



# Interim Report Apr–Jun 2022

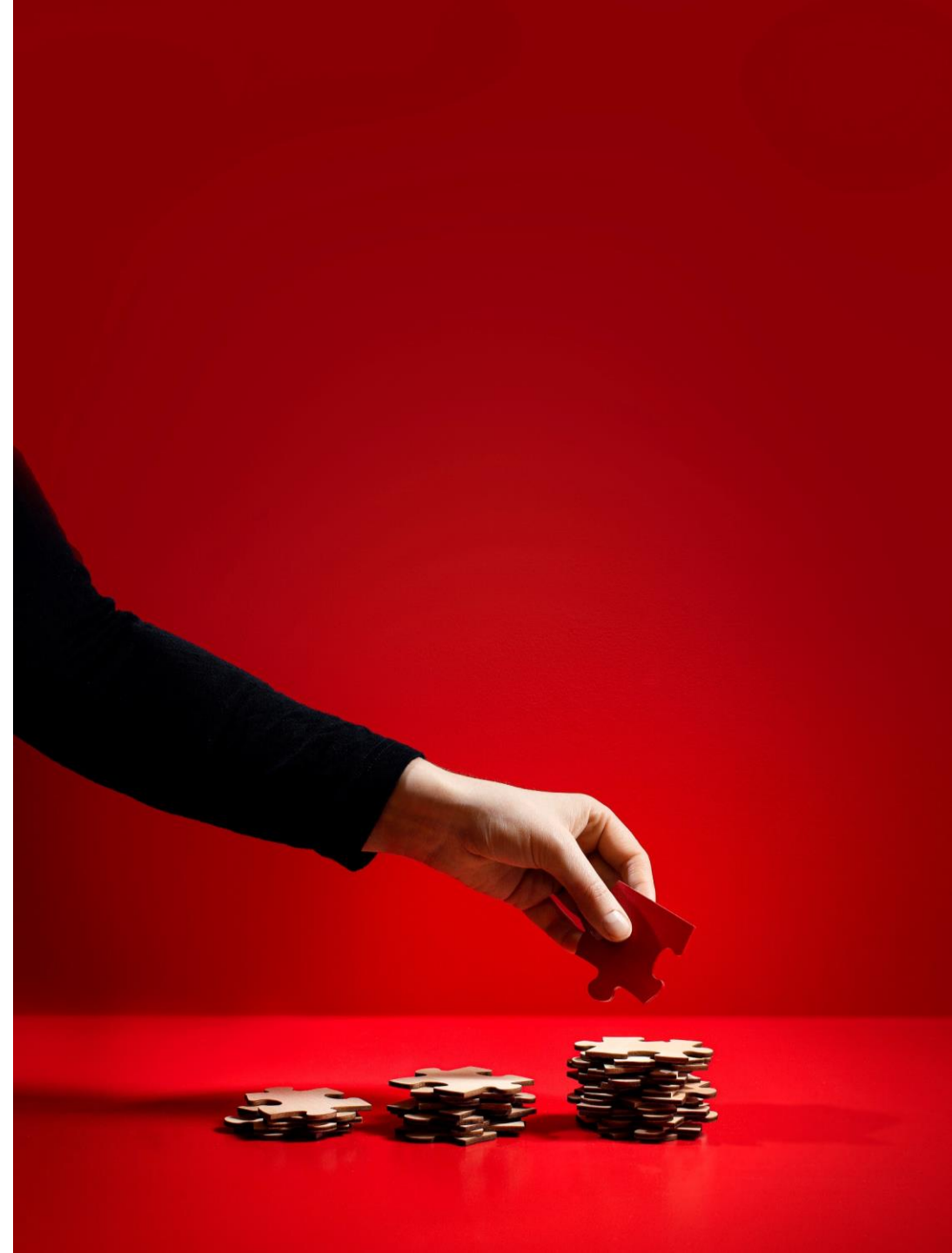
Andreas Stenbäck, CEO

Martin Aronsson, CFO

18 July 2022

## A. Volati at a glance

## B. Quarter two update



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

Volati	
Net sales, LTM Q2 2022	SEK 7,260 m
EBITA, LTM Q2 2022	SEK 699 m

**+37%**  
EBITA  
growth LTM

**+7%**  
EBITA  
growth LTM

**SALIX GROUP**

Share of group EBITA, LTM Q2: **~43%**

**~57%**

Share of group EBITA, LTM Q2

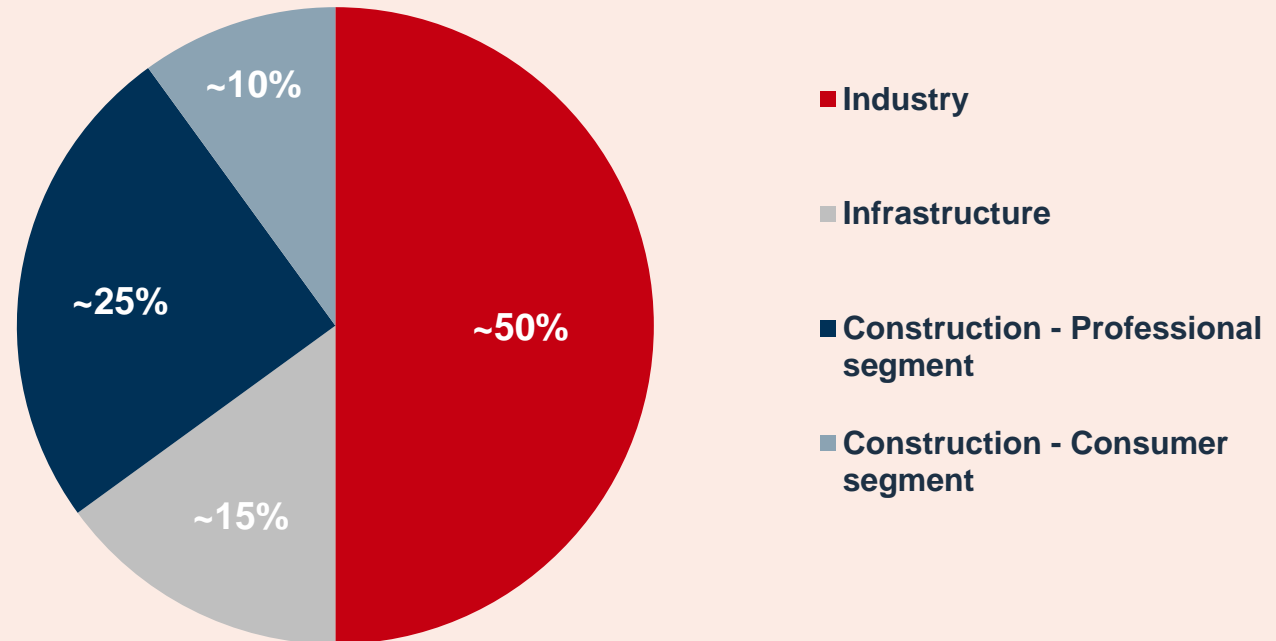
**Industry**

**+58%**  
EBITA  
growth LTM

# Strong platforms active within a diversified group of segments

**Industry, Volati's largest segment, consists mainly of activities within the labelling business, products for the agriculture and forestry industries and products for dehumidification.**

Approximate EBITA distribution per segment



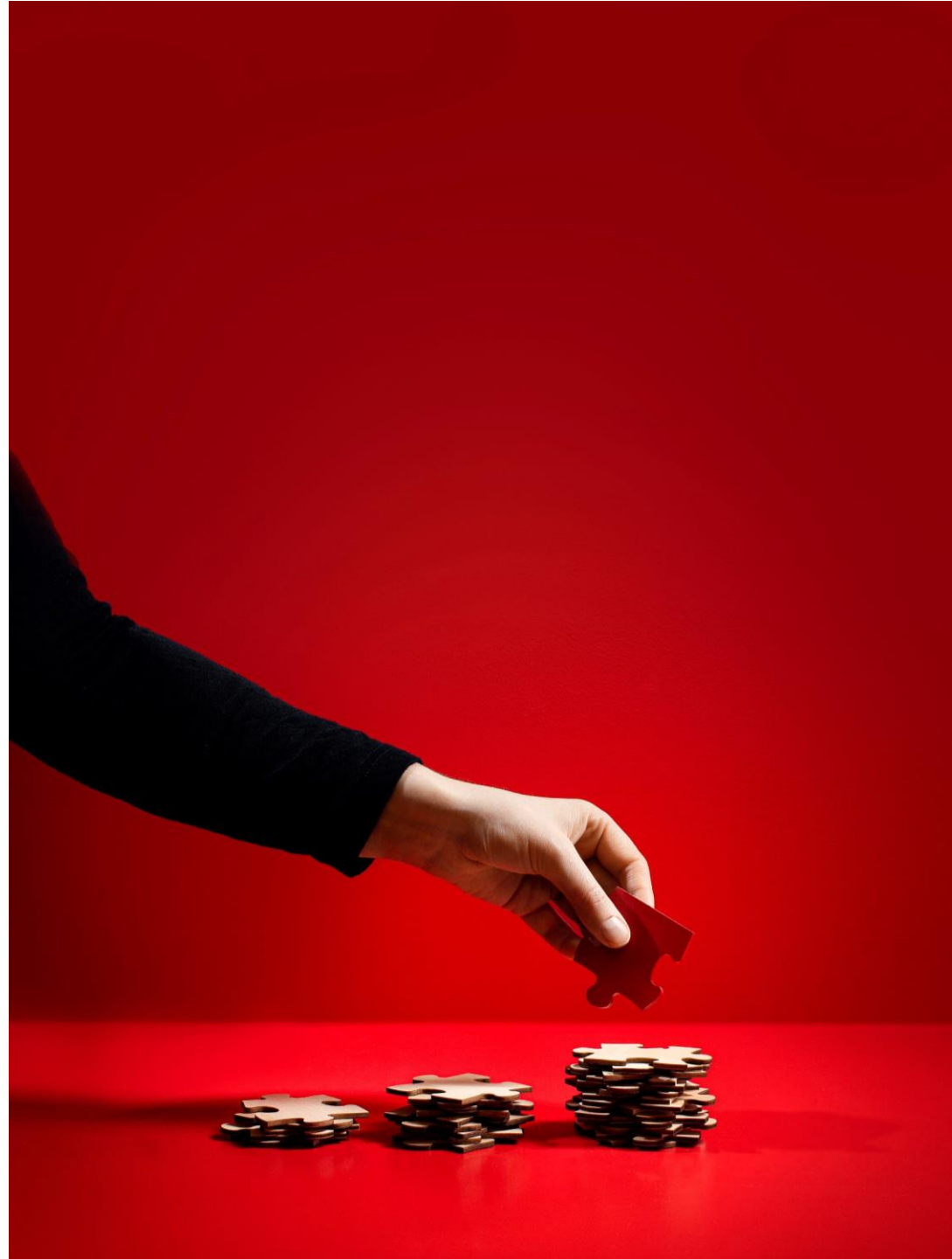
# Volati is about long term value growth

- Build strong platforms through adding value to our units ...
- ... while still ensuring a decentralized model, which has proven to work well in changing environments
- Focused on shareholder value, thus 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 43% per year since 2017 for continuing operations
- ROE of 37%, is a testament to our ability to create value



## A. Volati at a glance

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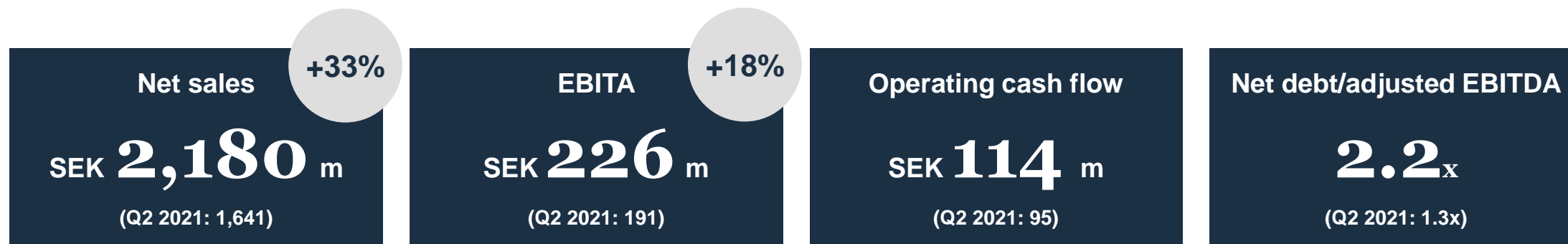


# Continued growth

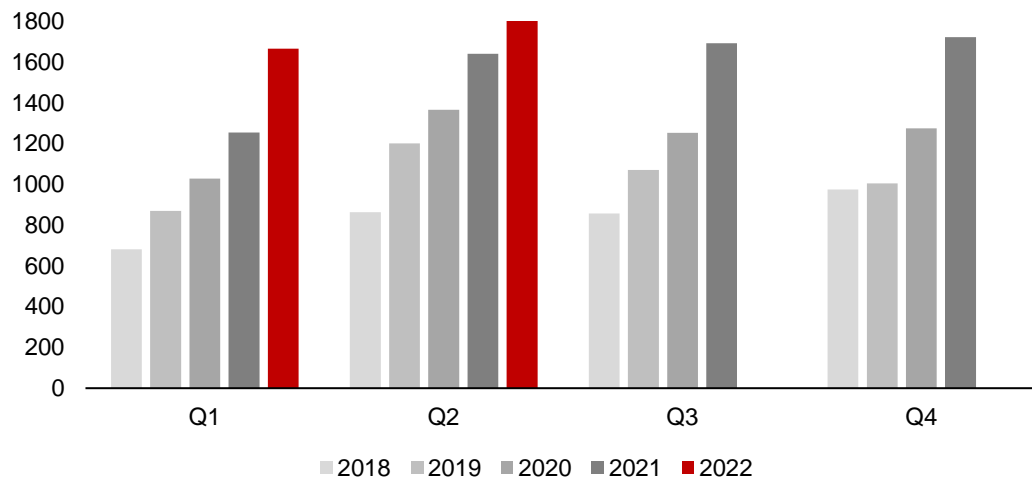
- Net sales growth +33% to SEK 2,180 million
- EBITA growth +18% to SEK 226 million
- Industry revenues +55% and EBITA +43%
  - Strong comeback with satisfying growth after a first quarter affected by the war in Ukraine and the strike in Finland
- Salix Group revenues +15% and EBITA +1%
  - Solid development meeting tough comparative figures after historically very high levels in the last two years
- Three acquisitions in the quarter, five acquisitions YTD, adding annual revenues of SEK 800 million



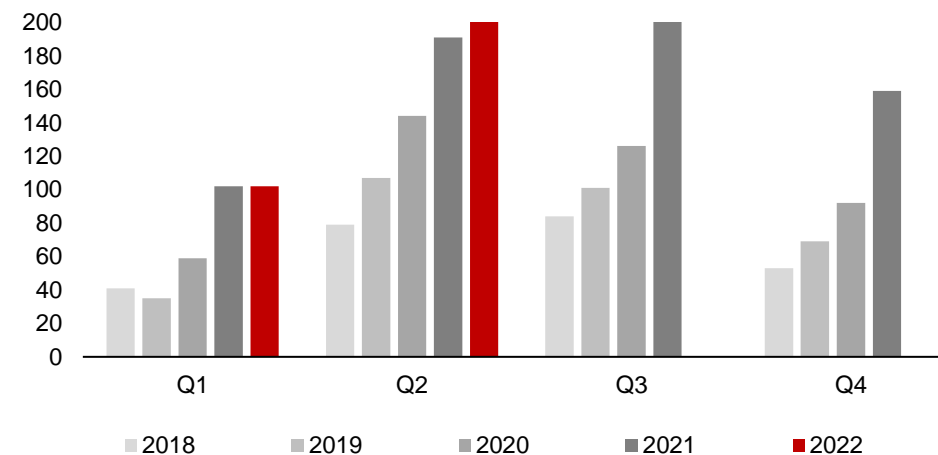
# Financial development, Q2 2022



Net sales, SEK m



EBITA, SEK m





# Financial development, LTM Q2 2022

Net sales

SEK **7,260** m

(Q2 2021: 5,421)

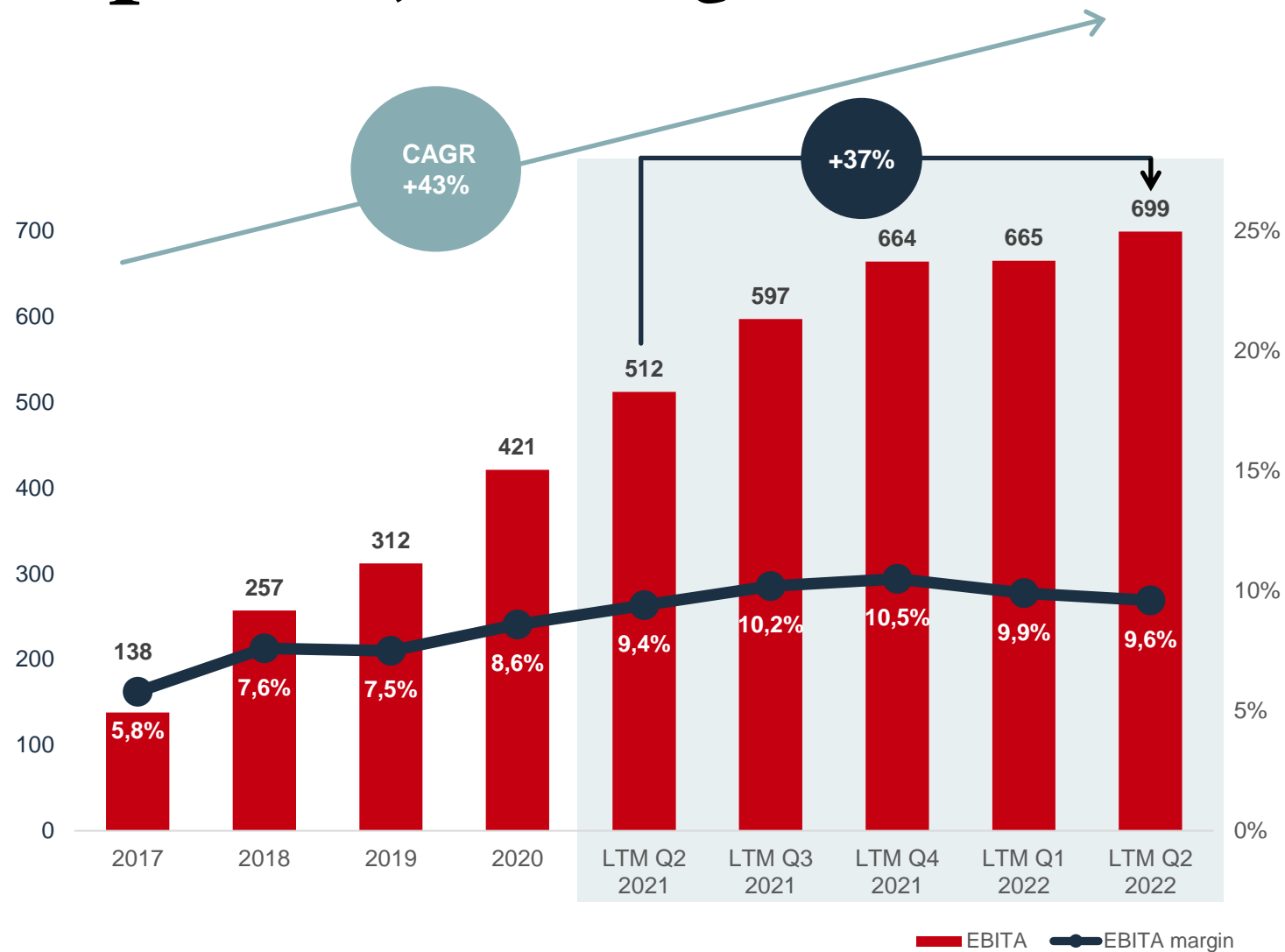
EBITA

SEK **699** m

(Q2 2021: 512)

Operating cash flow

SEK **391** m



# Financial targets

## EBITA growth

The target is an average annual growth in EBITA<sup>2)</sup> 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 equity<sup>2)</sup> of 20 percent<sup>1)</sup>.

## Capital structure

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

Growth in EBITA per  
ordinary share, LTM

**37%**

(2021: 58%)

Return on adjusted equity

**37%**

(2021: 40%)

Net debt/adjusted EBITDA

**2.2x**

(2021: 1.3x)

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

As from Q2 2022 the target is redefined to be measured by quarter instead of the average over the last four quarters.

# 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.



Consists of five separate businesses that offer 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.



**43%**  
of Group  
EBITA, LTM

## Demand remains strong in the professional and industrial segments

- Sales increased by 15% and EBITA by 1% over Q2 2022
- Healthy growth despite high comparative figures from last year
- Demand remains strong in the professional and industrial segments, some cautiousness in the consumer segment
- 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

	Apr-Jun 2022	Apr-Jun 2021	LTM Q2 2022	Full year 2021
Net sales, SEK m	1,029	898	3,540	3,262
EBITA, SEK m	107	107	336	329
EBITA margin, %	10	12	9	10
ROCE excl. goodwill, %	34	42	34	40
ROCE incl. goodwill, %	17	19	17	19

# Financial development, LTM Q2 2022

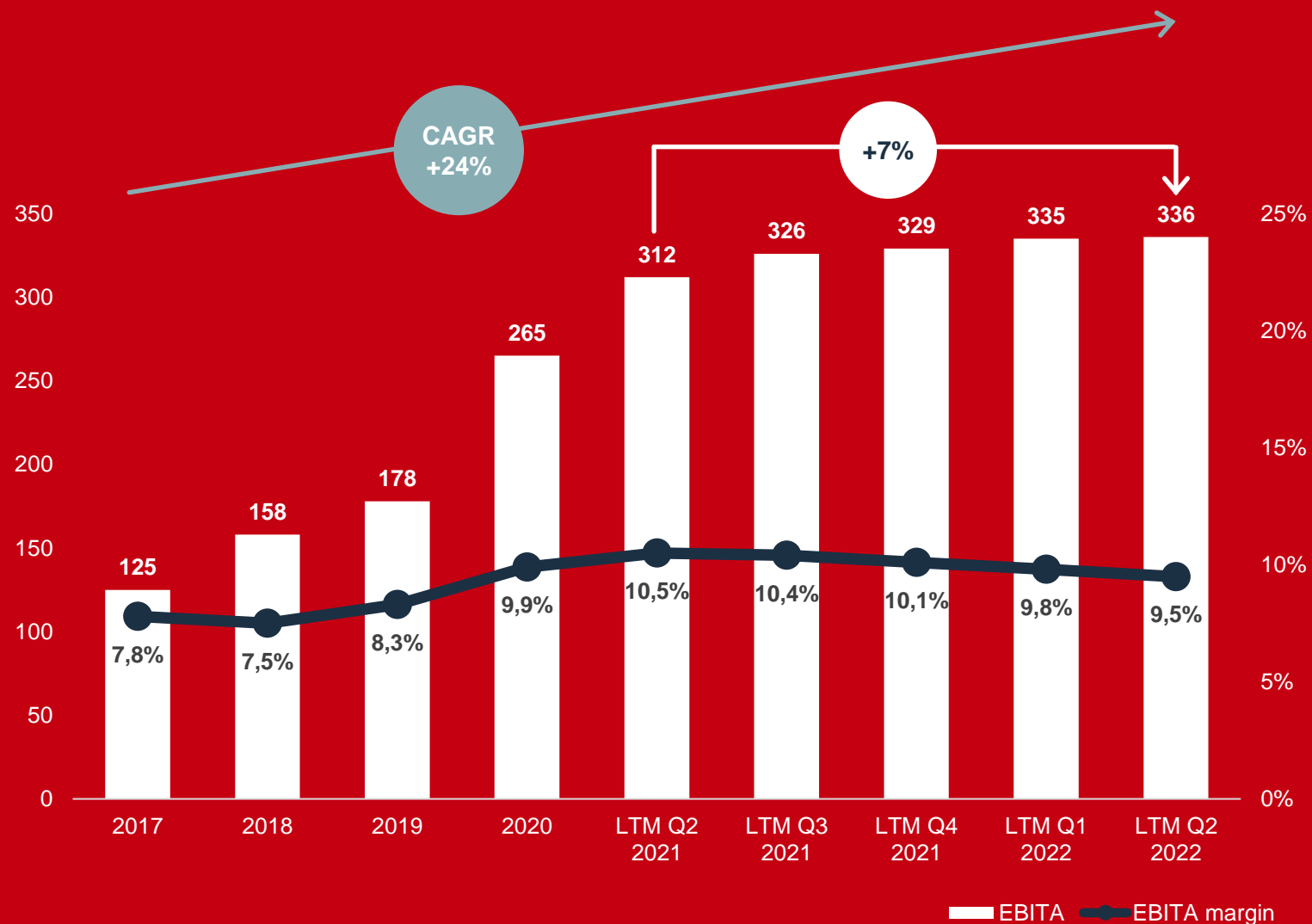


Net sales

SEK **3,540** m  
(Q2 2021: 2,990)

EBITA

SEK **336** m  
(Q2 2021: 312)



Business area  
**Industry**

**57%**  
of Group  
EBITA, LTM

## Strong underlying demand

- Sales growth of 55% and an EBITA increase of 43%, vs. Q2 2021
- Underlying demand remains strong
- Significantly lower direct effects from the war in compared to Q1 2022
- Material supply issues affecting Ettiketto Group during the quarter, however large orderbook due to pent up demand
- Solid performance in Corroventa, however facing tough comparables from last year
- Strong acquisition driven growth - three acquisitions since beginning of the year
- Good opportunities for continued acquisition-driven growth

	Apr-Jun 2022	Apr-Jun 2021	LTM Q2 2022	Full year 2021
Net sales, SEK m	1,153	744	3,723	3,050
EBITA, SEK m	144	100	440	397
EBITA margin, %	12	13	12	13
ROCE excl. goodwill, %	38	34	38	42
ROCE incl. goodwill, %	23	21	23	25

# Financial development, LTM Q2 2022



Net sales

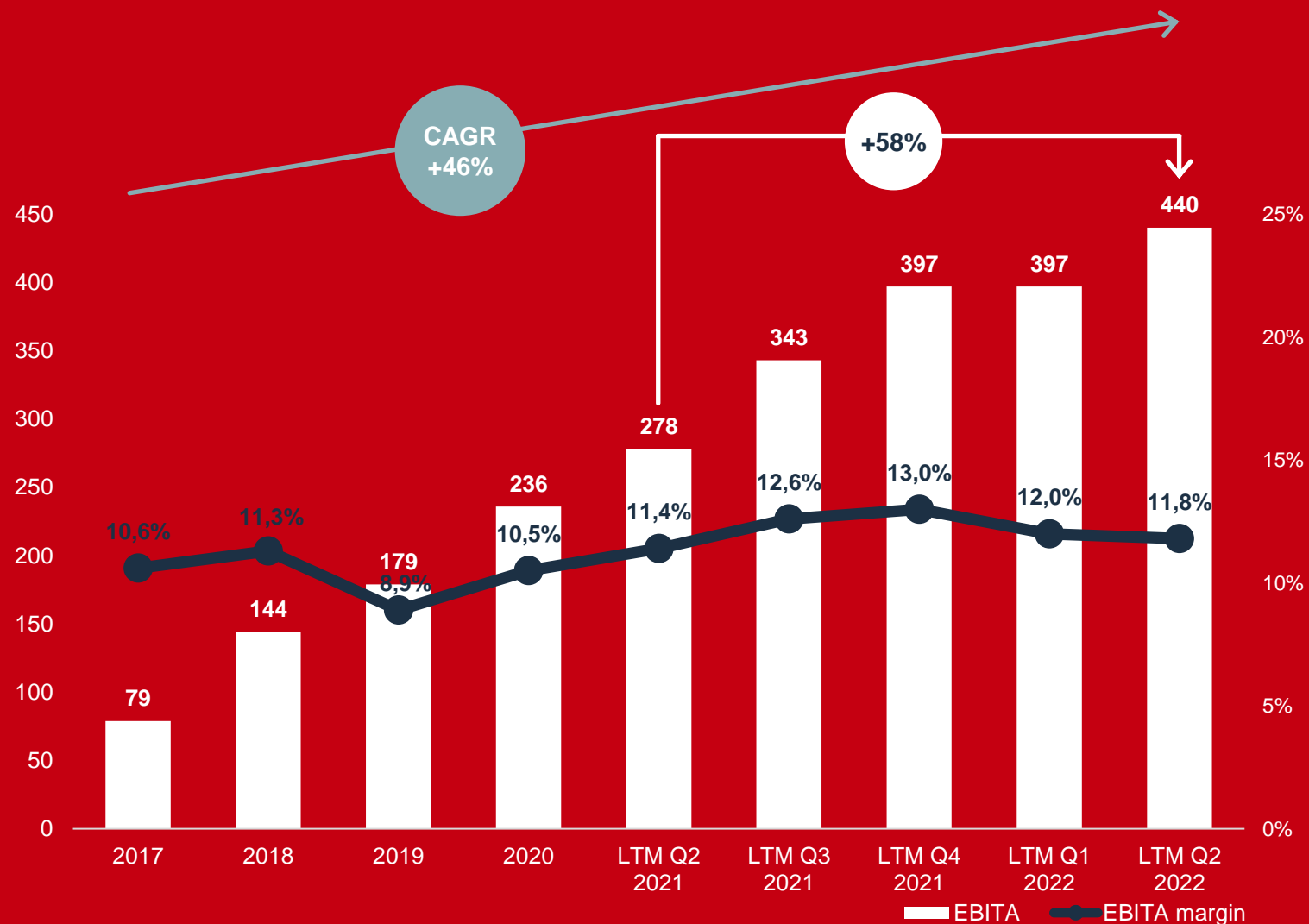
SEK **3,723** m

(Q2 2021: 2,434)

EBITA

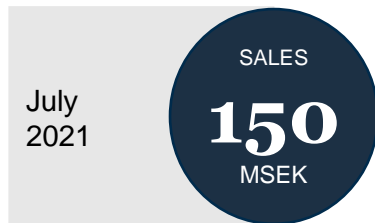
SEK **440** m

(Q2 2021: 278)



# Acquisitions LTM with a total annual turnover of SEK 1.1 billion, SEK 800 million YTD

## Apisa



## Meag Va-system



## Jigraf



## Skipnes



Acquisition capacity  
SEK +2.0 Bn.  
company value

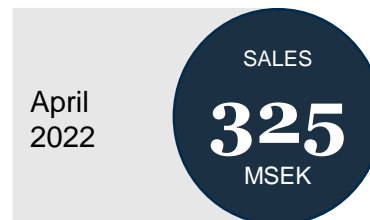
## Gunnar Eiklid



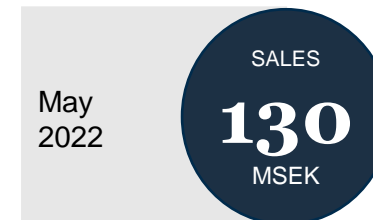
## Terästorni



## MAFI



## Nibu/SkanCo

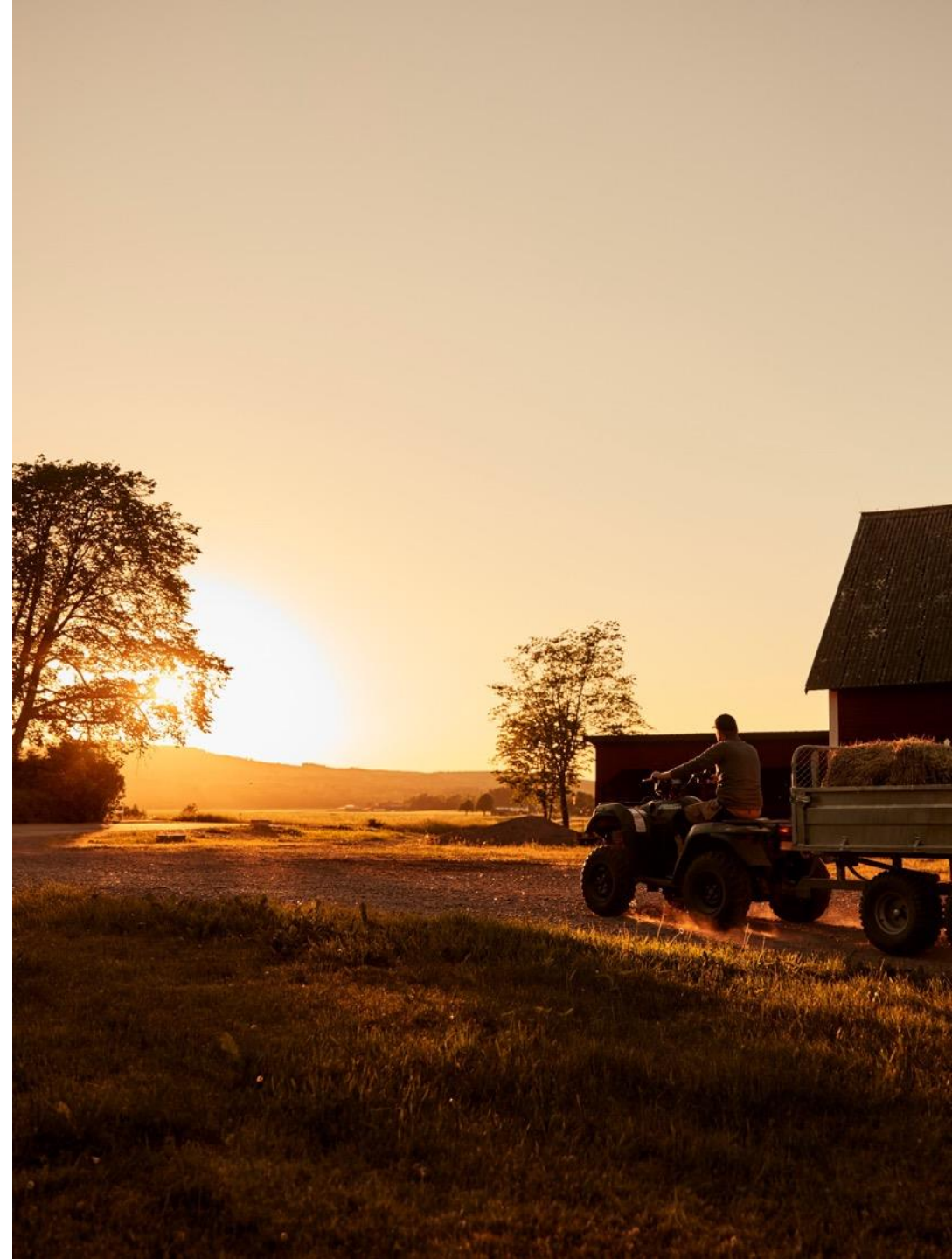


Focus on integration and synergy realisation



# Well positioned to continue the platforms through acquisitions

- Foremost an 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



# Case Nibu

- Volati's fifth and Salix' second acquisition in 2022
- One of the leading specialist wholesalers in Norway within kitchen and interior fittings.
- The company, founded in 1972, is headquartered in Skippestad, Norway, and is also represented in Kungsängen, Sweden, through SkanCo.
- Strengthens Salix Group's market position in Norway, where Nibu together with Sørbø Industribeslag and Gunnar Eiklid will be one of leading players in the fittings segment. Also strengthens the position within the industrial segment in Sweden.
- Showing strong growth and profitability in line with Volati as a whole. Sales of SEK ~130 million



# Capital structure

- Equity of SEK 1,873, of which preference shares amount to SEK 828 million
- Revolving credit facility of SEK 2,4 billion, whereof SEK 500 million unutilised
- Overdraft facility of SEK 300 million of which SEK 175 million unutilised
- Cash and cash equivalents amount to SEK 174 million
- Net debt/adjusted EBITDA amounts to 2.2x

# Summary

## Continuing to offer long term value growth

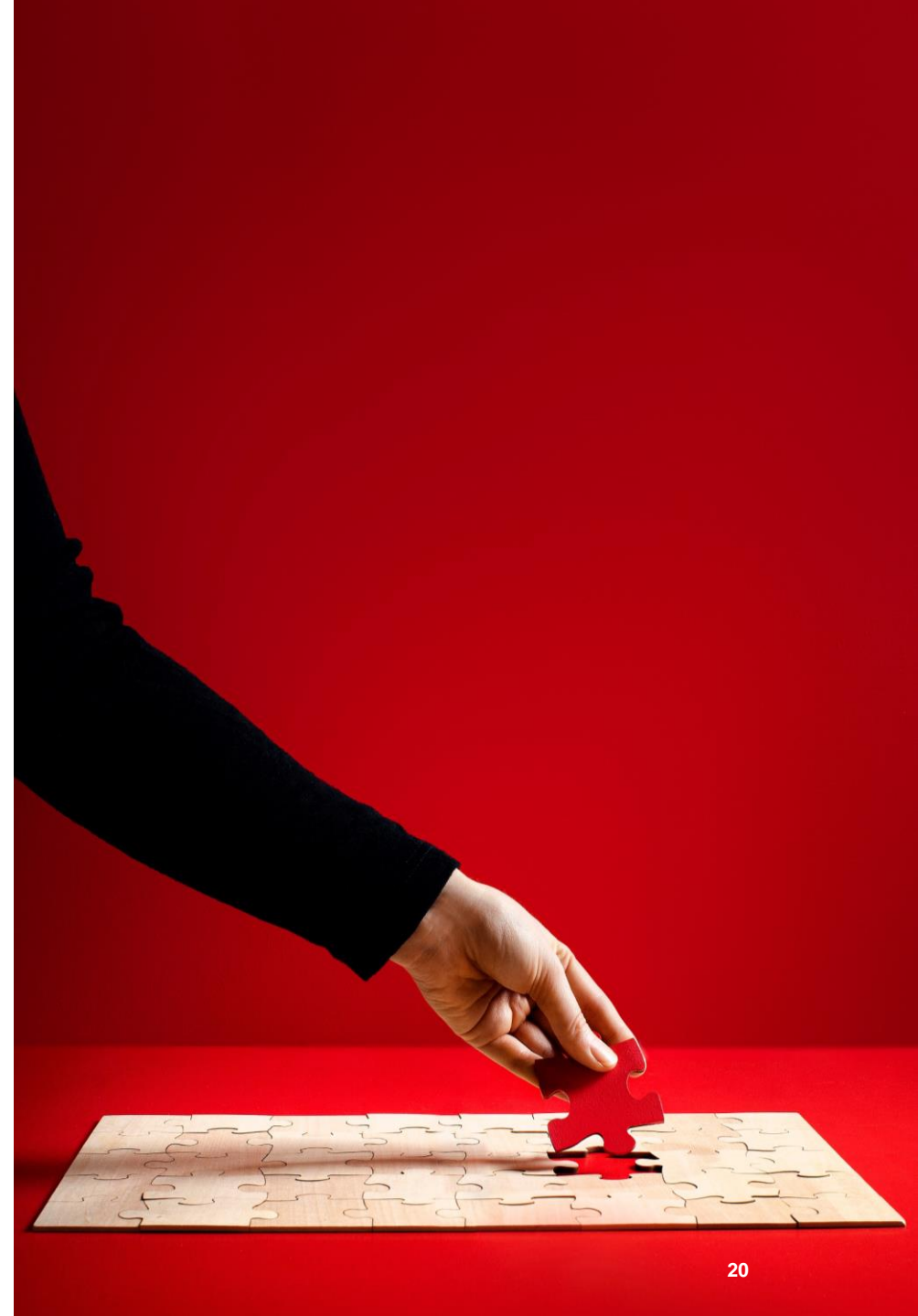
- EBITA growth +18% in Q2 and +37% LTM per ordinary share
- ROE of 37%

## Delivering on our growth journey

- Acquisitions of Terästorni, MAFI and Nibu
- Acquisitions the last 12 months have added annual sales of SEK 1.1 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



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