



Interim Report Oct–Dec 2021

Andreas Stenbäck, CEO

Martin Aronsson, CFO

11 February 2022

A. Volati at a glance

B. Quarter four update

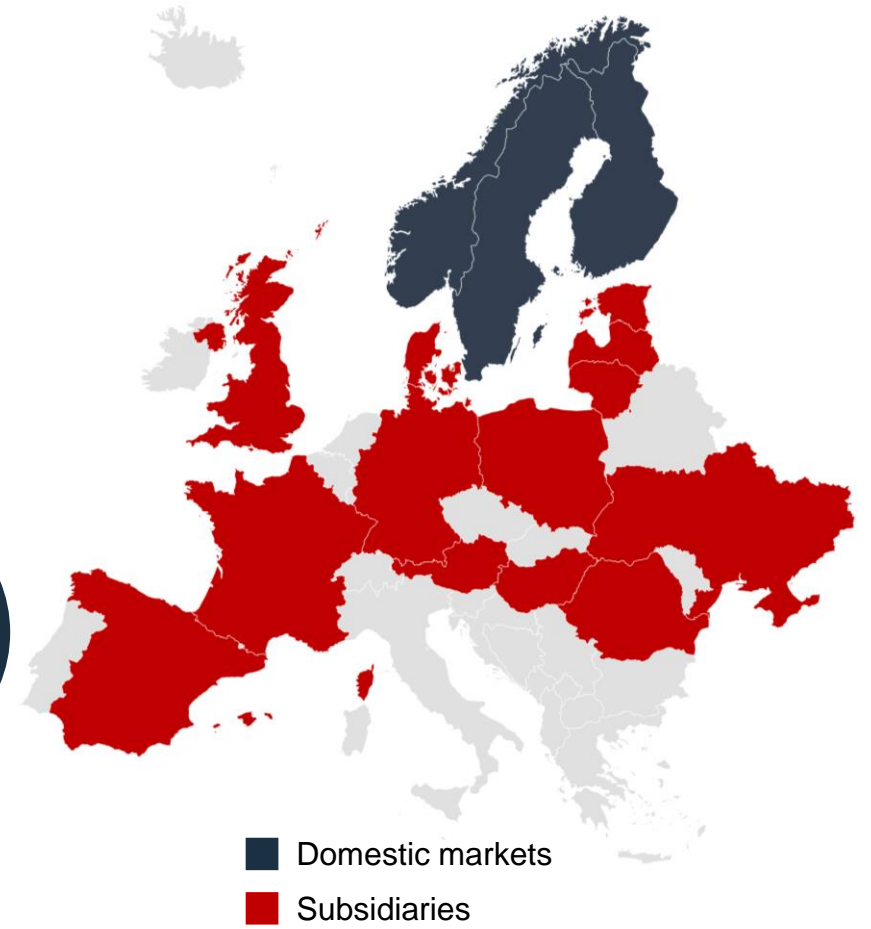
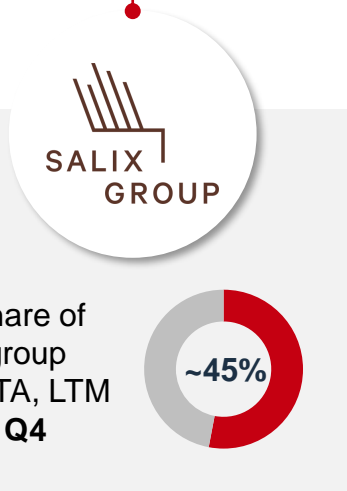
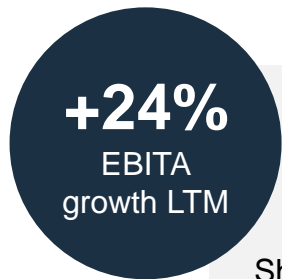


Volati is a growing group of well-managed companies with strong earnings

Volati

Net sales 2021 SEK 6,309 m

EBITA 2021 SEK 664 m



Recent activities has resulted in a focused group with stronger key characteristics

Value transfer of
SEK +1.7 bn
 to shareholders while
 growing EBITA with 12%

- *Sale of Business Area Consumer*
- *Separate listing of Bokusgruppen*
- *8 acquisitions*
- *Navigating through covid*
- *New management team in place*



Volati is about long term value growth

- We build strong platforms through focusing on adding value to our units, while still ensuring a decentralized model
- We continuously develop the leadership and talent in our organization, to ensure our platforms have access to competence
- We are focused on creating shareholder value, thus we are restrictive with new share issues or in other ways diluting our share
- With our high ROE, and our ability to create additional value through value adding acquisitions, we can grow at a high, self-financed, pace
- Growth of EBITA earnings per common share of 48% per year since 2017 for our continuing operations
- Our ROE, ~ 38% on continuing operations, is a testament to our ability to create value



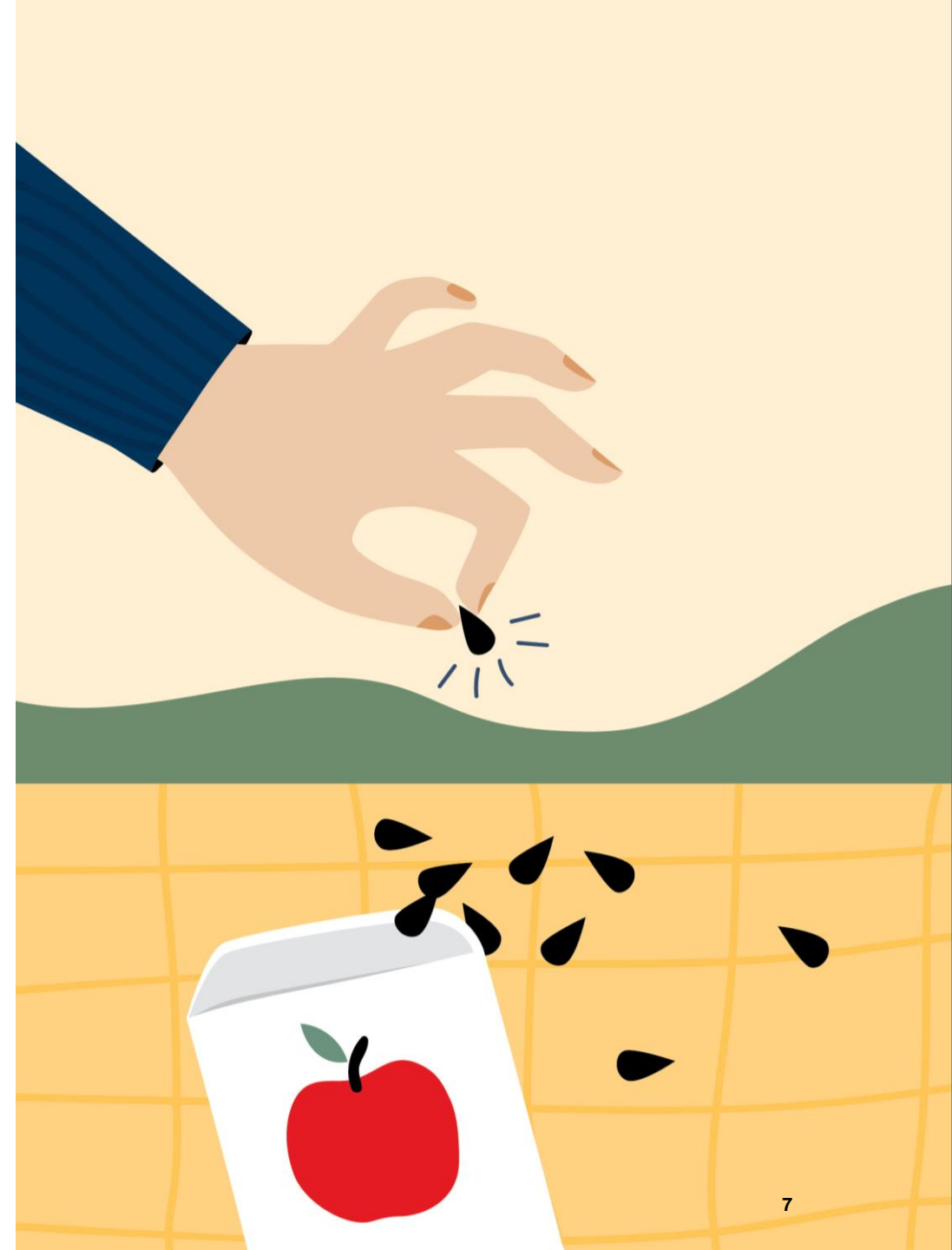
A. Volati at a glance

B. Quarter four update

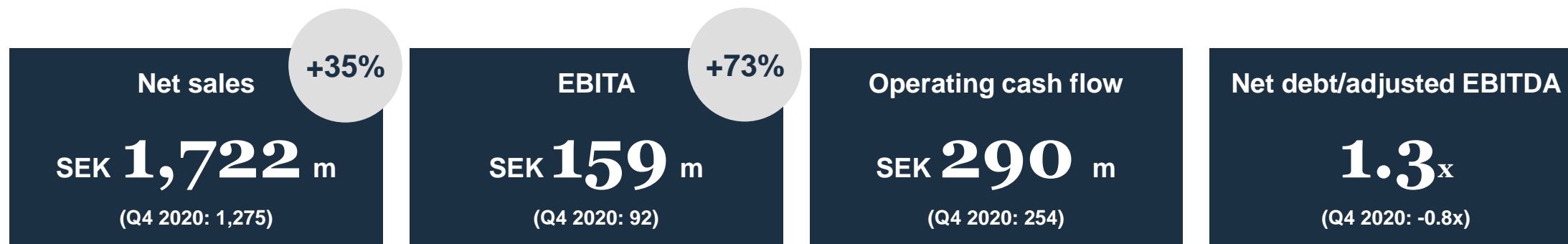


Strong earnings growth

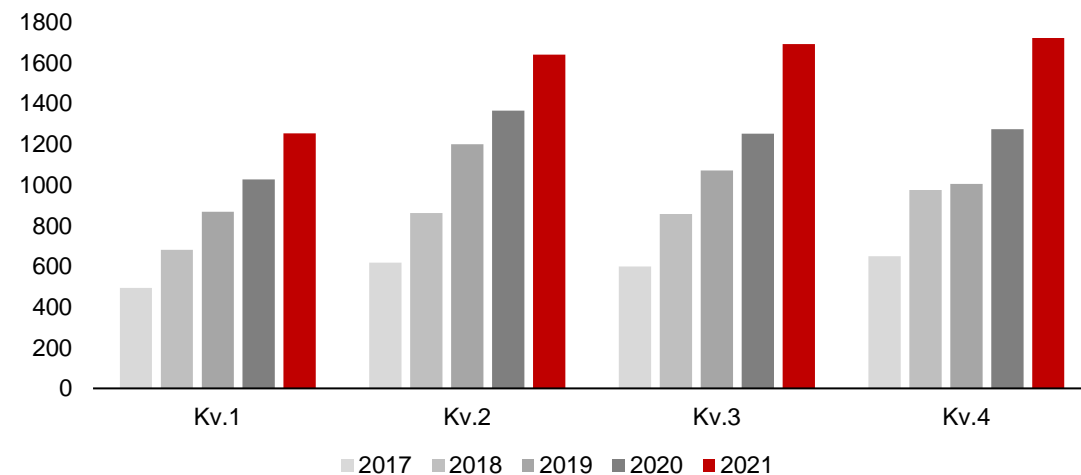
- EBITA growth +73% to SEK 159 million
 - 39% organic growth
- Profit per ordinary share +213% to SEK 1.05 (0.34) for continuing operations
 - +105% for full year 2021
- Two add-on acquisitions during Q4, and one in January 2022
 - Eight acquisitions during 2021
- Return on adjusted equity of 38% for our continuing operations
- Salix Group revenues +18% and EBITA +5%
- Industry revenues +55% and EBITA +83%
- Continued challenges from the pandemic but successful transfer of increased raw material costs and freight costs to customers defending our margins



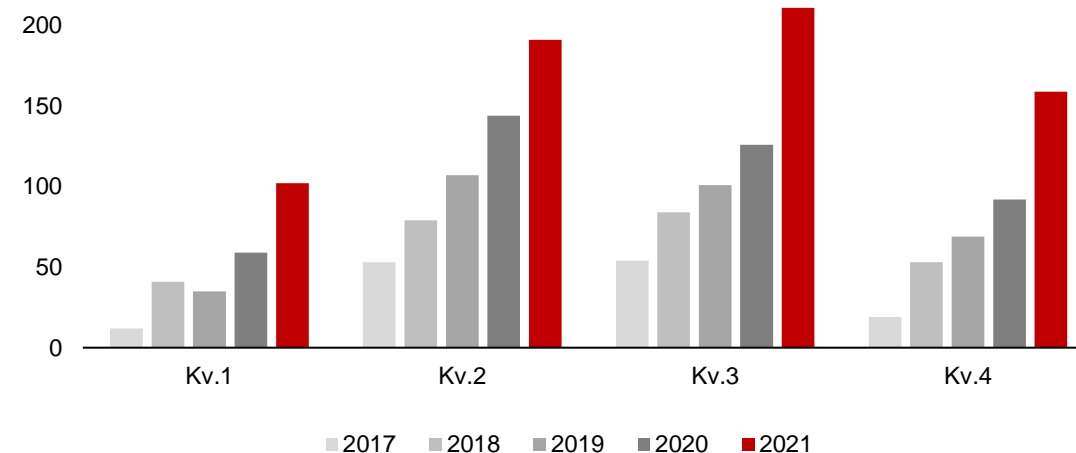
Financial development, Q4 2021



Net sales, SEK m



EBITA, SEK m

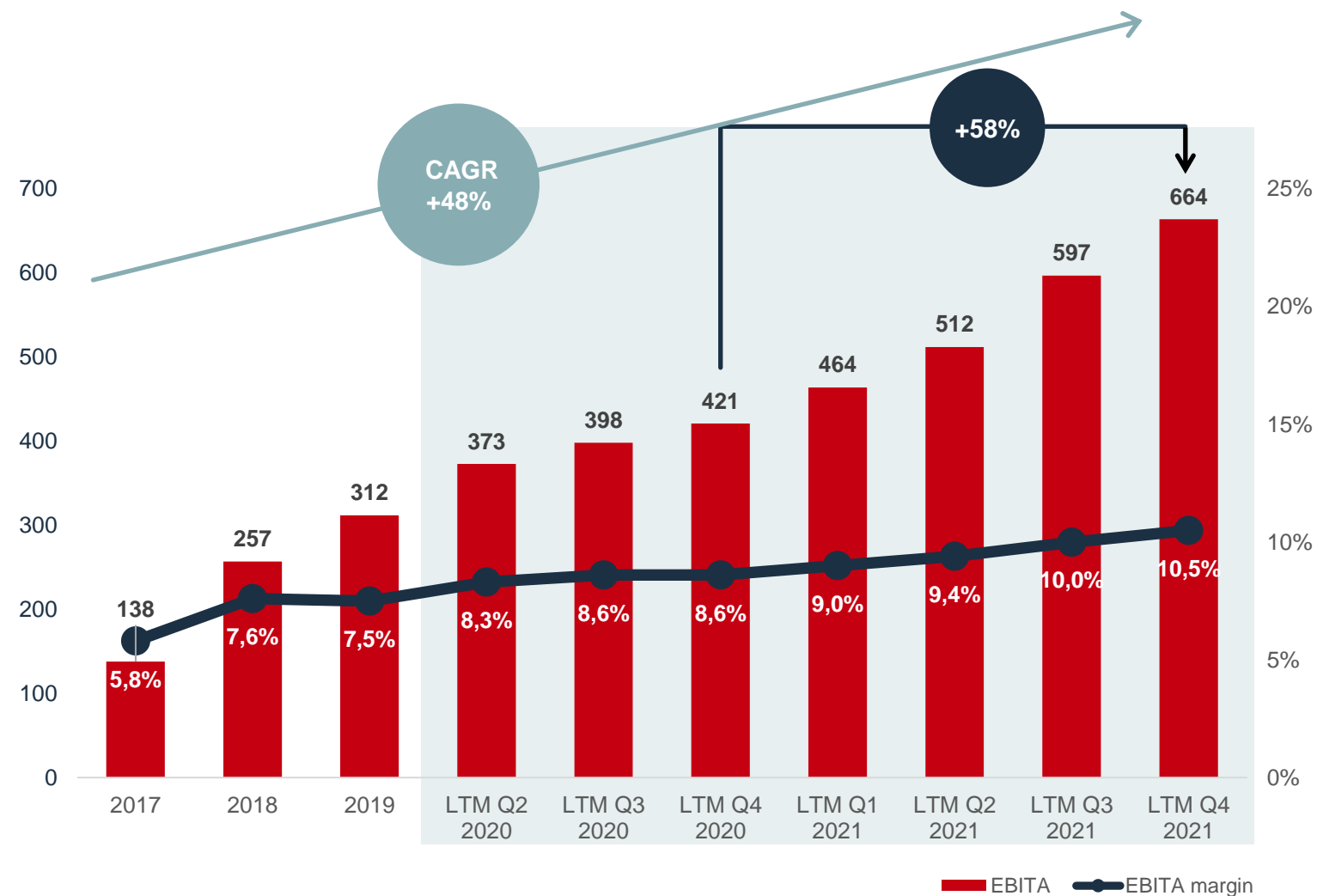


Financial development, FY 2021

Net sales
SEK 6,309 m
 (Q4 2020: 4,921)

EBITA
SEK 664 m
 (Q4 2020: 421)

Operating cash flow
SEK 487 m



Financial targets

EBITA growth

The target is an average annual growth in EBITA²⁾ per ordinary share of at least 15 percent over a business cycle.

Growth in EBITA per ordinary share, LTM

58%

(2020: 35%)

Return on adjusted equity

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

Return on adjusted equity

40%

(2020: 51%)

Capital structure

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

Net debt/adjusted EBITDA

1.2x

(2020: 0,9x)

1) Including divested operations. 2) See pages 131-136 of the 2020 Annual Report for definitions of alternative performance measures.

Two business areas with high growth focus



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



Products and solutions for companies in grain management, dampness and water damage management, labels, stone products and cement products.



Previously
business area Trading

45%
of Group
EBITA, LTM

Growth focus and disciplined pricing

- Sales increased by 18% and EBITA by 5% over Q4 2020
- Healthy growth despite high comparative figures from last year
- Increased demand in the construction and wood industries for professionals, while the DIY segment is flattish (albeit at high levels)
- Disciplined work with customer communication, pricing, and cost control have countered effects of high material prices and supply chain disruptions

	Oct-Dec 2021	Oct-Dec 2020	FY 2021	Full year 2020
Net sales, SEK m	809	687	3,262	2,665
EBITA, SEK m	65	62	329	265
EBITA margin, %	8	9	10	10
ROCE excl. goodwill, %	40	38	40	38
ROCE incl. goodwill, %	19	17	19	17

Financial development, FY 2021



Net sales

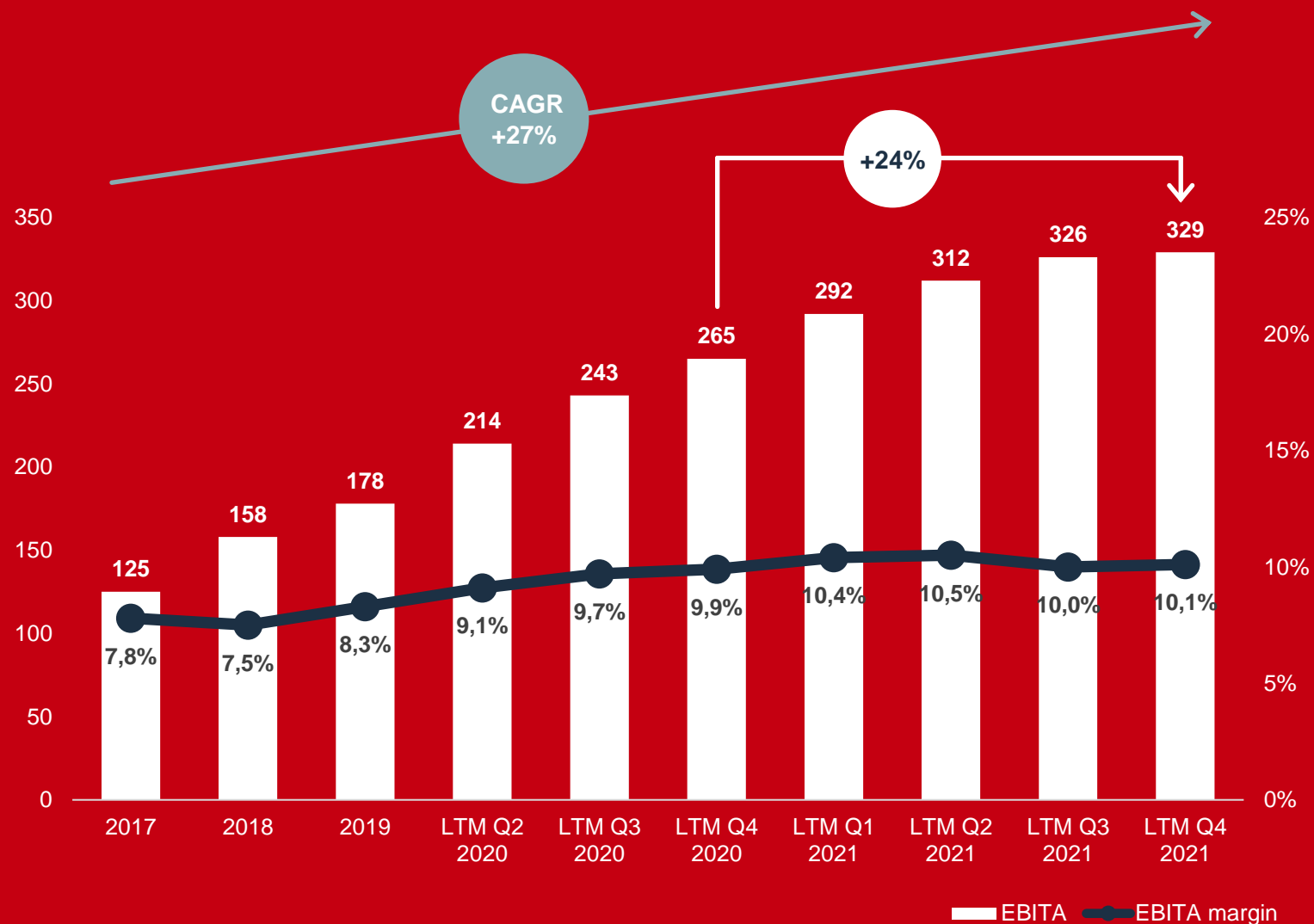
SEK **3,262** m

(Q4 2020: 2,665)

EBITA

SEK **329** m

(Q4 2020: 265)



Business area
Industry

55%
of Group
EBITA, LTM

Strong demand, acquisitions and synergies

- Sales growth of 55% and an EBITA increase of 83%, vs. Q4 2020 with seven acquisitions during 2021 contributing positively
- Broad improvement, with high demand on the business units products
- Margin improvements due to strong demand, price and cost discipline, extraction of synergies and better productivity
- Business unit Corroventa continues to contribute positively in the wakes of the extreme weather conditions and flooding in the Nordics and Western Europe

	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales, SEK m	914	588	3,050	2,258
EBITA, SEK m	117	64	397	236
EBITA margin, %	13	11	13	10
ROCE excl. goodwill, %	42	29	42	29
ROCE incl. goodwill, %	25	18	25	18

Financial development, FY 2021



Net sales

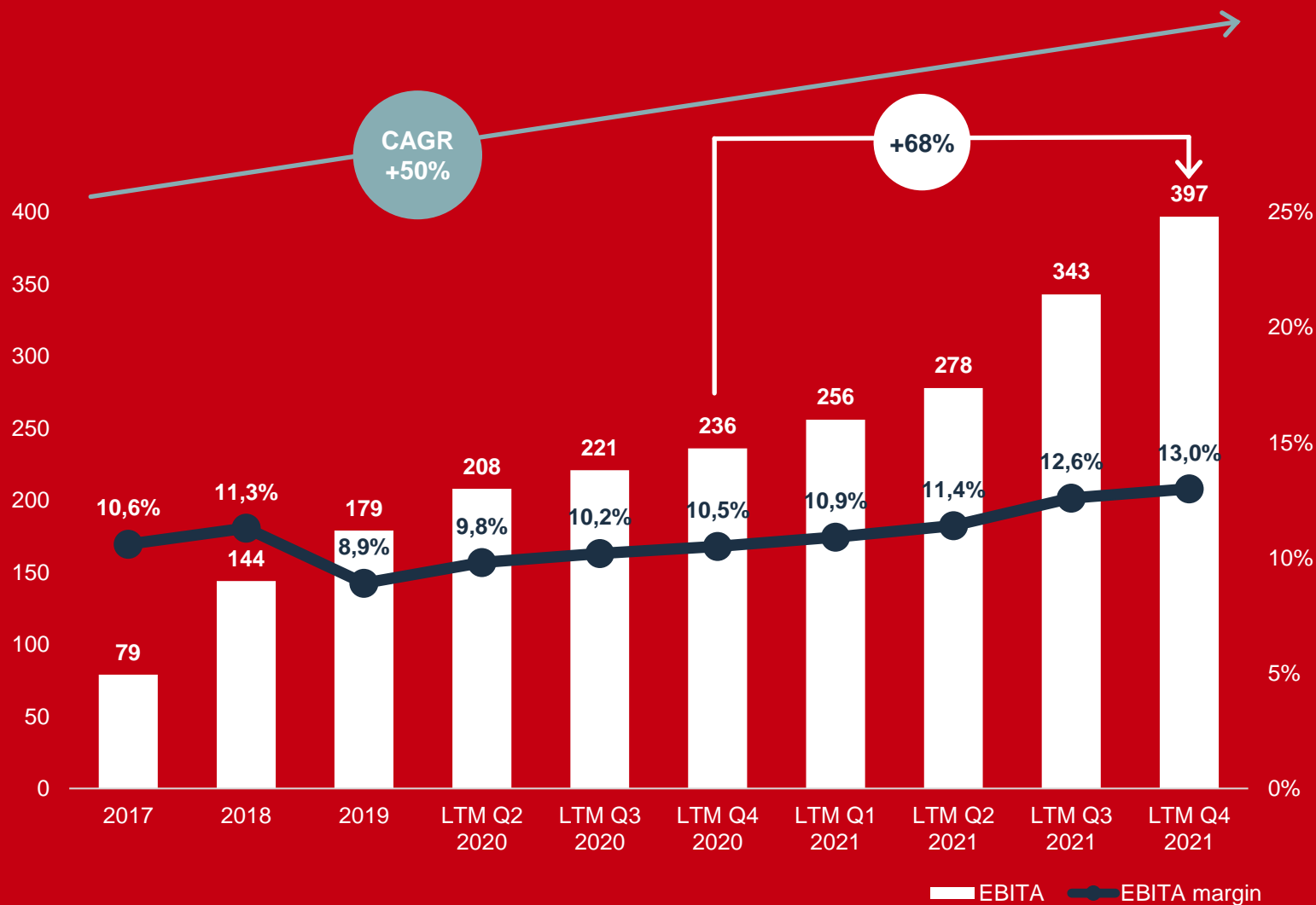
SEK **3,050** m

(Q4 2020: 2,193)

EBITA

SEK **397** m

(Q4 2020: 307)



Acquisitions during 2021 with a total annual turnover of SEK 1.1 billion

JPT

January
2021



Duschprodukter Sweden

March
2021



Scanmast

June
2021



StrongPoint Labels

June
2021



Byggsystem Direkt

June
2021



Apisa

July
2021



Meag Va-system

October
2021



Jigraf

November
2021



Skipnes

January
2022



Focus on integration and synergy realisation

Skipnes – Continued acquired growth

- Sales of NOK ~75 m
- A supplier of adhesive labels with and without print, liner less labels and butter wrapping
- Head-office and production in Trondheim and sales office outside of Oslo
- Ettiketτος and Volatis first acquisition for 2022
- Strengthen the market position in Norway - together with Ettiketto AS, Skipnes will be one of Norway's largest label companies
- Potential to significantly increase the margins through synergies and introducing the Ettiketto operating model



Summary

Continuing to offer long term value growth

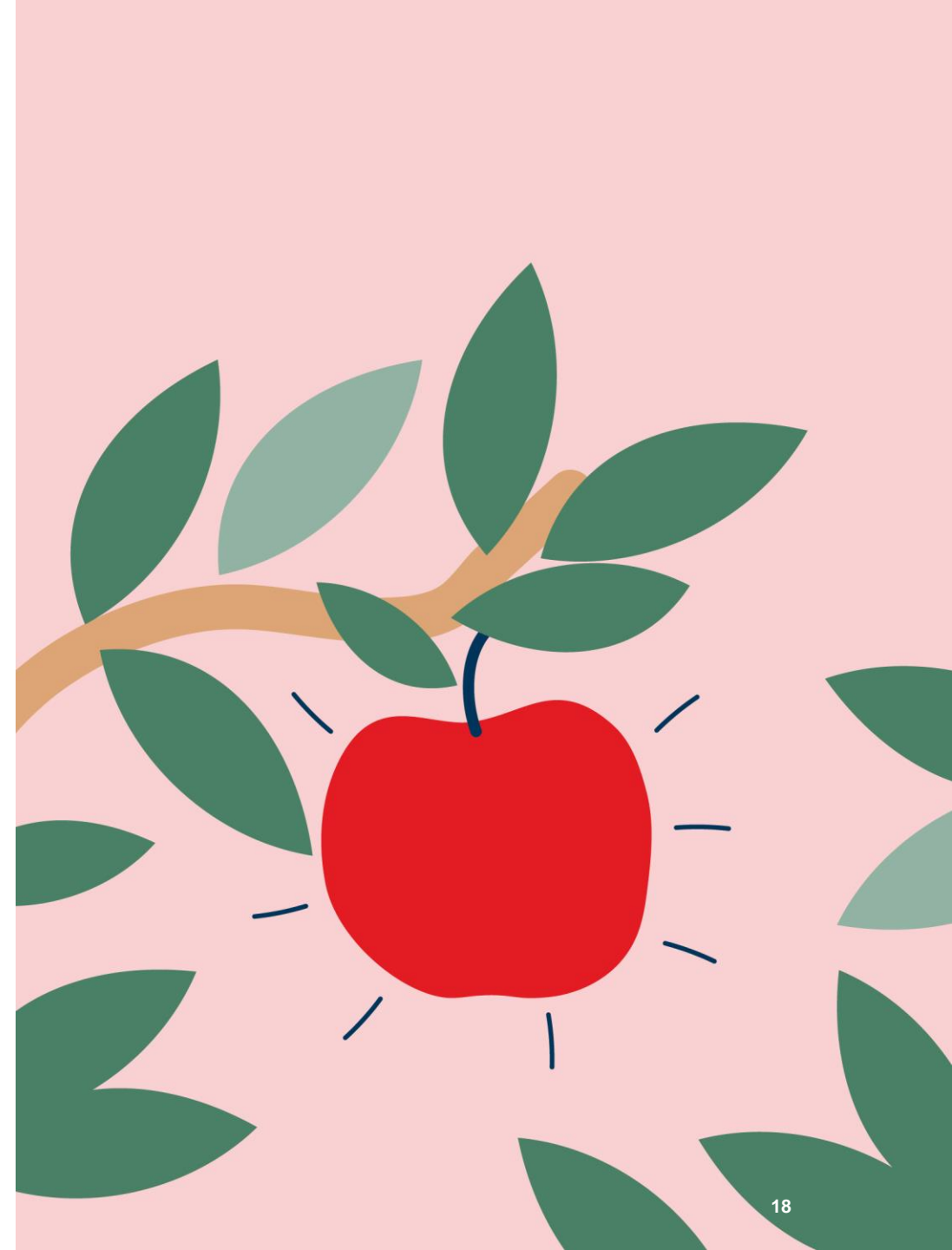
- EBITA growth of +73% to SEK 159 m in the quarter and 58% full year 2021
- Earnings per ordinary share up 105% based on continuing operations
- Return on adjusted equity ~ 38%, excl effects the listing of Bokusgruppen (40% incl.)

Delivering on our growth journey

- Acquisition of Meag Va-system and Jigraf
- Acquisition of Skipnes after end of Q4
- Very strong organic growth 39% in the quarter and 36% full year 2021

Ready for further growth, based on solid finances

- Net debt to adjusted EBITDA at 1.3x
- Total credit agreement of SEK 2.2 billion with Nordea
- Acquisition capacity of SEK +2 bn. going forward



volatı.