



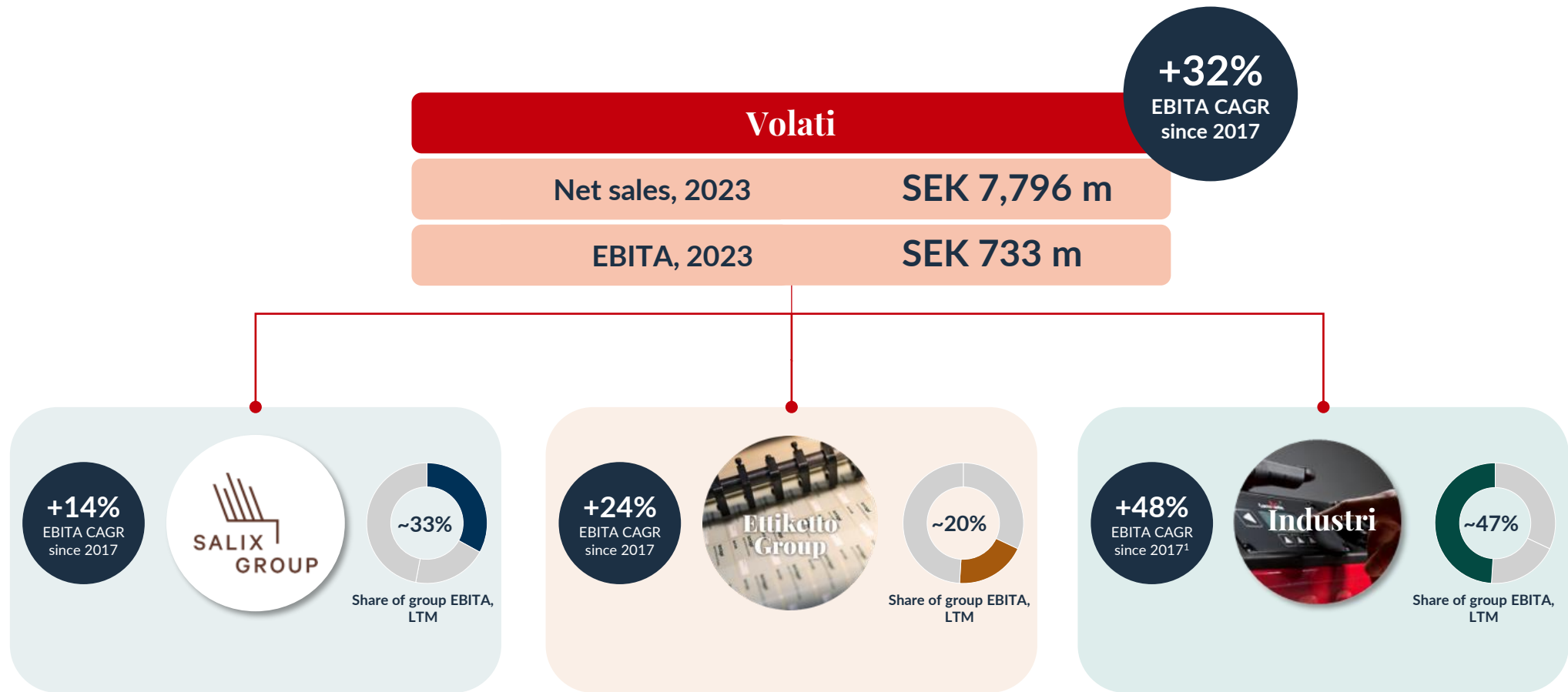
Interim Report okt-dec 2023

Andreas Stenbäck, CEO

Martin Aronsson, CFO

9 February 2024

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



1) Excluding Ettiketto Group

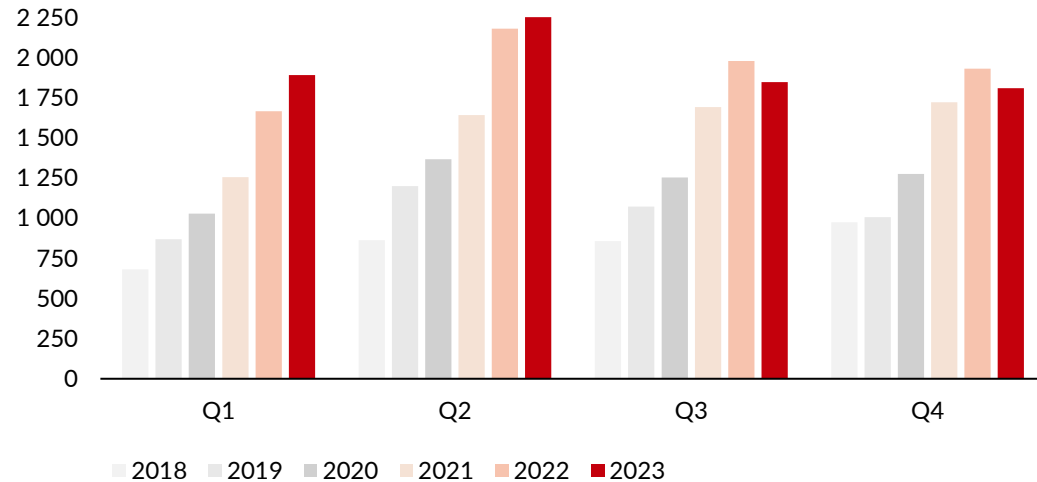
Q4 not reflecting our average earnings potential

- Four out of six platforms showed improved margins and an EBITA in line with or better than last year
 - Salix Group's EBITA remained at the same level as last year despite an 8% decrease in revenue. Margin increased due to stronger gross margins, structural changes and cost control
 - Ettiketto Group experienced a 7% decline in Q4 revenue, while the EBITA margin increased from 16 to 18%. Synergies and operational improvements from previous acquisitions continue to have a positive effect
 - Corroventa and Tornum within business area Industry developed well, with improved margins and EBITA
- Platforms Communication and S:t Eriks significantly behind last year's EBITA
 - Communication continues to see a low demand as a result of a slower 5G rollout, particularly in the US
 - S:t Eriks experiencing strong demand for infrastructure-related products, while demand in the building-related part of the business remains weak. In addition, the cold weather has had a negative impact
 - Cost measures initiated in both platforms, expecting to continue to show effect during 2024
- Two value creating add on acquisitions in Q4, contributing with a total of SEK 400 million of annual sales - good conditions for a larger contribution from acquisitions in 2024
- Continued strong cash flow totaling SEK 300 million in the quarter. Leaves us with a strong financial position to act on acquisition opportunities when they occur

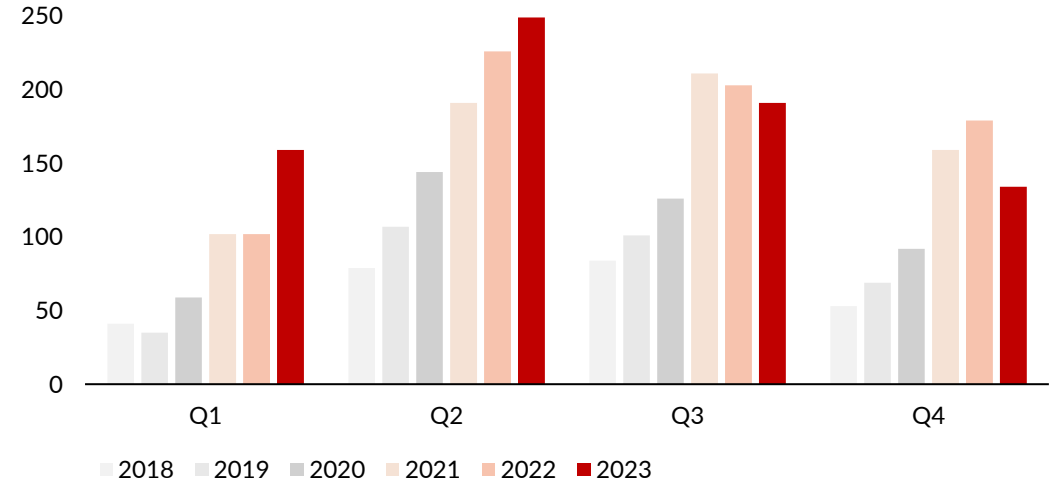
Financial development, Q4 2023



Net sales, SEK m



EBITA, SEK m



Leaving 2023 with a strong position for long term value creation^{volati.}

- In 2023 we have focused on long term structurally sound measures
 - Avoid taking measures that improve profitability in the short term but are damaging in a longer perspective
 - Have been a good time to address structural sound measures in order to maximise long term profits and cash flow
 - Significant one-off costs in Q4 and 2023 in order to create better conditions for our platforms to deliver over time
- Currently not reflecting our average earnings potential
 - Volati has deliberately, for many years, been an owner of businesses whose earnings vary
 - Contrarian acquisition approach resulting in excess returns over time
 - In our diversified group with six platforms the effects of variations often cancel each other out
 - Currently in a state where we have more platforms than normal that are below what we see as their average earnings
- Volati is best evaluated over time

Financial development 2023

+1%
LTM

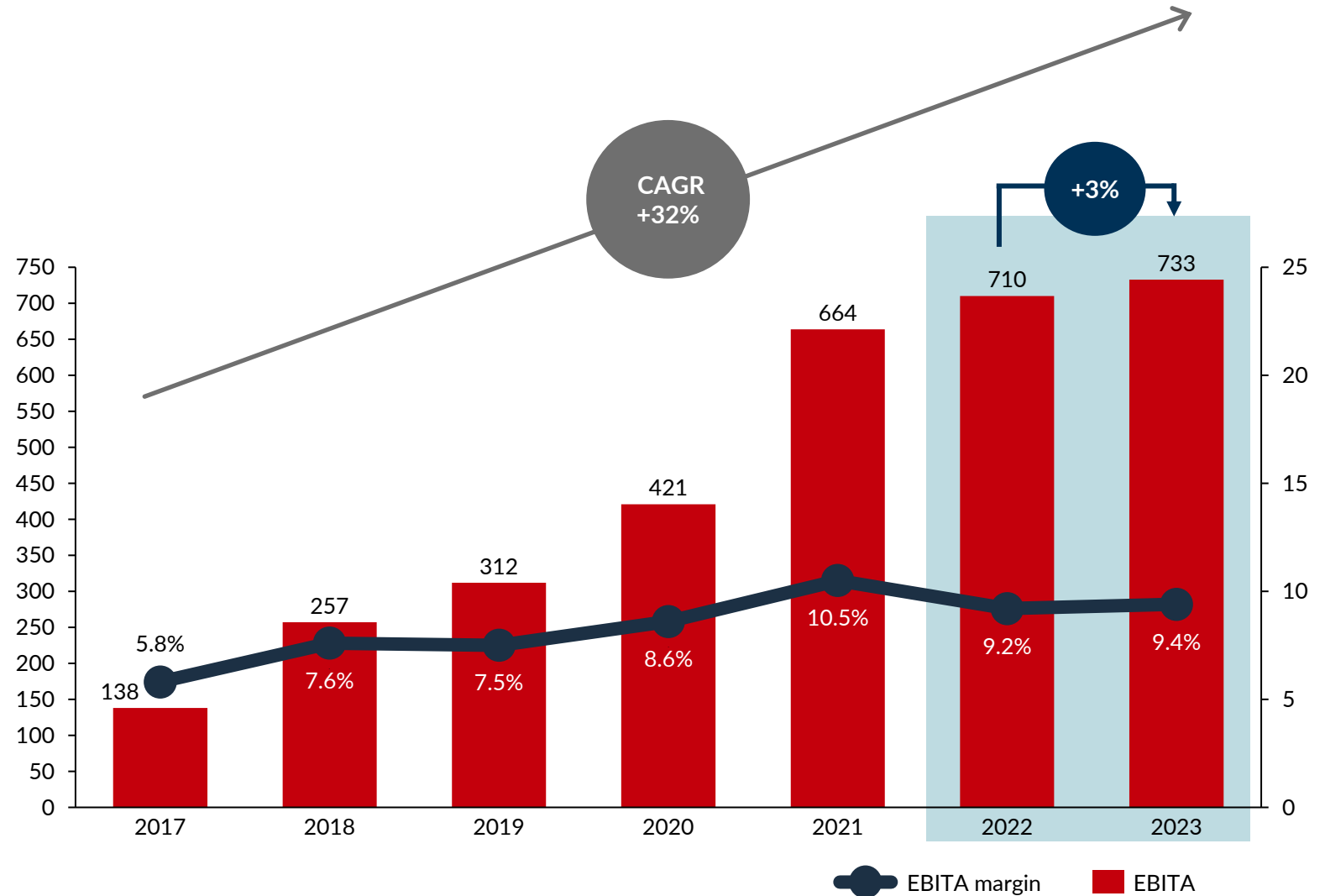
Net sales
SEK **7,796** m
(FY 2022: 7,751)

+3%
LTM

EBITA
SEK **733** m
(FY 2022: 710)

+94%
LTM

Operating cash flow
SEK **836** m
(FY 2022: 431)



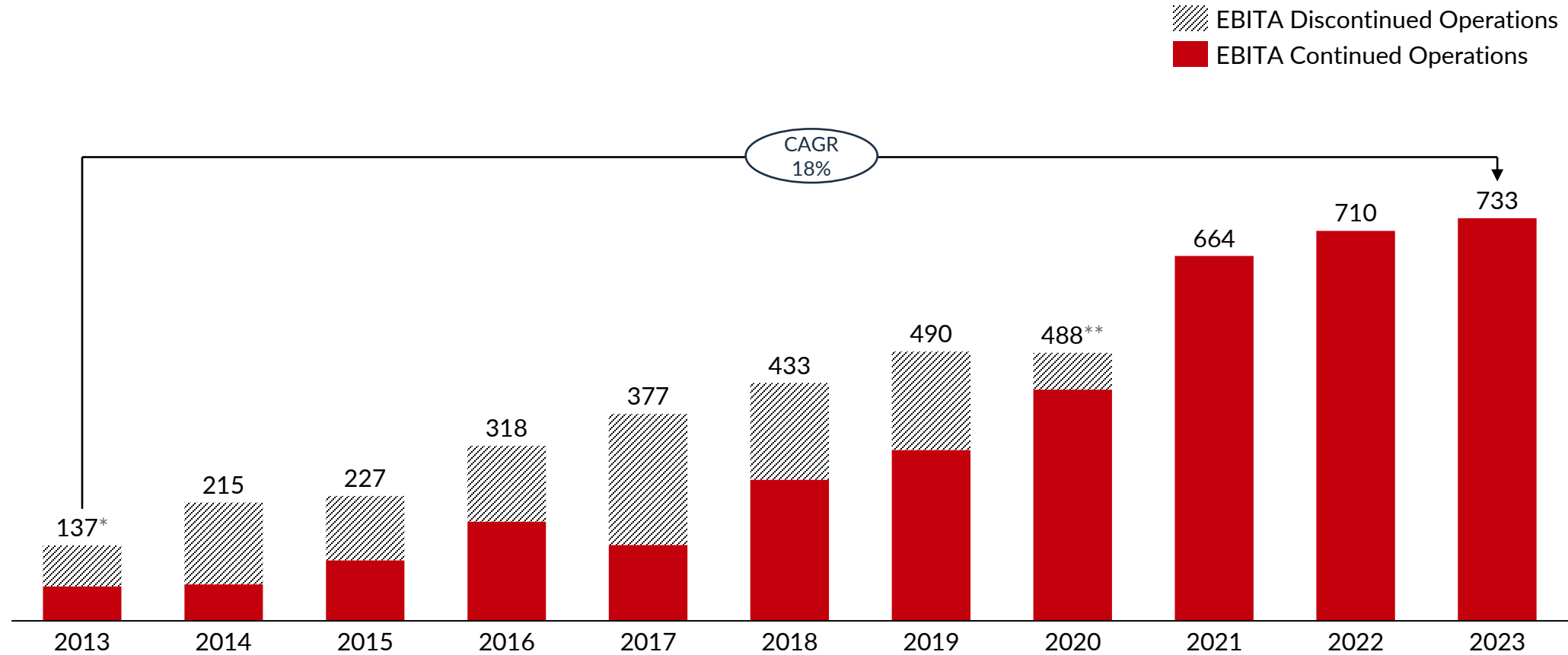
Proven track record of long-term value creation

Continued operations, Growth, Percent



Proven track record of long-term value creation (cont.)

SEKm



* Excluding capital gain of SEK 189 m

** For years 2012-2019 EBITA is excluding IFRS 16 effect (22 MSEK effect in 2019), years thereafter are including IFRS 16 effect

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

3%

(2022: 7%)

Return on adjusted equity

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

Return on adjusted equity

22%

(2022: 32%)

Capital structure

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

Net debt/adjusted EBITDA

2,0x

(2022: 1,9x)

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

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.

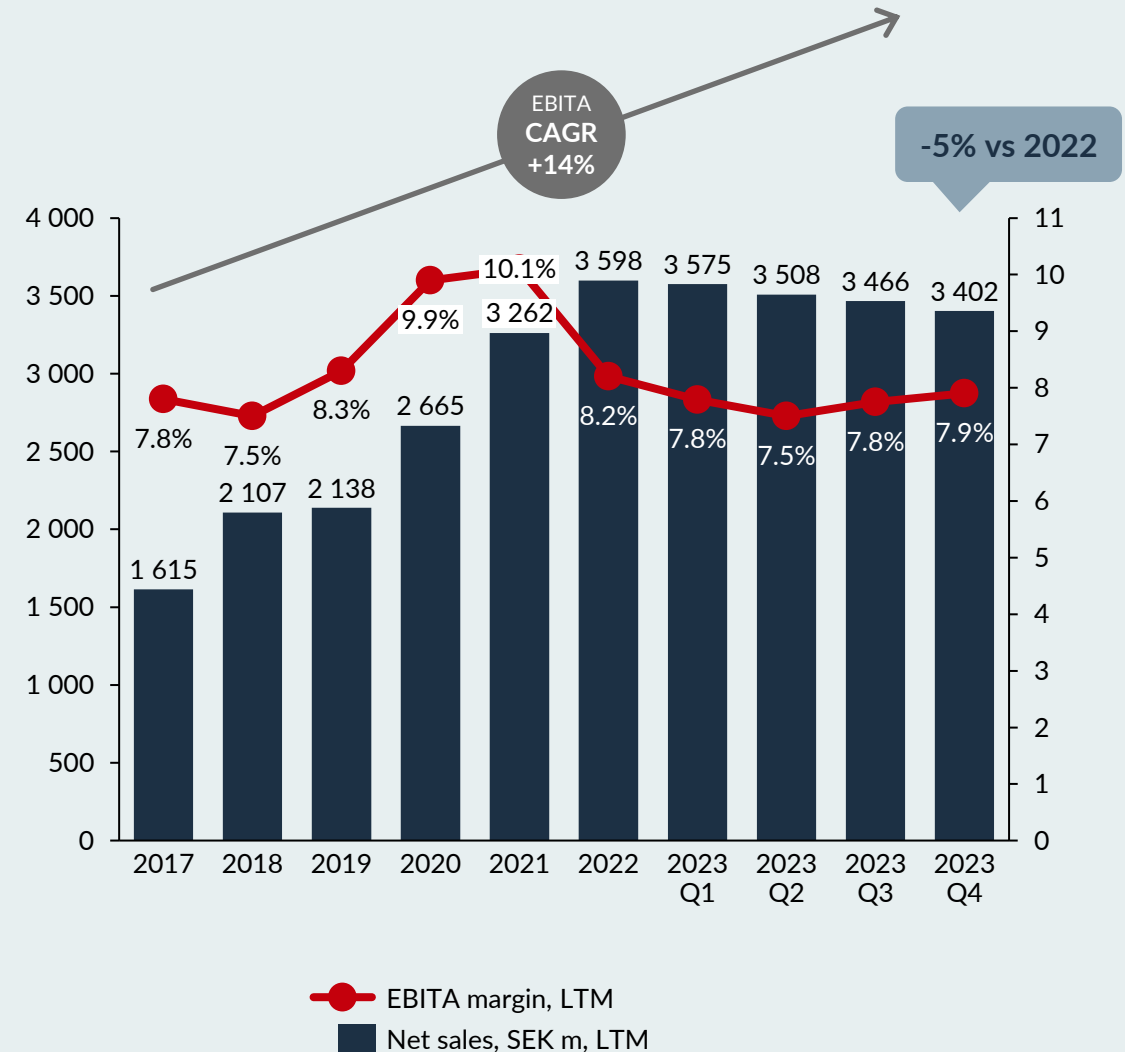


Four businesses with leading market positions in their niches; Products and solutions for grain management. Products for dampness and water damage management. Infrastructure for telecom, lighting and solar panels. Stone and cement products for infrastructure and construction.

Salix Group

- Q4 EBITA in line with Q4 last year, despite a sales decline of 8%.
- Increased margin by 1pp in the quarter which marks the second quarter with higher margin compared to last year.
- The demand in the quarter continues to be hampered due to the current economic environment.
- Positive currency effect in the quarter, along with reduced freight costs and prices on some raw materials.
- When demand recovers, Salix Group is in a good position to capitalise on the growth.
- An agreement to acquire all shares in Trejon Försäljnings AB was signed during the quarter.

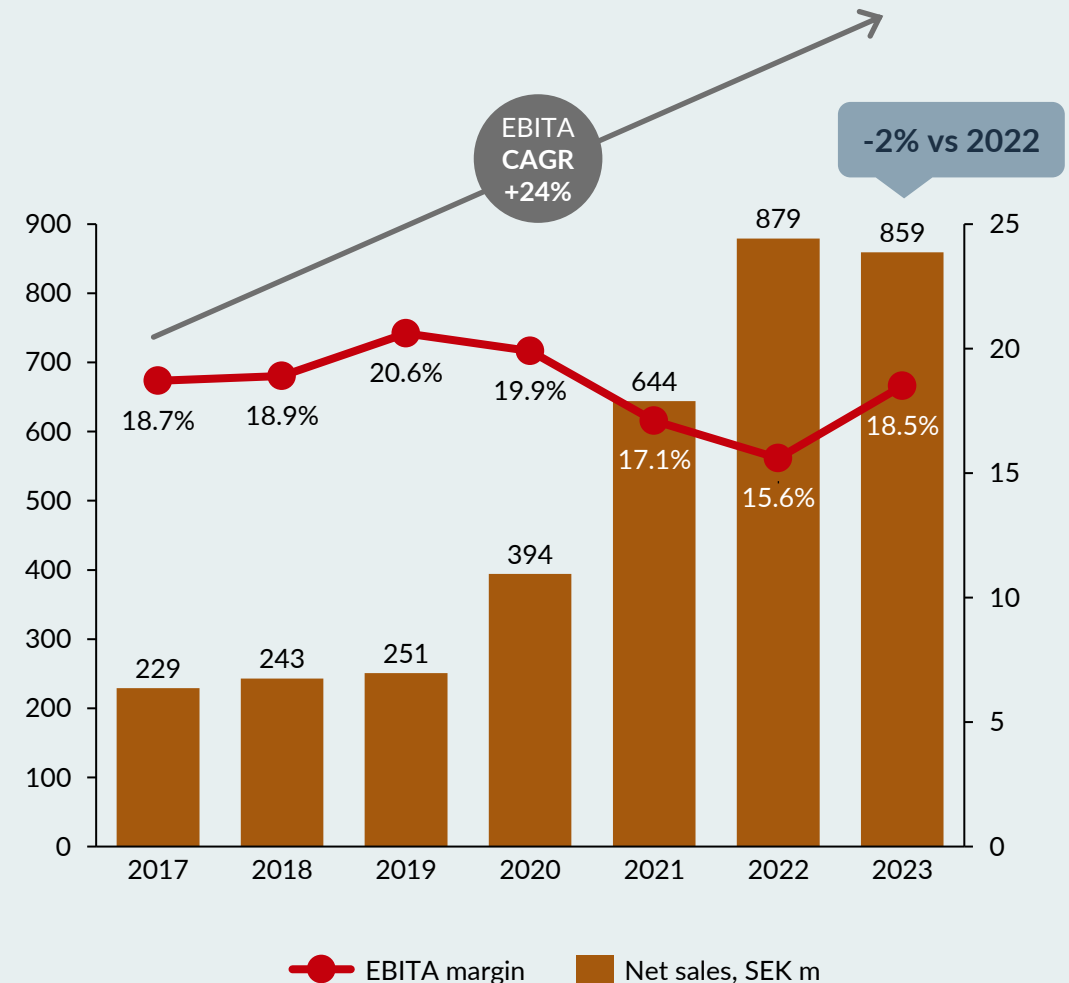
	Oct-Dec 2023	Oct-Dec 2022	FY 2023	FY 2022
Net sales, SEK m	759	823	3,402	3,598
EBITA, SEK m	45	45	269	296
EBITA-margin, %	6	5	8	8
ROCE excl. goodwill, %	25	26	25	26



Ettiketto Group

- Net sales decline of 7% in the quarter compared to a strong comparative quarter in 2022
- Demand still relatively good, but the company is experiencing some volume declines, especially in Norway.
- The EBITA margin for Q4 increased by 2pp, and full year margins increase with 3pp, driven by synergy realisation and focus on operational improvements
- Well-positioned for continued acquisition-driven growth, both in its Nordic home markets and in the rest of Europe.

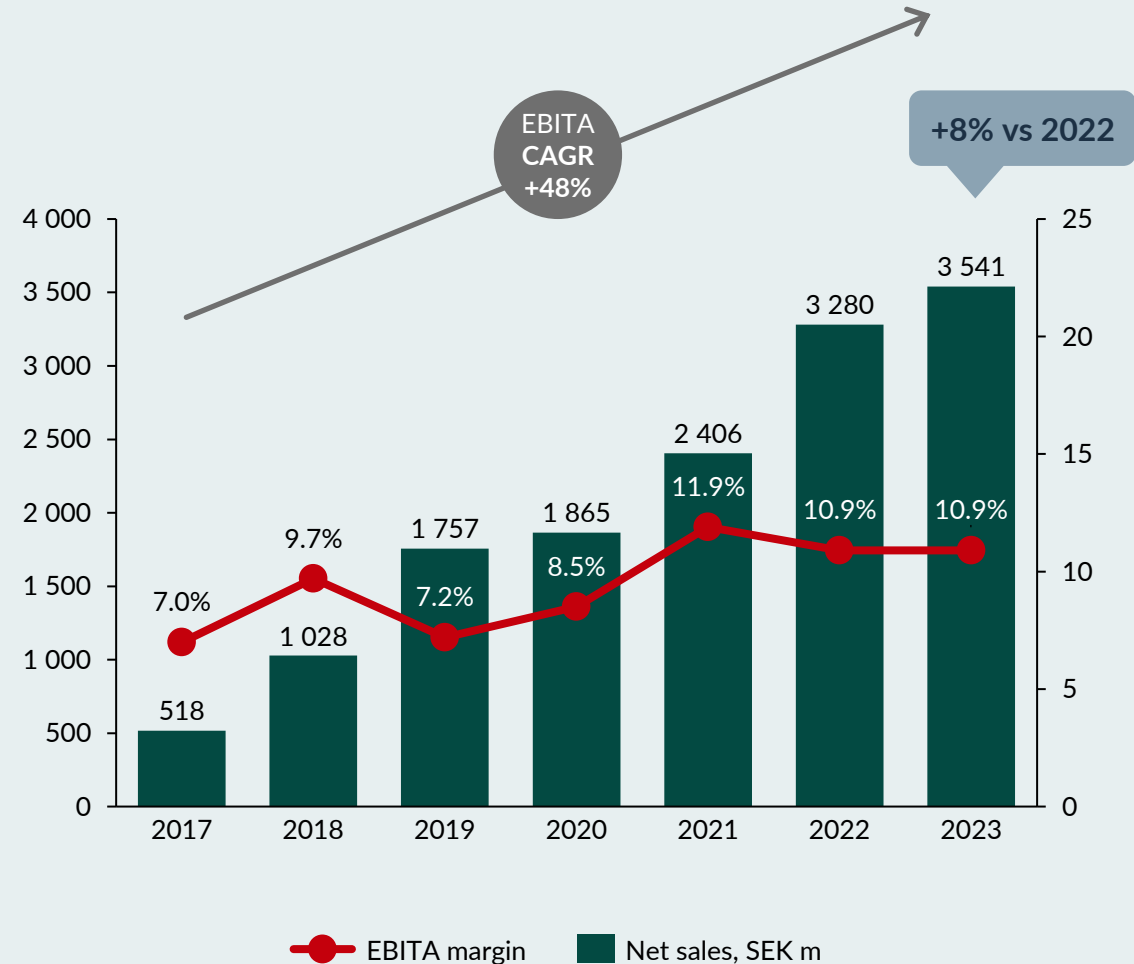
	Oct-Dec 2023	Oct-Dec 2022	FY 2023	FY 2022
Net sales, SEK m	216	234	859	879
EBITA, SEK m	39	38	159	137
EBITA-margin, %	18	16	18	16
ROCE excl. goodwill, %	67	57	67	57



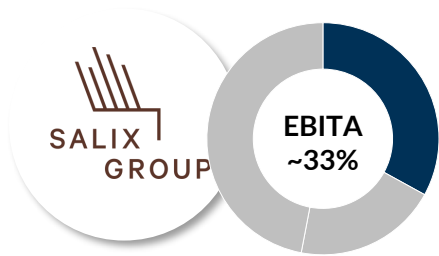
Industry

- Sales declined by 5% in the quarter, and EBITA margin by 3pp, while sales for full year is up 8% and EBITA margin flat.
- Corroventa positively affected by several late storms in Europe
- Tornum Group increases both the margin and result in the quarter.
- S:t Eriks is meeting a good demand in the infrastructure segment, while demand in the construction segment is weak.
- The platform Communication is negatively affected by a slow-down in the 5G rollout, especially in the US, along with challenging comparables from Q4 2022.
- During the quarter the add-on acquisition of SIMEZA to the platform Tornum Group was completed.

	Oct-Dec 2023	Oct-Dec 2022	FY 2023	FY 2022
Net sales, SEK m	834	875	3,541	3,280
EBITA, SEK m	81	113	385	358
EBITA-margin, %	10	13	11	11
ROCE excl. goodwill, %	34	34	34	34



23 acquisitions totalling SEK 3,3 billion of annual sales since 2020



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

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

Corroventa

Tornum

JPT January 2021	SALES 80 MSEK
Apisa July 2021	SALES 150 MSEK
Terästorni April 2022	SALES 220 MSEK
JWI March 2023	SALES 40 MSEK
SIMEZA November 2023	SALES 110 MSEK

S:t Eriks

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

Communication

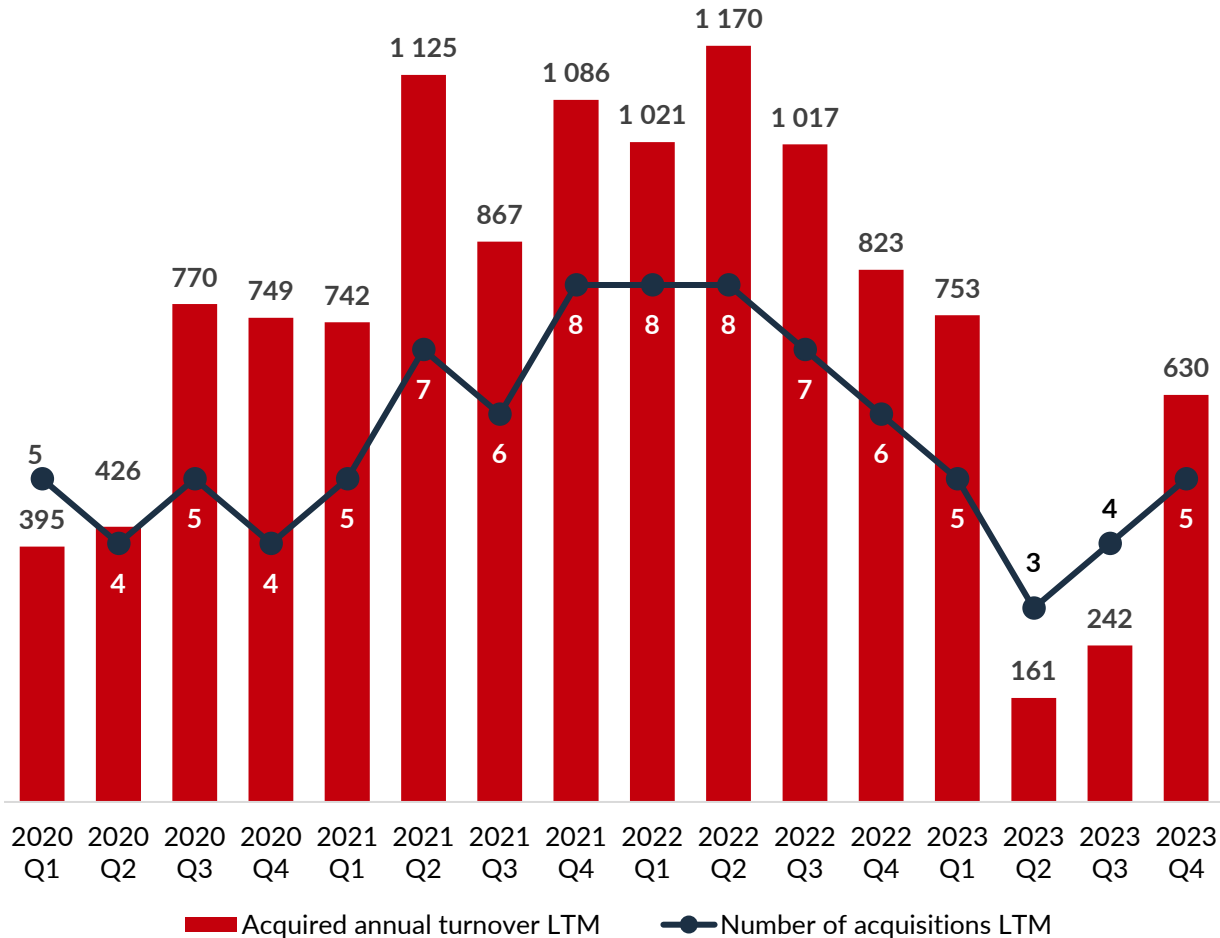
Scanmast June 2021	SALES 290 MSEK
MAFI April 2022	SALES 330 MSEK

Case SIMEZA Silos

- Spanish company, founded in 1975
- Annual sales of ~ EUR 10 million
- Leading European manufacturer of storage silos for the grain industry
- SIMEZA and Tornum Group complement each other and strengthening Tornum Groups product range and adds access to in-house manufactured storage silos
- The acquisition enables realisation of significant synergies within the platform
- Tornum Group, acquired by Volati in 2004, is a prime example of how we aim to build robust platforms and foster long-term value growth



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
- Two acquisition Q4 2023

Summary

- Q4 and 2023 not reflecting our average earnings potential. More platforms than normal are below what we see as their average earnings
- Structurally sound measures taken during 2023. Leaving us with a strong position for long term value creation once conditions improve
- Two add-on acquisitions during Q4 and a strong financial position leaves us with good conditions for a larger contribution from acquisitions



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