	1,847	1,977	5,987	5,822	7,917	7,751
Net sales growth, %	-7	17	3	27	5	23
Organic net sales growth, %	-10	2	-3	5	-2	3
EBITDA, SEK million	258	266	796	717	1,036	956
EBITA, SEK million	191	203	599	531	778	710
EBITA margin, %	10	10	10	9	10	9
EBITA growth, %	-6	-4	13	5	13	7
Organic EBITA growth, %	-8	-11	0	-9	-1	-8
EBITA growth per ordinary share, %	-6	-4	13	5	13	7
EBIT, SEK million	167	180	527	469	682	624
Profit after tax, SEK million	101	125	328	329	433	433
Basic and diluted earnings per ordinary share, SEK ²⁾	1.03	1.30	3.40	3.36	4.48	4.44
Return on equity, %	20	22	20	22	20	22
Return on adjusted equity, %	28	33	28	33	28	32
Equity ratio, %	33	29	33	29	33	32
Cash conversion, LTM, %	100	51	100	51	100	54
Operating cash flow, SEK million	244	144	537	108	860	431
Net debt/EBITDA, x	2.0	2.2	2.0	2.2	2.0	1.9
Number of full-time equivalents	2,016	1,932	2,016	1,932	2,016	1,892
Ordinary shares outstanding	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
Average no. of ordinary shares outstanding	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
Preference shares outstanding	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774	1,603,774

¹⁾ All performance measures, apart from net sales, EBIT, profit after tax and earnings per share, are non-IFRS performance measures – see also note 7 Alternative performance measures.

²⁾ When calculating earnings per ordinary share, the preference share dividend of SEK 16 million per quarter is deducted for the period.

Notes to consolidated financial statements

Note 1 Accounting policies

The Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and RFR 1 Supplementary Accounting Rules for Groups. The report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The accounting policies are consistent with those applied by the Group in the 2022 annual report.

Some figures in this report have been rounded, which means that certain tables do not always add up exactly. This applies where figures are stated in thousands, millions or billions. Pages 1-12 of this report are an integral part of the interim report.

Note 2 Risks and uncertainties

The current war between Russia and Ukraine affects us all, but above all it is a humanitarian disaster for the Ukrainian people. Volati's direct economic exposure to Russia and Ukraine is relatively limited, but the war has also caused turbulence in world markets, and inflation and interest rates have risen since the war began, affecting the cost of the Group's purchases and increasing net interest. Volati is closely monitoring developments.

It is the assessment that the Group's other material risks and uncertainties are unchanged from those described in detail in the 2022 Annual Report.

Note 3 Segment reporting

At the end of Q3, Volati consisted of the three business areas Salix Group, Ettiketto Group and Industry. Segment reporting follows the principles set out in the 2022 Annual Report.

Net sales, SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Salix Group	826	868	2,643	2,775	3,466	3,598
Ettiketto Group	203	209	643	645	877	879
Industry	819	900	2,707	2,405	3,582	3,280
Internal eliminations	-1	-1	-5	-4	-7	-6
Total net sales	1,847	1,977	5,987	5,822	7,917	7,751

Sales between segments are immaterial.

Distribution of revenue, July-September 2023, SEK millions	Sale of goods	Services	Other	Total revenue from contracts with customer			Other	Total
				s	Equipme nt leasing			
Salix Group	825	-	0	825	-	0	825	
Ettiketto Group	201	2	-	203	-	-	203	
Industry	673	127	1	801	17	1	819	
Total	1,699	128	1	1,829	17	2	1,847	

Distribution of revenue, July-September 2022, SEK millions	Sale of goods	Services	Other	Total revenue from contracts with customer			Other	Total
				s	Equipme nt leasing			
Salix Group	867	-	-	867	-	0	868	
Ettiketto Group	208	1	-	209	-	-	209	
Industry	776	114	3	893	7	0	900	
Total	1,852	115	3	1,970	7	1	1,977	

Distribution of revenue, January-September 2023, SEK millions	Sale of goods	Services	Other	Total revenue from contracts with customer s			Total
				Equipme nt leasing	Other		
Salix Group	2,637	-	0	2,637	-	2	2,639
Ettiketto Group	636	6	-	642	-	-	642
Industry	2,314	340	4	2,658	42	6	2,707
Total	5,588	346	3	5,938	42	8	5,987

Distribution of revenue, January-September 2022, SEK millions	Sale of goods	Services	Other	Total revenue from contracts with customer s			Total
				Equipme nt leasing	Other		
Salix Group	2,771	-	-	2,771	-	1	2,772
Ettiketto Group	641	4	-	645	-	-	645
Industry	2,059	318	3	2,380	24	1	2,405
Total	5,471	322	3	5,796	24	2	5,822

EBITA, SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Salix Group	79	73	224	252	269	296
Ettiketto Group	43	34	119	99	157	137
Industry	91	117	304	245	417	358
Items affecting comparability ¹⁾	-9	-9	-10	-26	-11	-28
Central costs	-13	-12	-39	-39	-54	-54
Total EBITA	191	203	599	531	778	710
Acquisition-related amortisation	-24	-23	-72	-62	-96	-85
Net financial items	-39	-19	-110	-41	-140	-72
Profit before tax	128	160	417	428	542	553

EBIT, SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Salix Group	74	69	210	240	250	280
Ettiketto Group	38	28	104	83	136	116
Industry	77	103	262	211	360	310
Items affecting comparability ¹⁾	-9	-9	-10	-26	-11	-28
Central costs	-13	-12	-39	-40	-54	-54
Total EBIT	167	180	527	469	682	624

¹⁾ See note 7 for definition and specification.

Note 4 Business acquisitions

The acquisition of the operations of the painting tool wholesaler Embo Import AB – an add-on acquisition for the Salix Group business area – was completed on 2 January. Embo Import AB reported annual sales of approximately SEK 25 million in 2021. The agreement was signed on 17 November 2022.

On 28 March, Volati acquired all shares in JW Installations Ltd (JWI), a distributor of grain handling equipment in the UK. This is an add-on acquisition for Tornum Group in the Industry business area. The acquisition was consolidated with effect from 28 March.

On 2 May, Volati acquired all shares in the packaging company Sweja Industriförnödenheter AB. This is an add-on acquisition for the Salix Group business area. The acquisition was consolidated with effect from 2 May.

On 6 September, Volati acquired all shares in Gunnar Prefab AB, a leading producer and supplier of prefabricated concrete products primarily for infrastructure. The acquisition, which is an add-on acquisition for the S:t Eriks platform, strengthens S:t Eriks' offering in barrier elements and foundations, as well as its existing operations. Gunnar Prefab reported annual sales of approximately SEK 81 million in 2022. The acquisition was conducted with immediate access to the shares.

The Group's earnings were affected by transaction costs of SEK 2 million for the above acquisitions. Goodwill of SEK 62 million arising from the transactions is supported by several factors, largely attributable to the acquired companies' synergies, employees and market shares. Cash settlements of additional consideration during the year amounted to SEK 50 million.

The impact of the acquisitions on the Volati Group's balance sheet on the acquisition date is set out below.

Impact of acquisitions on balance sheet (SEK million)	Total
Intangible assets	59
Property, plant and equipment	6
Right-of-use assets	3
Deferred tax assets	1
Inventories	32
Trade receivables	25
Other receivables	9
Cash and cash equivalents	37
Deferred tax liability and other provisions	-11
Non-current lease liabilities	-2
Current lease liabilities	-2
Current liabilities	-35
Net assets	122
Goodwill	62
Purchase price for shares	183
Purchase price for shares	-183
Deferred variable consideration	6
Cash & cash equivalents in acquired companies at the acquisition date	37
Acquisition-date impact of acquisitions on the Group's cash & cash equivalents	-140

Impact of acquisitions on income statement (SEK million)	Net sales		EBITDA		EBITA		EBIT	
	Jul-Sep 2023	Jan-Sep 2023	Jul-Sep 2023	Jan-Sep 2023	Jul-Sep 2023	Jan-Sep 2023	Jul-Sep 2023	Jan-Sep 2023
Salix Group	18	45	0	3	0	3	-1	1
Ettiketto Group	-	-	-	-	-	-	-	-
Industry	15	27	1	3	1	2	0	2
Volati Group	33	72	1	6	1	5	0	3

If the acquisitions had been consolidated with effect from 1 January 2023, their contribution to the Group's income statement, excluding transaction costs, for the period 1 January to 30 September would have been as follows: sales SEK 178 million, EBITDA SEK 23 million, EBITA SEK 19 million and operating profit SEK 15 million.

Note 5 Financial Instruments

Financial instruments: carrying amounts and fair values by measurement category

SEK million	30 Sep 2023			31 Dec 2022		
	Classification ¹⁾	Carrying amount	Fair value	Classification ¹⁾	Carrying amount	Fair value
Financial assets						
Other shares and interests	2	2	2	2	2	2
Other non-current financial assets	1.2	9	9	1.2	8	8
Derivatives held for trading	2	-	-	2	0	0
Financial liabilities						
Loans from credit institutions	4	1,824	1,824	4	1,785	1,785
Derivatives held for trading	5	0	0	5	-	-
Additional consideration	5	36	36	5	78	78
Put options	6	174	174	6	169	169
Other current liabilities	4	32	32	4	16	16

1) applicable IFRS 9 categories

1= Financial assets at amortised cost

2= Financial assets at fair value through profit or loss

3= Financial assets at fair value through OCI

4= Financial liabilities at amortised cost

5= Financial liabilities at fair value through profit or loss

6= Financial liabilities at fair value through equity

For a description of what is included in the various items and the measurement method, see note 22 of the 2022 annual report.

Financial instruments measured at fair value

SEK million	30 Sep 2023				31 Dec 2022			
	Carrying amounts	Quoted prices Level 1	Observable inputs Level 2	Unobservable inputs Level 3	Carrying amounts	Quoted prices Level 1	Observable inputs Level 2	Unobservable inputs Level 3
Financial assets								
Other shares and interests	2	-	-	2	2	-	-	2
Derivatives	-	-	-	-	0	0	-	-
Financial liabilities								
Derivatives	0	0	-	-	-	-	-	-
Put options	174	-	-	174	169	-	-	169
Additional consideration ¹⁾	36	-	-	36	78	-	-	78

¹⁾ Additional consideration is often contingent on the financial performance of the acquired business over a specific period and is measured on the basis of management's best estimate.

Specification of financial instruments Level 3:

	Financial assets		Financial liabilities	
	Other shares and interests	Put options	Additional consideration	
Balance, 1 Jan 2022	2	-280	-24	
Additions through acquisitions	-	-	-63	
Cash settled	-	127	13	
Change in value recognised in OCI	0	-	-7	
Change in value recognised in equity	-	-20	-	
Investments	-	-	-	
Balance, 30 Sep 2022	2	-173	-81	
Balance, 1 Jan 2023	2	-169	-78	
Additions through acquisitions	-	-	-6	
Cash settled	0	48	50	
Change in value recognised in OCI	-	-	-3	
Change in value recognised in equity	-	-46	-	
Reclassifications	-	-7	-	
Investments	-	-	-	
Balance, 30 Sep 2023	2	-174	-36	

Note 7 Alternative performance measures

The financial reports published by Volati include alternative performance measures (APMs), which supplement the metrics defined or specified in the applicable rules for financial reporting, such as revenue, profit or loss and earnings per share. APMs are specified when they, in their context, provide clearer or more in-depth data than those metrics defined in the applicable rules for financial reporting. The basis for APMs is that they are used by management to assess financial performance and can thus be considered to give analysts and other stakeholders valuable information.

Volati regularly uses APMs as a complement to the key metrics defined in IFRS. The APMs derive from Volati's consolidated accounts and do not comprise measures of financial performance or liquidity in accordance with IFRS and, accordingly, should not be considered as alternatives to net income, operating profit or other key metrics that are derived pursuant to IFRS or as an alternative to cash flow as a measure of consolidated liquidity.

The following table sets out definitions for Volati's key figures. The calculation of APMs is presented separately below.

Non-IFRS APMs and key metrics	Description	Reason for use
EBITDA	Earnings before interest, taxes, depreciation and amortisation.	EBITDA is used together with EBITA to clarify earnings before the effects of depreciation and impairment, and before amortisation of acquisition-related intangible assets, in order to provide a view of the profit generated by operating activities.
Items affecting comparability	These items include transaction-related costs, restructuring costs, remeasurement of additional consideration, capital gains/losses on the sale of operations and non-current assets, and other income and expenses considered to be non-recurring.	Items affecting comparability represent income and expenses that are not attributable to the underlying performance of the business.
Adjusted EBITDA	Calculated as EBITDA, excl. IFRS 16 adjustments, for the last 12 months for the companies included in the Group at the reporting date, as if they had been owned for the last 12 months, and adjusted for transaction-related costs, restructuring costs, remeasurement of additional consideration, capital gains/losses on the sale of operations and non-current assets, and other income and expenses considered to be non-recurring.	Adjusted EBITDA provides management and investors with a view of the size of the operations included in the Group at the reporting date, as it does not include items not directly attributable to day-to-day operations. Also used in our covenant calculations for the bank.
EBITA	Earnings before interest, taxes and amortisation.	Together with EBITDA, EBITA provides a view of the profit generated by operating activities.
EBITA excl. items affecting comparability	Calculated as EBITA, adjusted for transaction-related costs, restructuring costs, remeasurement of purchase consideration, capital gains/losses on the sale of operations and assets, and other income and expenses considered to be non-recurring.	Used by management to monitor the underlying earnings growth for the Group.
EBITA growth per ordinary share	Calculated as EBITA divided by the number of ordinary shares outstanding at the end of the period compared with the same period the previous year.	Used to illustrate earnings per ordinary share generated by operating activities.
Organic net sales growth	Calculated as net sales for the period, adjusted for acquired and divested net sales and currency effects, compared with net sales for the same period the previous year as if the units had been owned for the same length of time in the comparative period as the length of time they have been legally consolidated in the current period.	This metric is used by management to monitor the underlying net sales growth in existing operations.
Organic EBITA growth	Calculated as EBITA excluding items affecting comparability for the period, adjusted for total acquired and divested EBITA and currency effects, compared with EBITA excluding items affecting comparability for the same period the previous year, as if the units had been owned for the same length of time in the comparative period as the length of time they have been legally consolidated in the current period.	Used by management to monitor the underlying earnings growth for existing operations.
Return on equity	Net profit (including share attributable to non-controlling interests) divided by average equity for the last four quarters (including share attributable to non-controlling interests).	Shows the return generated on the total capital invested in the Company by shareholders.
Return on adjusted equity	Net profit (including share attributable to non-controlling interests) less preference share dividend divided by average equity for the last four quarters (including share attributable to non-controlling interests) less preference share capital.	Shows the underlying return generated on ordinary share capital invested in the Company by owners of ordinary shares.
Equity ratio	Equity (including share attributable to non-controlling interests) as a percentage of total assets.	The metric can be used to assess financial risk.
Cash conversion	Calculated as operating cash flow for the last 12 months divided by EBITDA excl. IFRS 16.	Cash conversion is used by management to monitor how efficiently the Company is managing working capital and ongoing investments.

Non-IFRS APMs and key metrics	Description	Reason for use
Operating cash flow	Calculated as EBITDA, excl. IFRS 16, adjusted for non-cash items, less the difference between investments in/divestments of property, plant & equipment and intangible assets, after adjustment for cash flow from changes in working capital, excl. IFRS 16.	Operating cash flow is used by management to monitor cash flow generated by operating activities.
Net debt/Adjusted EBITDA	Interest-bearing net debt, excl. IFRS 16 adjustments, additional consideration and put options at the end of the period in relation to adjusted EBITDA for the period,	The metric can be used to assess financial risk.
Return on capital employed (ROCE excl. goodwill)	EBITA excluding items affecting comparability for the last 12 months divided by average capital employed for the last 12 months.	Shows the return on capital employed generated by each business area and the Group without taking into consideration acquisition-related intangible assets with indefinite useful lives.
Return on capital employed including goodwill (ROCE incl. goodwill)	EBITA excluding items affecting comparability for the last 12 months divided by average capital employed including goodwill and other intangible assets with indefinite useful lives for the last 12 months.	Shows the return on capital employed generated by each business area and the Group.

Calculations of alternative performance measures are presented separately below.

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Items affecting comparability, SEK millions						
Transaction costs	-1	0	-3	-11	-3	-12
Restructuring costs	-7	-	-7	-1	-7	-1
Additional consideration remeasurement	-1	-8	-3	-7	-4	-8
Capital gains/losses on sale of operations and non-current assets	-	3	5	3	5	3
Impairment of assets in Ukraine and Russia	0	-	1	-7	4	-4
Other non-recurring income and expenses	-1	-4	-3	-3	-6	-6
Items affecting comparability	-9	-9	-10	-26	-11	-28

Adjusted EBITDA, LTM, SEK million

EBITDA, LTM	1,036	932	1,036	932	1,036	956
Reversal of IFRS 16 effect	-176	-158	-176	-158	-176	-164
Acquired companies	24	64	24	64	24	39
Reversal of items affecting comparability	11	35	11	35	11	28
Adjusted EBITDA	895	873	895	873	895	859

Calculation of organic net sales growth, %

Net sales	1,847	1,977	5,987	5,822	7,917	7,751
Total acquired/divested net sales	-44	-243	-303	-951	-521	-1,163
Currency effects	-21	-11	-52	-38	N/A	-102
Comparative figure for previous year	1,782	1,723	5,633	4,833	7,396	6,486
Organic net sales growth, %	-10	2	-3	5	-2	3

Calculation of organic EBITA growth, %

EBITA	191	203	599	531	778	710
Adjustment for items affecting comparability	9	9	10	26	11	28
EBITA excl. items affecting comparability	200	212	609	557	789	737
Total acquired/divested EBITA	-6	-24	-49	-92	-72	-112
Currency effects	0	-1	-4	-3	0	-8
Comparative figure for previous year	195	187	556	462	717	617
Organic EBITA growth, %	-8	-11	0	-9	-1	-8

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Calculation of EBITA growth per ordinary share, %						
EBITA	191	203	599	531	778	710
No. of ordinary shares outstanding at end of period	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
EBITA per ordinary share, SEK	2.41	2.55	7.55	6.69	9.79	8.94
EBITA per ordinary share for same period in previous year	2.55	2.66	6.69	6.36	8.69	8.36
EBITA growth per ordinary share, %	-6	-4	13	5	13	7
Basic and diluted earnings per ordinary share						
Net profit attributable to owners of the Parent	98	119	318	315	420	417
Deduction for preference share dividend	16	16	48	48	64	64
Net profit attributable to owners of the Parent, adjusted for preference share dividend	82	103	270	267	355	352
Average no. of ordinary shares	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571	79,406,571
Earnings per ordinary share, SEK	1.03	1.30	3.40	3.36	4.48	4.44
Calculation of return on equity						
(A) Net profit, LTM, including non-controlling interests	433	433	433	433	433	433
Adjustment for preference share dividends, including dividends accrued but not yet paid	-64	-64	-64	-64	-64	-64
(B) Net profit, adjusted	369	369	369	369	369	369
(C) Average total equity	2,164	1,930	2,164	1,930	2,164	1,992
(D) Average adjusted equity	1,336	1,102	1,336	1,102	1,336	1,164
(A/C) Return on total equity, %	20	22	20	22	20	22
(B/D) Return on adjusted equity, %	28	33	28	33	28	32
Calculation of equity ratio, %						
Equity including non-controlling interests	2,202	2,009	2,202	2,009	2,202	2,136
Total assets	6,692	6,953	6,692	6,953	6,692	6,686
Equity ratio, %	33	29	33	29	33	32
Calculation of operating cash flow and cash conversion, %						
EBITDA	258	266	796	717	1,036	956
Reversal of IFRS 16 effect	-44	-42	-133	-121	-176	-164
(A) EBITDA excl. IFRS 16 effect	213	224	664	596	860	792
(B) adjustment for non-cash items	0	7	-1	9	-17	-7
Change in working capital	45	-73	-62	-450	114	-274
Net investments in property, plant & equipment and intangible assets	-15	-15	-64	-47	-97	-79
(C) Operating cash flow	244	144	537	108	860	431
(C/A) Cash conversion, %	114	64	81	18	100	54

Calculation of Net debt/adjusted EBITDA, LTM, x	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Net debt						
Cash & cash equivalents and other interest-bearing assets	-84	-186	-84	-186	-84	-231
Non-current interest-bearing liabilities	1,870	75	1,870	75	1,870	61
Current interest-bearing liabilities	27	2,000	27	2,000	27	1,801
Net debt	1,812	1,888	1,812	1,888	1,812	1,632
Adjusted EBITDA	895	873	895	873	895	859
Net debt/adjusted EBITDA, x	2.0	2.2	2.02	2.2	2.0	1.9

ROCE %, 30 September 2023	Salix Group	Ettiketto Group	Industry	Central costs	Volati Group	
1) EBITA, LTM		269	157	417	-54	789
Capital employed, 30 September 2023						
Intangible assets		1,192	383	1,123		2,698
Adjustment for goodwill, patent/technology, brands		-1,184	-380	-1,083		-2,647
Property, plant and equipment		46	54	287		387
Right-of-use assets		231	66	240		544
Operating receivables		1,338	231	1,239		2,809
Operating liabilities		-577	-114	-629		-1,326
Capital employed, 30 September 2023		1,047	240	1,177		2,465
Adjustment for average capital employed, LTM		78	2	-64		4
2) Average capital employed, LTM		1,125	242	1,113		2,469
ROCE excl. goodwill 1)/2), %		24	65	37		32
3) Average capital employed, LTM, incl. goodwill and other intangible assets with indefinite useful lives		2,137	480	1,717		4,279
ROCE incl. goodwill 1)/3), %		13	33	24		18

ROCE %, 31 December 2022	Salix Group	Ettiketto Group	Industry	Central costs	Volati Group
1) EBITA, LTM	296	137	358	-54	737
Capital employed, 31 December 2022					
Intangible assets	1,165	399	1,081		2,646
Adjustment for goodwill, patent/technology, brands	-1,159	-397	-1,046		-2,602
Property, plant and equipment	51	58	273		383
Right-of-use assets	251	72	248		580
Operating receivables	1,354	233	1,181		2,770
Operating liabilities	-572	-125	-675		-1,380
Capital employed, 31 December 2022	1,091	240	1,062		2,397
Adjustment for average capital employed, LTM	55	-1	-23		24
2) Average capital employed, LTM	1,146	240	1,039		2,421
ROCE excl. goodwill 1)/2), %	26	57	34		30
3) Average capital employed, LTM, incl. goodwill and other intangible assets with indefinite useful lives	2,113	496	1,599		4,160
ROCE incl. goodwill 1)/3), %	14	28	22		18

Parent Company Volati AB (publ)

The Parent Company Volati AB acts as a holding company and the members of Volati's management are employed within the Parent Company.

Parent Company condensed income statement

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM	Full year 2022
Net sales	4	5	12	14	19	21
Operating expenses	-13	-10	-39	-31	-54	-46
Operating profit	-9	-5	-27	-16	-35	-25
Profit/loss from financial investments	25	54	56	95	77	116
Profit after financial items	15	50	29	78	42	91
Appropriations	-	-	-	-	45	45
Tax for the period	-3	0	-6	-3	-5	-2
Net profit	12	49	23	75	82	134

Parent Company comprehensive income for the period

Comprehensive income for the period	12	49	23	75	82	134
-------------------------------------	----	----	----	----	----	-----

Parent Company condensed statement of financial position

SEK million	30 Sep 2023	30 Sep 2022	31 Dec 2022
Non-current assets	1,528	1,419	1,480
Current assets	3,335	3,563	3,577
Total assets	4,863	4,982	5,057
Equity	2,282	2,408	2,467
Untaxed reserves	49	48	49
Pension obligations	3	3	3
Non-current liabilities	1,825	29	27
Current liabilities	705	2,494	2,512
Total equity and liabilities	4,863	4,982	5,057

Quarterly overview

SEK million	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Operating income									
Net sales	1,847	2,251	1,890	1,930	1,977	2,180	1,665	1,722	1,693
Operating expenses									
Raw materials and supplies	-1,151	-1,410	-1,152	-1,173	-1,255	-1,387	-1,053	-1,049	-1,065
Other external costs	-99	-131	-134	-138	-121	-130	-110	-107	-91
Personnel expenses	-338	-398	-375	-391	-335	-374	-343	-359	-277
Other operating income and expenses	-1	4	-6	12	-1	2	1	7	6
EBITDA	258	315	223	239	266	290	161	215	266
Depreciation	-67	-66	-64	-61	-64	-64	-58	-56	-54
EBITA	191	249	159	179	203	226	102	159	211
Acquisition-related amortisation	-24	-24	-24	-23	-23	-22	-17	-16	-13
EBIT	167	225	135	155	180	204	86	143	199
Finance income and costs									
Finance income and costs	-39	-29	-41	-30	-19	-12	-10	-11	-11
Profit before tax	128	196	94	125	160	192	76	132	188
Tax	-26	-42	-20	-20	-35	-42	-22	-28	-45
Net profit	101	153	74	105	125	150	54	104	142
Attributable to:									
Owners of the Parent	98	149	71	102	119	146	50	99	134
Non-controlling interests	4	4	3	3	6	4	4	5	9

Net sales, SEK million	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Salix Group	826	962	855	823	868	1,029	878	809	824
Ettiketto Group	203	219	221	234	209	220	216	188	167
Industry	819	1072	816	875	900	933	572	725	702
Internal eliminations	-1	-2	-2	-2	-1	-2	-1	-1	-1
Total net sales	1,847	2,251	1,890	1,930	1,977	2,180	1,665	1,722	1,693
EBITA, SEK million									
Salix Group	79	92	53	45	73	107	71	65	93
Ettiketto Group	43	38	38	38	34	34	32	31	28
Industry	91	132	81	113	117	110	18	87	101
Items affecting comparability	-9	1	-2	-2	-9	-10	-7	-9	2
Central costs	-13	-14	-12	-15	-12	-15	-12	-14	-12
Total EBITA	191	249	159	179	203	226	102	159	211
EBITA margin, %									
Salix Group	10	10	6	5	8	10	8	8	11
Ettiketto Group	21	17	17	16	16	15	15	16	17
Industry	11	12	10	13	13	12	3	12	14
Volati Group	10	11	8	9	10	10	6	9	12

Auditor's Review Report

To the Board of Directors of Volati AB (publ.), corporate identity number 556555-4317

Introduction

We have reviewed the interim report for Volati AB (publ.) as of September 30, 2023 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 25 October 2023

Ernst & Young AB

Rickard Andersson
Authorised Public Accountant