



Interim Report Apr–Jun 2024

Andreas Stenbäck, CEO

Martin Aronsson, CFO

15 Juli 2024

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



Volati	
Net sales, LTM Q2 2024	SEK 7,597 m
EBITA, LTM Q2 2024	SEK 659 m

+19%
EBITA CAGR
since 2018

+10%
EBITA CAGR
since 2018

SALIX
GROUP

~36%

Share of group EBITA,
LTM

+27%
EBITA CAGR
since 2018

Etiketto
Group

~23%

Share of group EBITA,
LTM

+23%
EBITA CAGR
since 2018

Industry

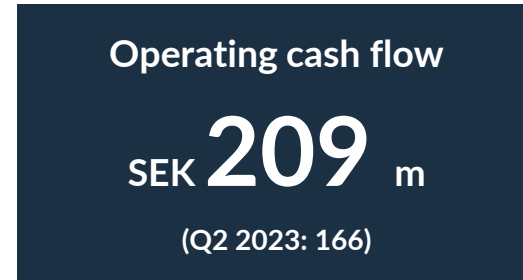
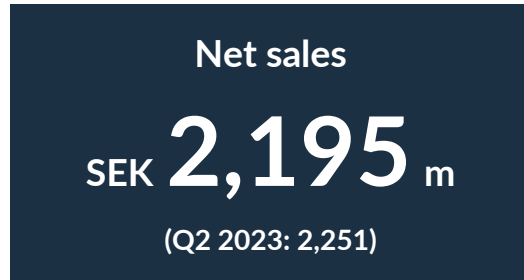
~41%

Share of group EBITA,
LTM

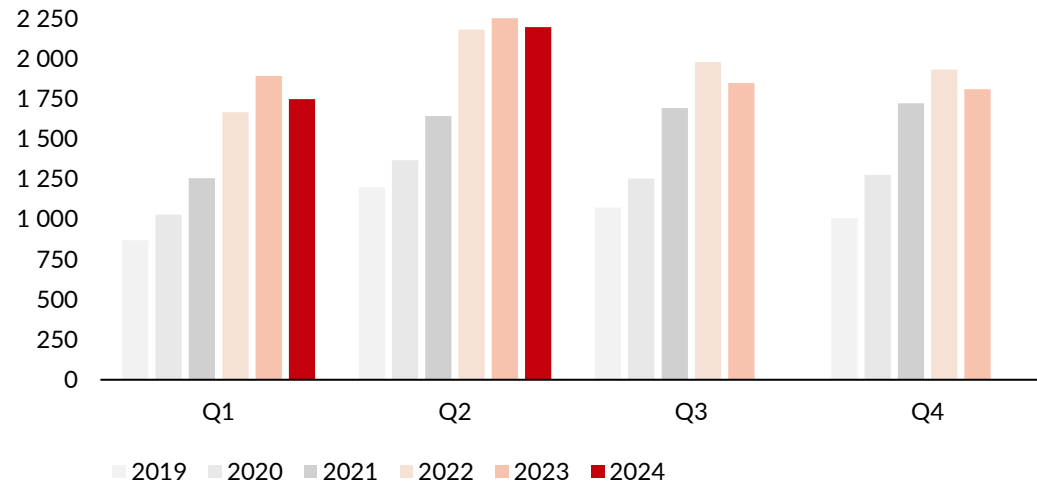
Q2 in brief – Sales and EBITA in line with last year

- Group EBITA landed at SEK 244 million and margin at 11% which is in line with last year.
- Still facing challenging construction market as well as a slow 5G-rollout. Some positive signs on the horizon.
- Contribution from acquisitions as well as cost-saving measures. Continuously meet easier comparables throughout the year
- Salix Group deliver a quarter with a 6% acquisition driven sales growth and strengthened margins
- Ettiketto Group grew organically 7% and continues to increase the EBITA-margin from 17% last year to 21% in the quarter
- Industry is facing tough comparables from last year, where the slow 5G-rollout is the main explanation for a decreasing result compared to last year.
- Expect accelerated organic growth once the market starts to recover
- Operational cash flow improved 26% to SEK 209 million
- Net debt of 2,7x EBITDA which is within our target providing a solid foundation for add-on acquisitions.
- Strengthened our leadership team with competence in Strategic HR.

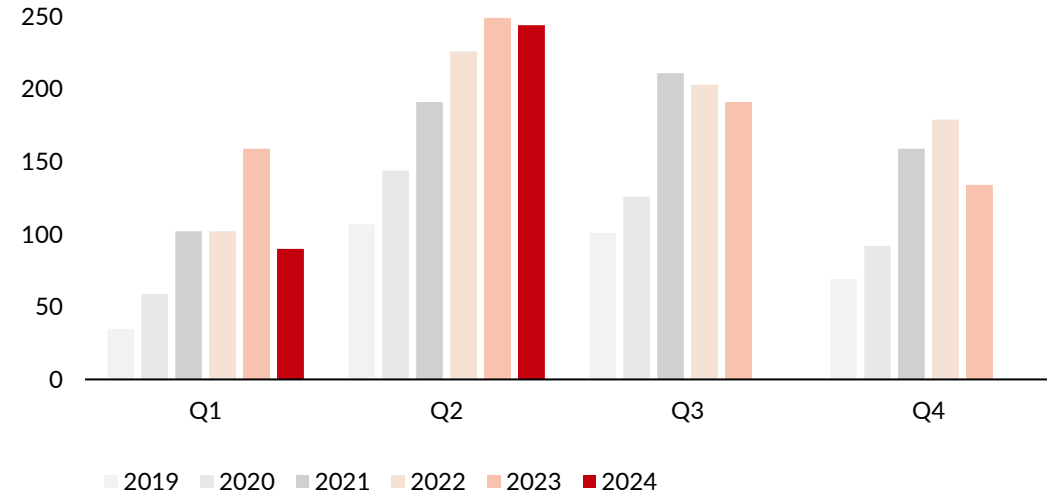
Financial development, Q2 2024



Net sales, SEK m



EBITA, SEK m

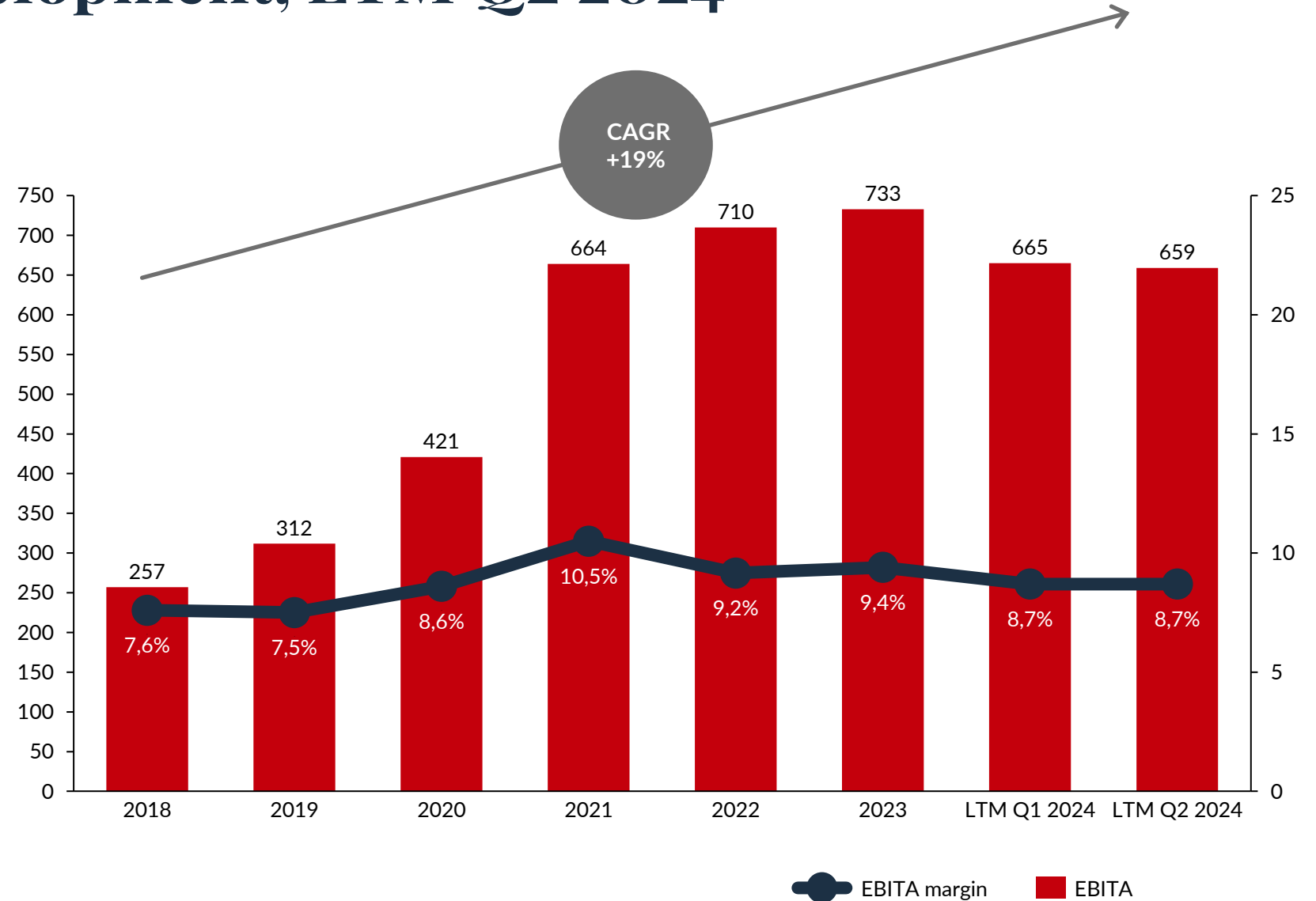


Financial development, LTM Q2 2024

Net sales
 SEK **7,597** m
 (Q2 2023: 8,047)

EBITA
 SEK **659** m
 (Q2 2023: 789)

Operating cash flow
 SEK **771** m
 (Q2 2023: 760)



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 equity¹⁾ of 20 percent²⁾.

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

-17%

Q2 2023: 13%

Five year average: 21%

Return on adjusted equity

17%

Q2 2023: 30%

Five year average: 30%

Net debt/adjusted EBITDA

2.7_x

Q2 2023: 2,1x

Five year average: 1,9x

1) See pages 137-141 of the 2023 Annual Report for definitions of alternative performance measures. 2) Including divested operations.

Three business areas with growth focus



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



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

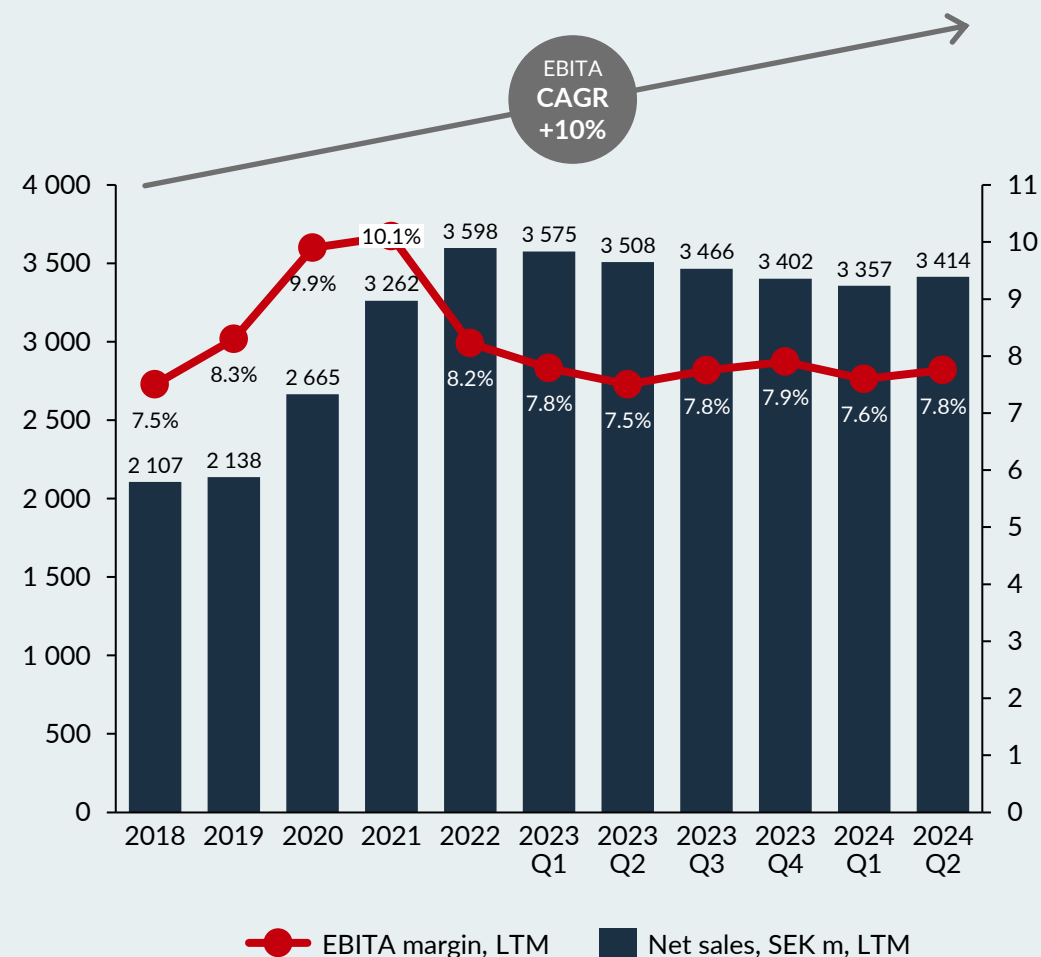


Four businesses with leading market positions in their niches; Products and solutions for grain management. Products for dampness and water damage management. Infrastructure for telecom, lighting and solar panels. Stone and cement products for infrastructure and construction.

Salix Group

- Sales increase of 6% in the quarter and -3% LTM.
- The demand in the industrial and professional segments continue to be challenged
- EBITA margin improvement in the quarter compared to last year
- Cost control measures, coordination benefits, synergy realisation and active market development is showing effect
- When demand recovers, Salix Group is in a good position to capitalise on the growth.
- Positive start of the integration of Trejon and Beslag Design

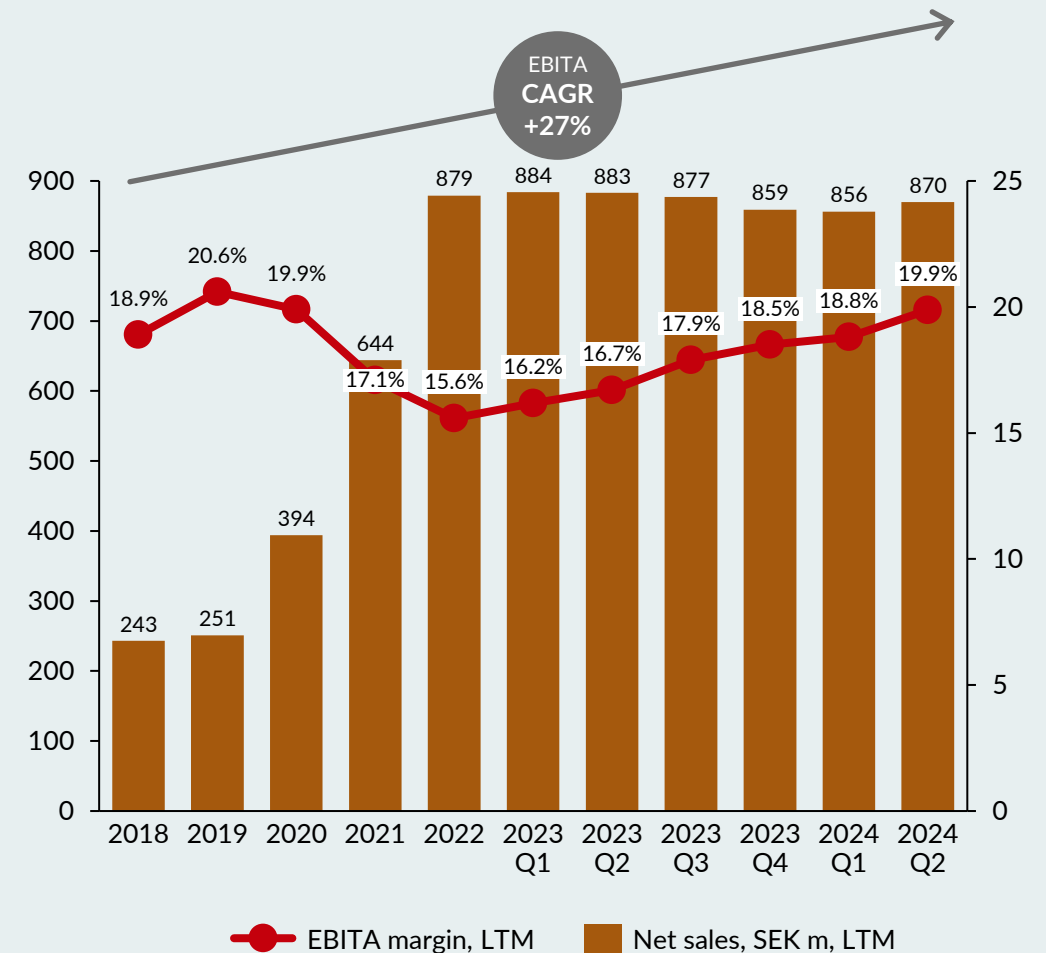
	Apr-Jun 2024	Apr-Jun 2023	LTM Q2 2024	FY 2023
Net sales, SEK m	1,018	962	3,414	3,402
EBITA, SEK m	100	92	265	269
EBITA-margin, %	10	10	8	8
ROCE excl. goodwill, %	24	23	24	25



Ettiketto Group

- Organic sales increase of 7% in the quarter
- EBITA growth of 30% in the quarter. The margin continued to increase with 4pp this quarter compared to Q2 2023, and is now at 20 percent during the last 12 months
- Strong demand and solid order intake expanding the production capacity to meet the demand
- Well-positioned for continued acquisition-driven growth, both in its Nordic home markets and in the rest of Europe

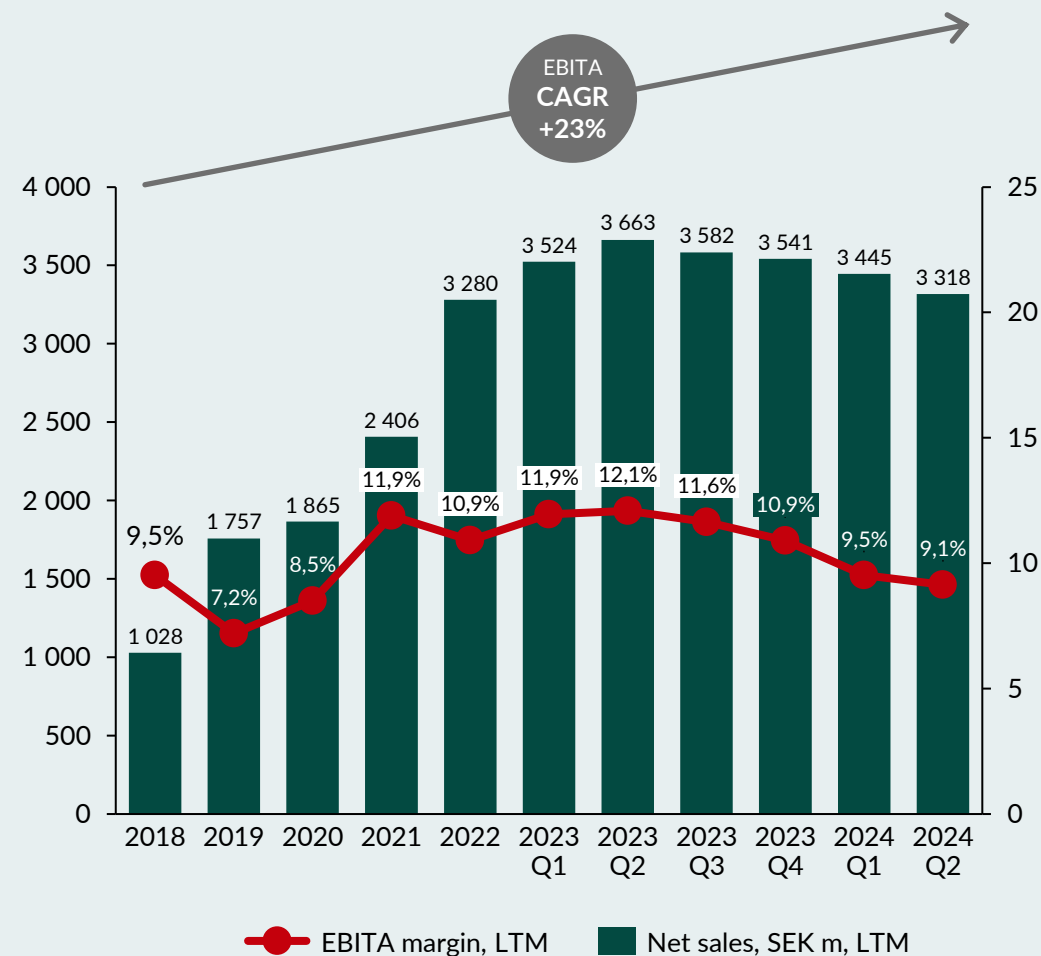
	Apr-Jun 2024	Apr-Jun 2023	LTM Q2 2024	FY 2023
Net sales, SEK m	233	219	870	859
EBITA, SEK m	50	38	173	159
EBITA-margin, %	21	17	20	18
ROCE excl. goodwill, %	72	59	72	67



Industry

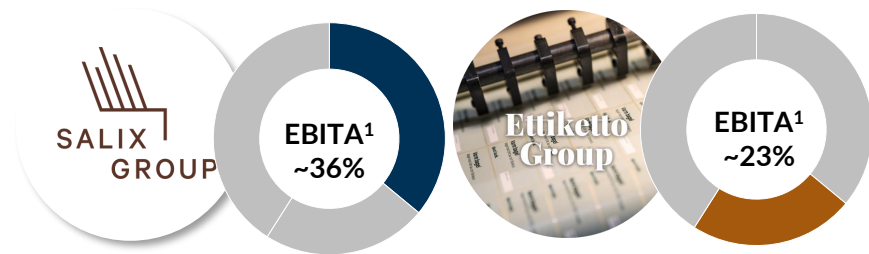
- Sales decrease of -12% and -9% LTM
- EBITA decrease of -19% in the quarter
- Positive contribution from a strong quarter by Corroventa
- S:t Eriks is challenged by the construction segment but sees a stable demand from infrastructure. Cost programs are implemented and give a positive effect on results
- Communications continues to be negatively affected by the slow telecom market, and is meeting tough comparables
- Tornums is negatively affected in the quarter by lack grain prices and lack of EU subsidies

	Apr-Jun 2024	Apr-Jun 2023	LTM Q2 2024	FY 2023
Net sales, SEK m	946	1,072	3,318	3,541
EBITA, SEK m	107	132	303	385
EBITA-margin, %	11	12	9	11
ROCE excl. goodwill, %	25	40	25	34



24 acquisitions and 3,5 billion of annual sales since 2020 volati.

Sales, MSEK



Heco January 2020	SALES 180
Pisla September 2020	SALES 240
Duschy March 2021	SALES 100
Gunnar Eiklid March 2022	SALES 40
Nibu/SkanCo May 2022	SALES 150
Embo Import November 2022	SALES 25
Sweja May 2023	SALES 100
Trejon December 2023	SALES 300
Beslag Design February 2024	SALES 190

Beneli June 2020	SALES 160
Märkas September 2020	SALES 170
Strongpoint June 2021	SALES 190
Jigraf March 2022	SALES 30
Skipnes January 2022	SALES 70

Corroventa

Tornum

JPT January 2021	SALES 80
Apisa July 2021	SALES 170
Terästorni April 2022	SALES 220
JWI March 2023	SALES 40
SIMEZA November 2023	SALES 110

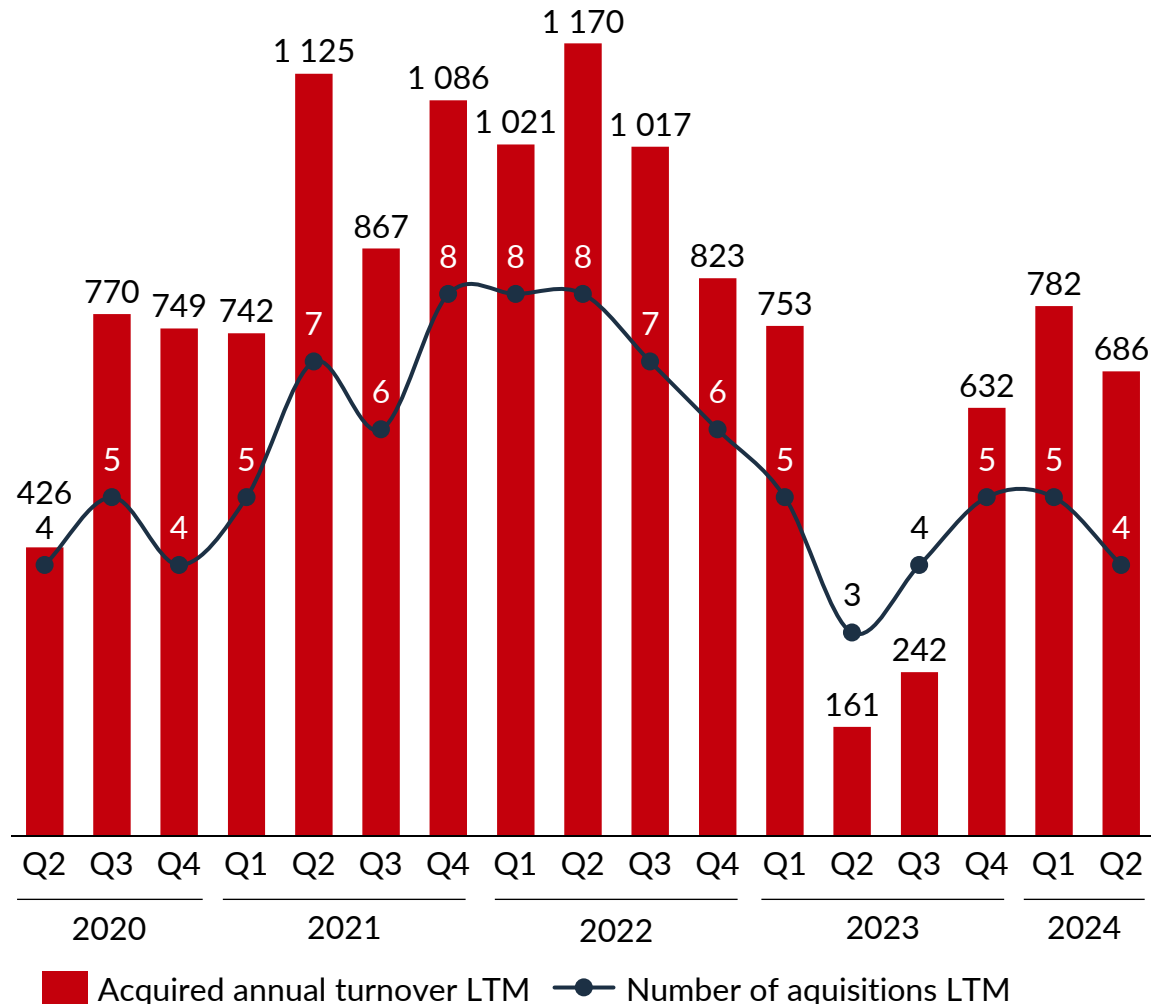
S:t Eriks

Byggsystem June 2021	SALES 60
Meag October 2021	SALES 190
Gunnar Prefab September 2023	SALES 80

Communication

Scanmast June 2021	SALES 290
MAFI April 2022	SALES 330

Add-on acquisitions are an important value driver for Volati and our platforms

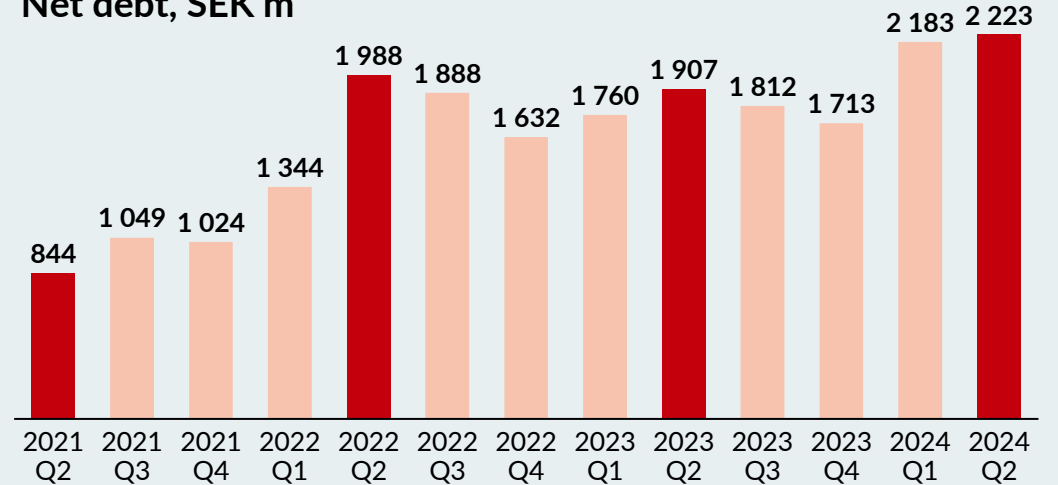


- M&A have over time contributed with annual sales of SEK 700–1,200 million
- Annual pace of 6-8 acquisitions
- Majority of the acquisitions are value creating add-on acquisitions, enabling substantial synergy realisation
- Platforms, financial capacity and processes in place

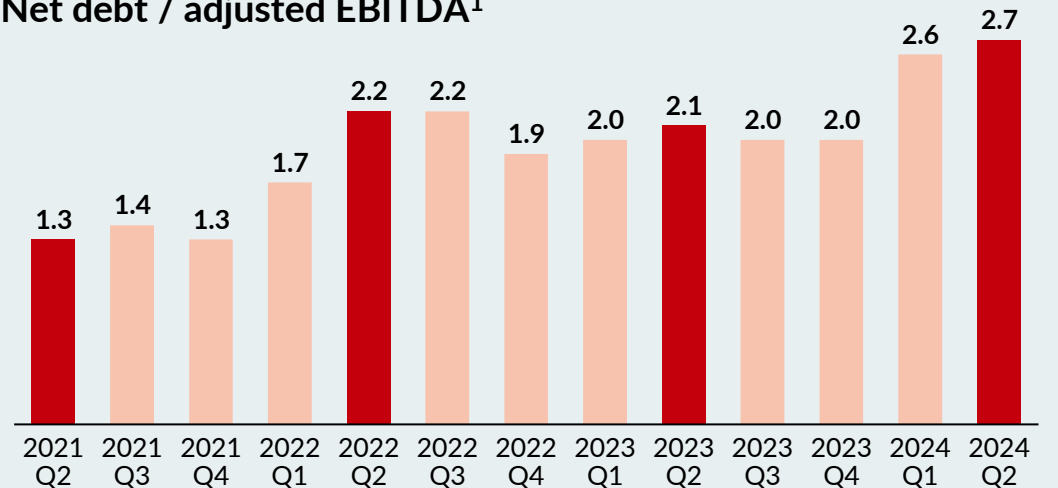
Well positioned for further acquired growth

- Operational cash flow of SEK 209 million in Q2 2024 compared to SEK 166 million same period last year
- LTM Q2 2024 Cash flow of 771 million
- Total cash generation of 103% during last twelve months.
- Net debt increase with SEK 40 million in the quarter due to
 - Operating cash flow of SEK +209 million
 - Tax, interest and dividend outflow of SEK -264 million
- Strong cash flow, especially in the second part of the year
- Once markets normalise, we will see a positive effect on our net debt / EBITDA

Net debt, SEK m



Net debt / adjusted EBITDA¹



1) See pages 137–141 of the 2023 Annual Report for definitions of alternative performance measures.

Summary

- Q2 in line with last year. Successfully balance short term profitability and long-term value creation
- Challenging market conditions continue to affect Salix Group, S:t Eriks and Communications
- Well positioned for accelerated organic growth once market return
- Solid foundation for continued growth through acquisitions

volat1.