

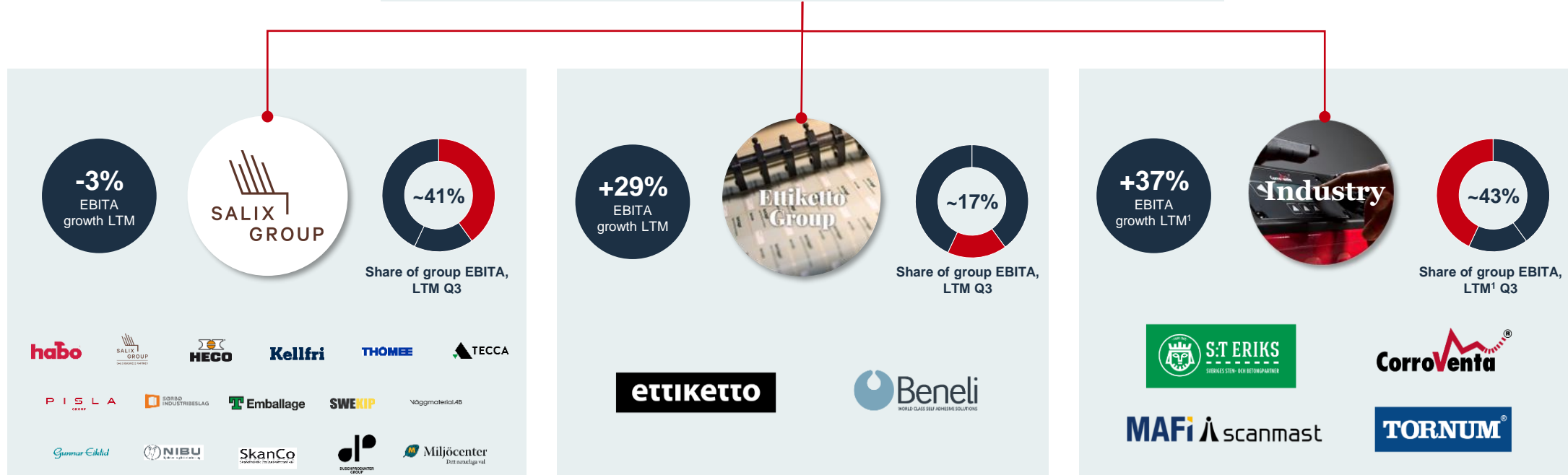
Interim Report Jul–Sep 2022

Andreas Stenbäck, CEO

Martin Aronsson, CFO

25 October 2022

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



1) Excluding Ettiketto Group

Track record of strong value creation



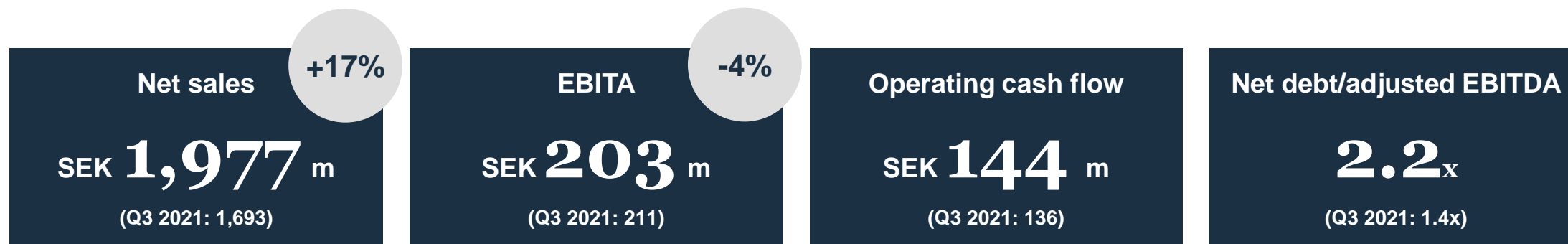
Q3 in brief - Solid result meeting high comparative figures from last year

- Solid net sales growth of +17% to SEK 1,977 million. All three business areas contributing to the growth
- EBITA in line with last year, SEK 203 million compared to SEK 211 in Q3 2021
- The business areas are in different stages of the economic cycle. Business areas Ettiketto Group and Industry showed strong EBITA growth of 20% and 16% respectively
- Salix Group saw stable demand in the professional and industrial segment. A decrease in demand in parts of its consumer-related operations. Disciplined work to protect the result.
- Ettiketto Group reached such a size it will now be an independent business area within Volati
 - Great example of Volati's strategy of building strong platforms and natural business areas
 - Model that reduces complexity and frees up resources for continuing growth. Also increases the transparency of reporting and makes visible the values in Ettiketto Group
 - In just a few years, Ettiketto Group has developed into one of the Nordics leading label producers. Since 2020, Ettiketto Group has completed five add-on acquisitions

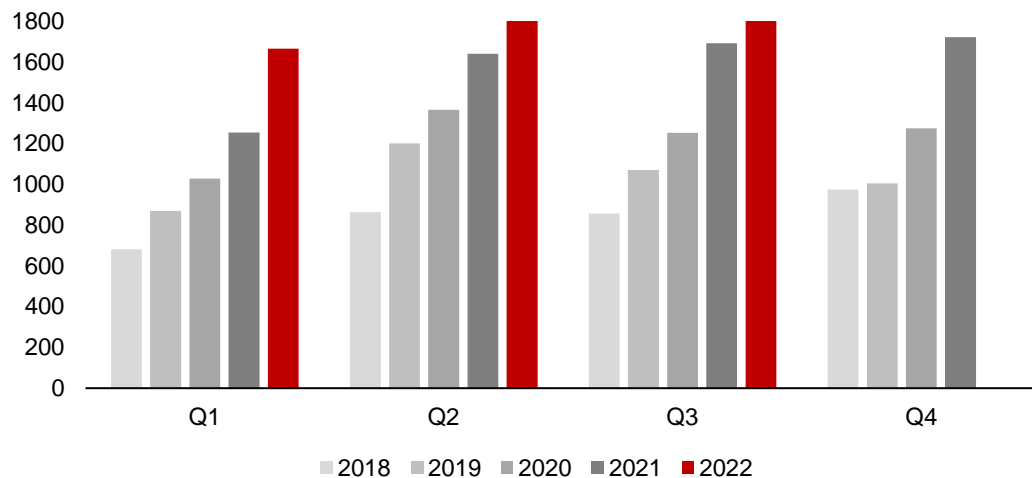
Q3 in brief - Solid result meeting high comparative figures from last year (cont.)

- Our tied up working capital is higher than desirable. We are starting to see positive effects of our measures, which are expected to contribute to improved cash flows in the coming quarters
- During the last twelve months, we have completed seven acquisitions, adding approximately SEK 1 billion in annual sales with good profitability and significant synergies
- Confident that our business model can create long-term value also going forward
 - Diversified group of platforms well positioned for a weaker economy
 - Decentralised governance model which enable us to respond to changing market conditions
 - Well prepared to face different market scenarios
 - Grow primarily by reinvesting our own cash flows

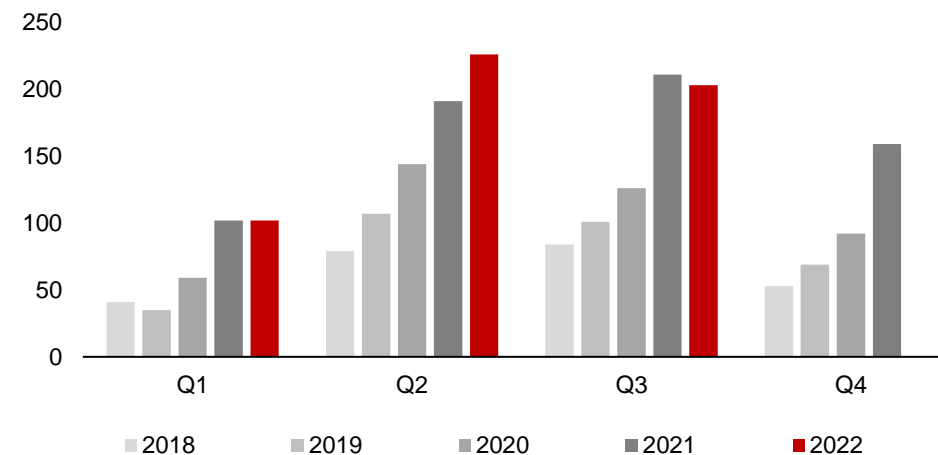
Financial development, Q3 2022



Net sales, SEK m



EBITA, SEK m



Financial development, LTM Q3 2022

Net sales

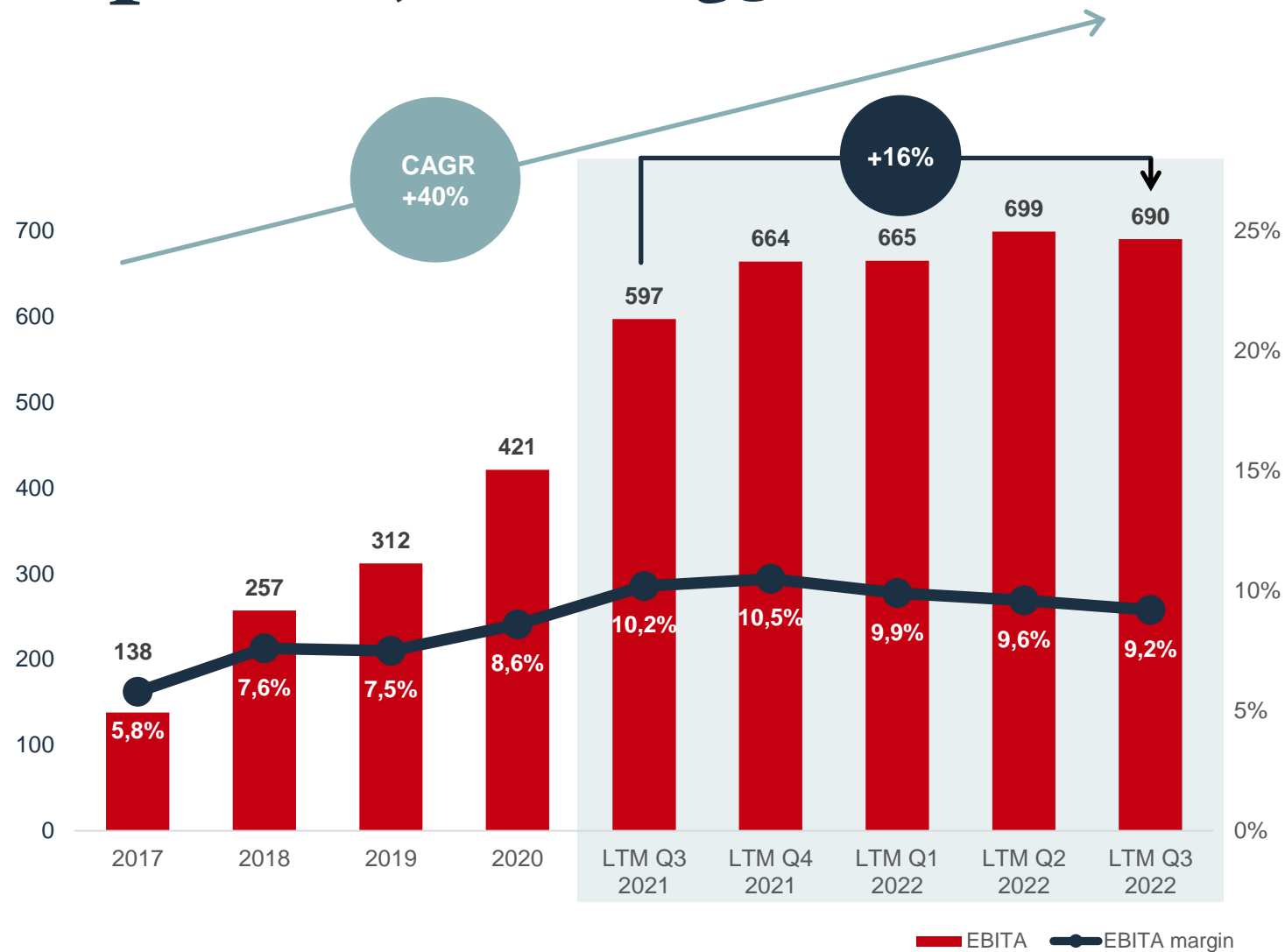
SEK **7,544** m
(Q3 2021: 5,861)

EBITA

SEK **690** m
(Q3 2021: 597)

Operating cash flow

SEK **398** m
(Q3 2021: 450)



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.

Return on adjusted equity

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

Capital structure

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

Growth in EBITA per
ordinary share, LTM

16%

(2021: 58%)

Return on adjusted equity

33%

(2021: 40%)

Net debt/adjusted EBITDA

2.2x

(2021: 1.4x)

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

Three 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.



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



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





41%
of Group
EBITA, LTM

Stable demand in the professional and industrial segments while cautiousness in the consumer segment increase

- Sales growth of 5% and EBITA decrease of 21%, vs. Q3 2021
- Still stable demand in the professional and industrial segments
- Increased cautiousness in the consumer segment
- Effects from high material prices, energy prices and shipping costs as well as an unfavorable currency have continued during the quarter
- Continued disciplined work with customer communication, pricing, and cost control
- Two acquisitions since beginning of the year and good opportunities for further acquisition-driven growth

| | Jul-Sep 2022 | Jul-Sep 2021 | LTM Q3 2022 | Full year 2021 |
|------------------------|-----------------|-----------------|----------------|-------------------|
| Net sales, SEK m | 868 | 824 | 3,584 | 3,262 |
| EBITA, SEK m | 73 | 93 | 316 | 329 |
| EBITA margin, % | 8 | 11 | 9 | 10 |
| ROCE excl. goodwill, % | 29 | 42 | 29 | 40 |
| ROCE incl. goodwill, % | 15 | 19 | 15 | 19 |

Financial development, LTM Q3 2022

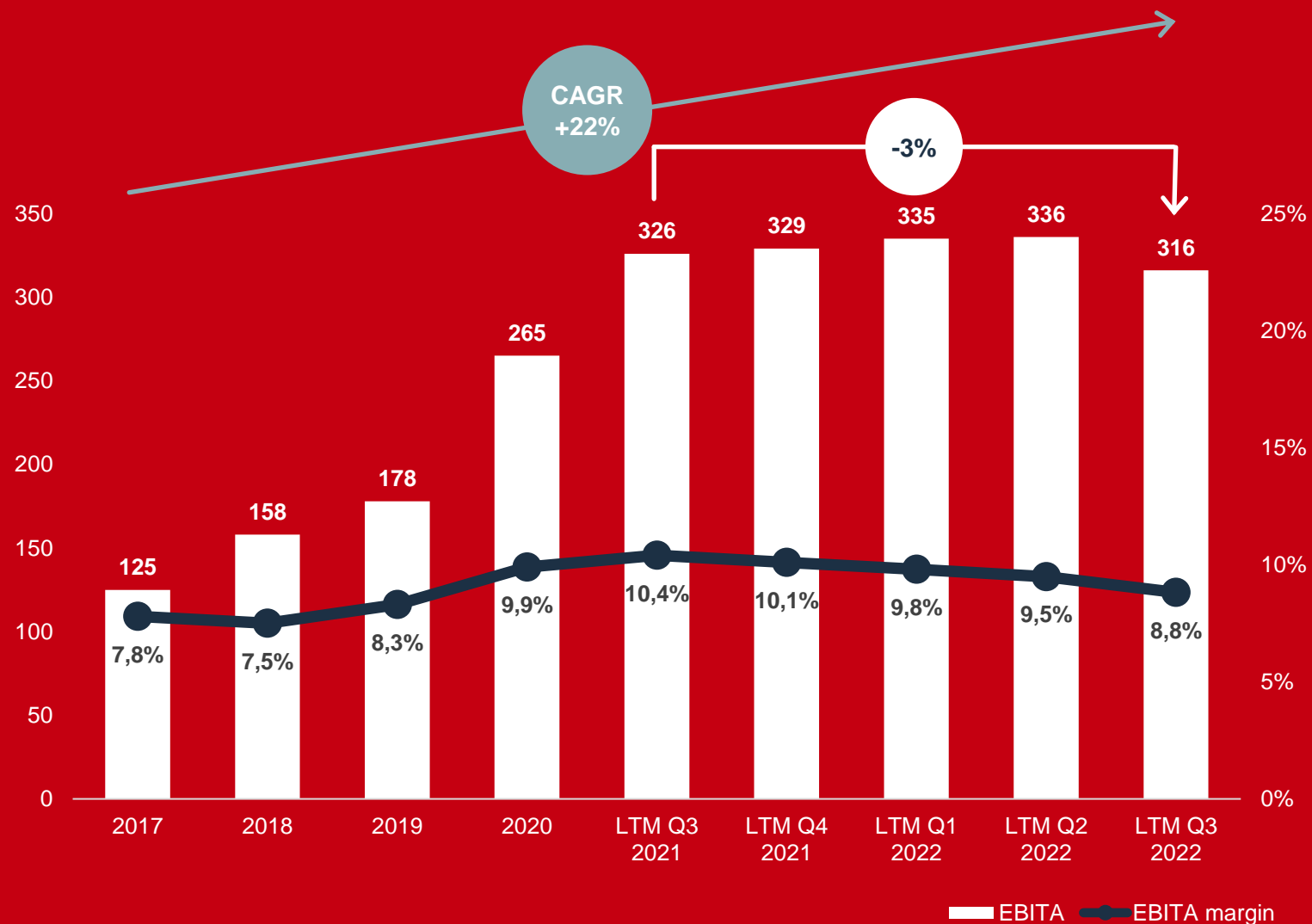


Net sales

SEK **3,584** m
(Q3 2021: 3,140)

EBITA

SEK **316** m
(Q3 2021: 326)





Ettiketto Group

17%
of Group
EBITA, LTM

Strong growth fueled by acquisitions

- Sales growth of 25% and EBITA growth of 20%, vs. Q3 2021
- Strong underlying demand and additional pent-up demand from strike at UPM earlier in the year
- Low correlation between the market for labels and the general economy
- Increased costs for material used in production and energy prices are mitigated through actively working with pricing and cost control
- Focus on integration of recently acquired businesses, including realization of synergies
- One acquisition since beginning of the year and good opportunities for continued acquisition-driven growth

| | Jul-Sep 2022 | Jul-Sep 2021 | LTM Q3 2022 | Full year 2021 |
|------------------------|-----------------|-----------------|----------------|-------------------|
| Net sales, SEK m | 209 | 167 | 834 | 644 |
| EBITA, SEK m | 34 | 28 | 130 | 110 |
| EBITA margin, % | 16 | 17 | 16 | 17 |
| ROCE excl. goodwill, % | 58 | 70 | 58 | 70 |
| ROCE incl. goodwill, % | 27 | 33 | 27 | 32 |

Financial development, LTM Q3 2022



Ettiketto
Group

Net sales

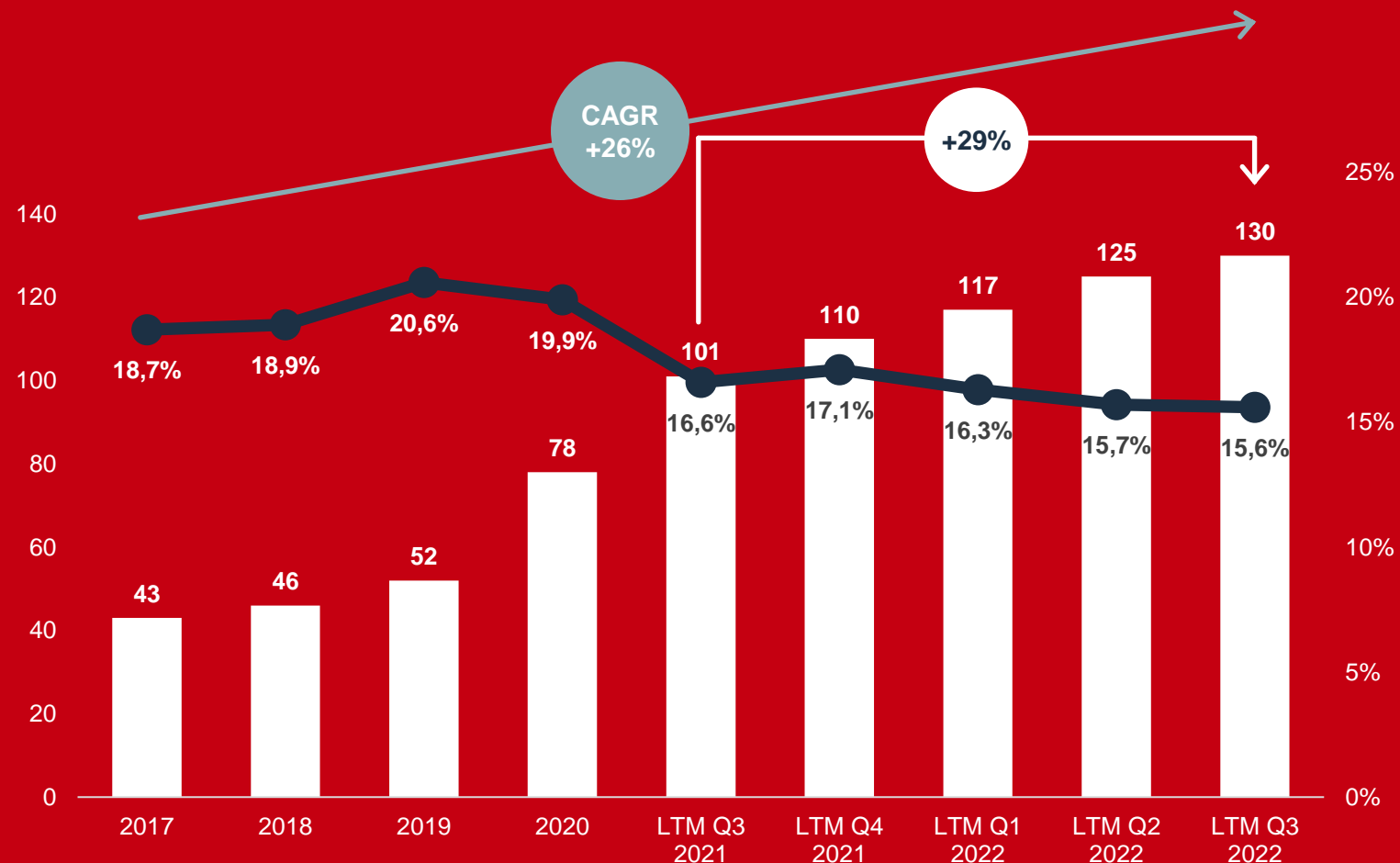
SEK **834** m

(Q3 2021: 606)

EBITA

SEK **130** m

(Q3 2021: 101)





Business area
Industry

43%
of Group
EBITA, LTM

Solid performance driven by acquisitions and strong demand

- Sales growth of 28% and EBITA growth of 16%, vs. Q3 2021
- Strong underlying demand for the product in the business units
- Diversified business with relatively low exposure to the general economy
- Corroventa facing tough comparables, together with 2022 being a dry year
- Good performance in the platform consisting of Scanmast and Mafi, where Mafi has done exceptionally well in the quarter
- The business units are working hard with pricing, productivity increases and cost control to mitigate high freight, energy and material costs
- Good opportunities for continued acquisition-driven growth

| | Jul-Sep 2022 | Jul-Sep 2021 | LTM Q3 2022 | Full year 2021 |
|------------------------|-----------------|-----------------|----------------|-------------------|
| Net sales, SEK m | 900 | 702 | 3,130 | 2406 |
| EBITA, SEK m | 117 | 101 | 332 | 287 |
| EBITA margin, % | 13 | 14 | 11 | 12 |
| ROCE excl. goodwill, % | 33 | 33 | 33 | 36 |
| ROCE incl. goodwill, % | 22 | 21 | 22 | 23 |

Financial development, LTM Q3 2022

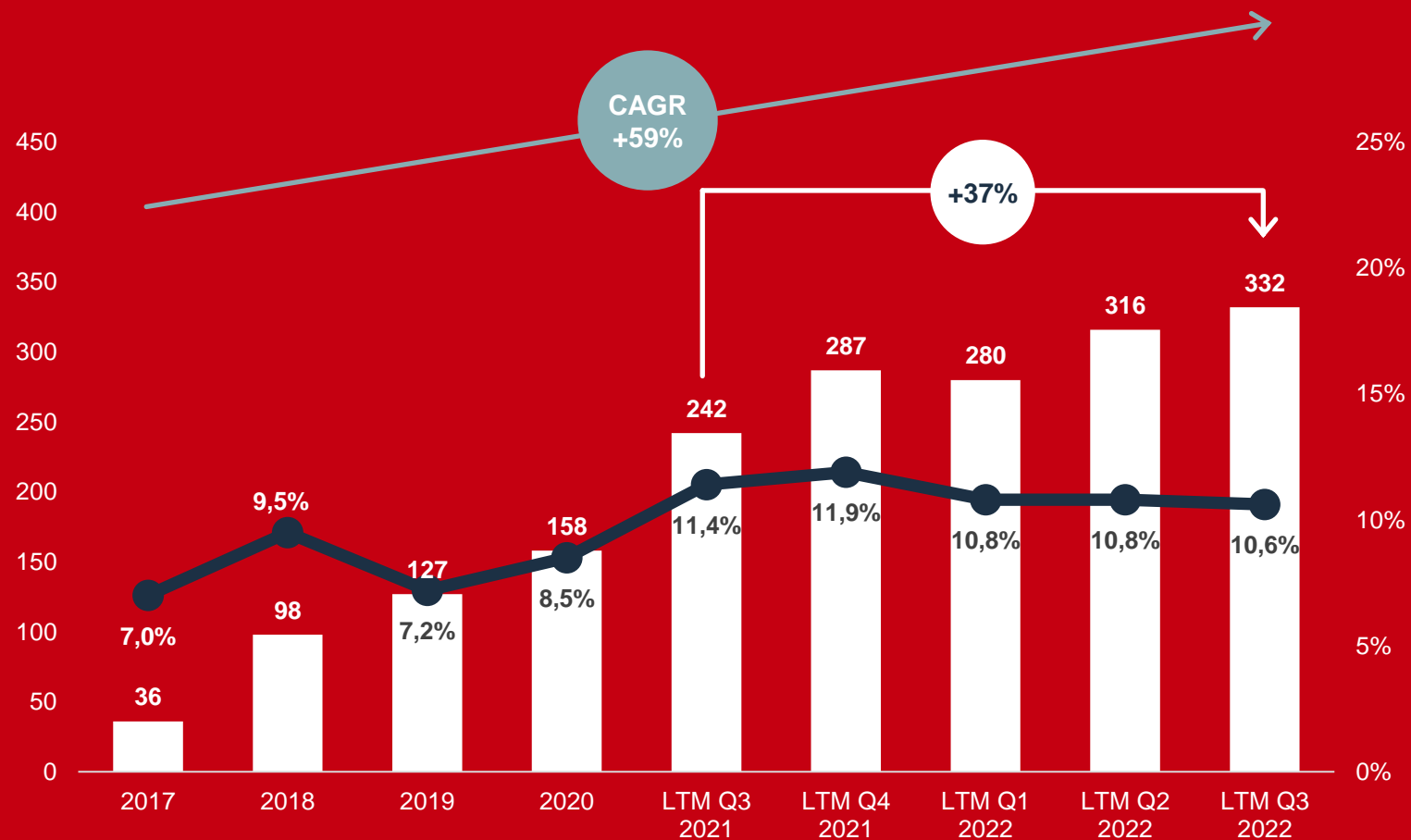


Net sales

SEK **3,130** m
(Q3 2021: 2,118)

EBITA

SEK **332** m
(Q3 2021: 242)



All numbers excluding Ettiketto Group

Volati Interim Report July – September 2022

EBITA EBITA margin

Acquisitions LTM with a total annual turnover of SEK 1.0 billion, SEK 800 million YTD



Heco SALES
January 2020 **183** MSEK

Pisla SALES
September 2020 **260** MSEK

Duschy SALES
March 2021 **102** MSEK

Gunnar Eiklid SALES
March 2022 **36** MNOK

Nibu/SkanCo SALES
May 2022 **140** MNOK

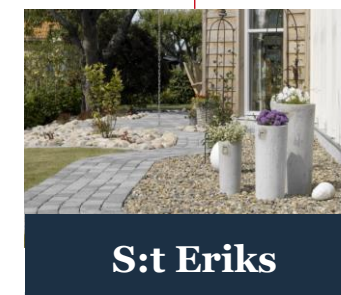
Beneli SALES
June 2020 **156** MSEK

Märkas SALES
September 2020 **169** MSEK

Strongpoint SALES
June 2021 **156** MSEK

Jigraf SALES
November 2021 **30** MSEK

Skipnes SALES
January 2022 **72** MSEK



JPT SALES
January 2021 **100** MSEK

Apisa SALES
July 2021 **150** MSEK

Terästorni SALES
April 2022 **220** MSEK

Byggsystem SALES
June 2021 **60** MSEK

Meag SALES
October 2021 **190** MSEK

Scanmast SALES
June 2021 **294** MSEK

MAFI SALES
April 2022 **325** MSEK

Well positioned to continue the developing the platforms through acquisitions

- Industrial buyer, growing our existing platforms through value adding add on acquisitions
- Familiar with the industries we acquire within
- Long term relations and dialogues ending up in transactions
- Provides deal certainty for sellers and their advisors
- Acquisition model do not rely on external equity
- Net debt/EBITDA of 2,2x and total liquidity through debt facilities and cash of SEK +900 million as per Q3



Summary

Solid development in uncertain times

- EBITA in line with last year
- EBITA +16% LTM per ordinary share and 40% annual growth since 2017
- ROE of 33%

Delivering on our growth journey

- Acquisitions the last 12 months have added annual sales of SEK 1.0 billion, SEK 800 million YTD

Well positioned for continued long term value growth

- A proven decentralized model
- Adding value as an owner a central part
- Diversified group of platforms
- Financial strength to act on acquisitions



volatı.