

2020

Divestiture Besikta, 21 October 2020

Mårten Andersson, CEO
Andreas Stenbäck, CFO

Volati divests Besikta to Applus+

- **Volati AB has signed an agreement to sell all shares in Besikta Bilprovning i Sverige Holding AB to Applus Servicios Tecnologicos SLU.**
- **Attractive price and valuation** – enterprise value of SEK 1,050 million corresponding to an approx. equity value of SEK 840 million.
- **Strong returns and value creation through active ownership** – capital gain of approx. SEK 750 million and an internal rate of return (IRR) of approximately 50 percent.
- **Completion of the transaction is subject to regulatory approvals** on Applus+ from the Swedish Board for Accreditation and Conformity (Swedac) and is expected to be completed in November.



Recap – acquisition of Besiktningsskluster 2 AB was a hallmark Volati transaction

- Newly formed company with no financial history and neither management team, consumer brand or IT-systems.

- ⊖ • Recently deregulated industry with increasing competition from new entrants.
- No clear growth opportunities.
- Complex and challenging transaction.

- Industry with stable volumes driven by mandatory inspections.

- ⊕ • Opportunity for increased cost efficiency.
- Possibilities for product development and pricing strategies.

Creating value through acquisitions

Volati is focused on creating value through three types of acquisitions

Add-on acquisitions for business units

- Volati – an industrial buyer
- Realise synergies
- Accelerate business units' work on achieving strategic targets
- Examples: Heco, Beneli

Add-on acquisitions for business areas

- Volati – an entrepreneurial buyer
- Seek position as preferred buyer
- Focus on long-term business development and value growth
- Example: T-Emballage

Platform acquisitions

- Volati – a financial buyer
- Exploit difference between perceived and actual risk in a transaction
- Strong expertise and experience means ability to handle complex transactions
- Examples: Akademibokhandeln, Besikta, S:t Eriks

“Exploit difference between perceived and actual risk in a transaction”

“Strong expertise and experience means ability to handle complex transactions”

A showcase for Volati's value creation agenda

① Acquire good companies at reasonable valuations

- Large and profitable cluster of stations in a regulated market.
- Attractive valuation taking into consideration Volati's perceived risk.

② Right strategic direction

- Decrease risk by creating leading brand and develop new IT-systems.
- Innovative premium vehicle inspection company – high customer satisfaction enabling price leadership.
- Ensure industry perseverance by maintaining and improving quality of inspections.
- Industry leader in online sales and marketing.

③ High quality in board and management

- Current Group CEO of Volati recruited as the first CEO of Besikta. Current CEO recruited internally.
- Established new management team.
- Participants in Volati Management Program and Volati Academy.

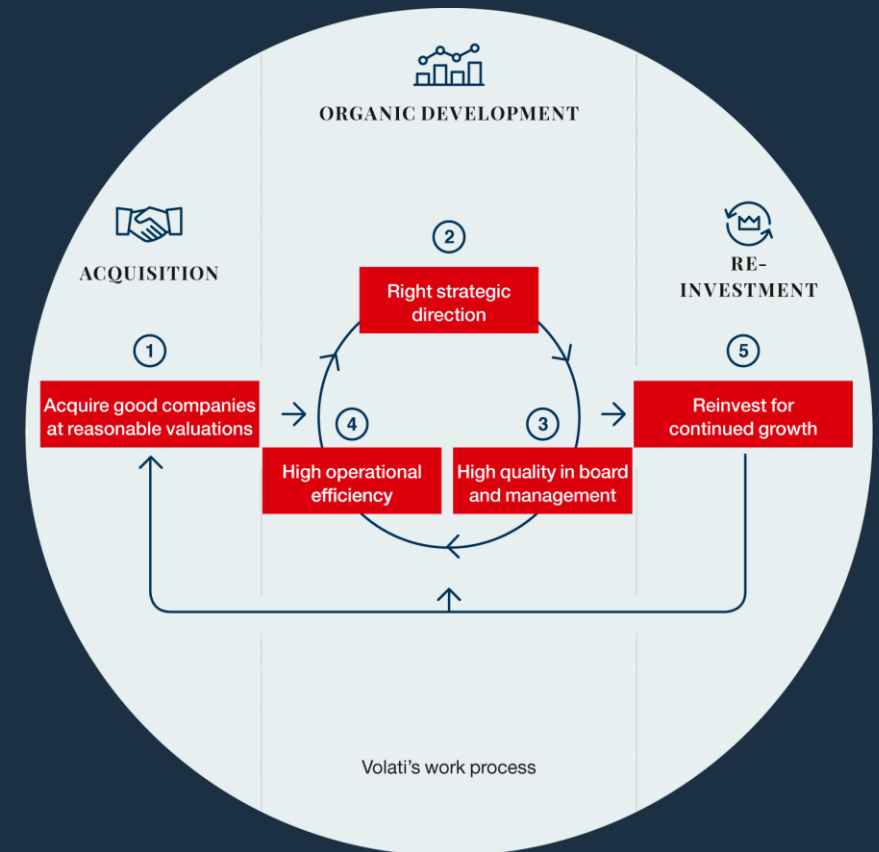
④ High operational efficiency

- Optimising station staffing.
- Introduction and constant improvement of pricing strategies.
- Active work with volume and market share.

⑤ Reinvest for continued growth

- Add-on acquisition of ClearCar, (80¹ stations).
- Organic development of station network (48 stations).
- Dividends to Volati enabling new acquisitions.

Volati – an active owner



Note: 1) Number of acquired stations at the time of acquisition.

Significant value has been created since acquisition during active ownership

Besikta strongly fulfills Volati's acquisition criteria

Proven business model

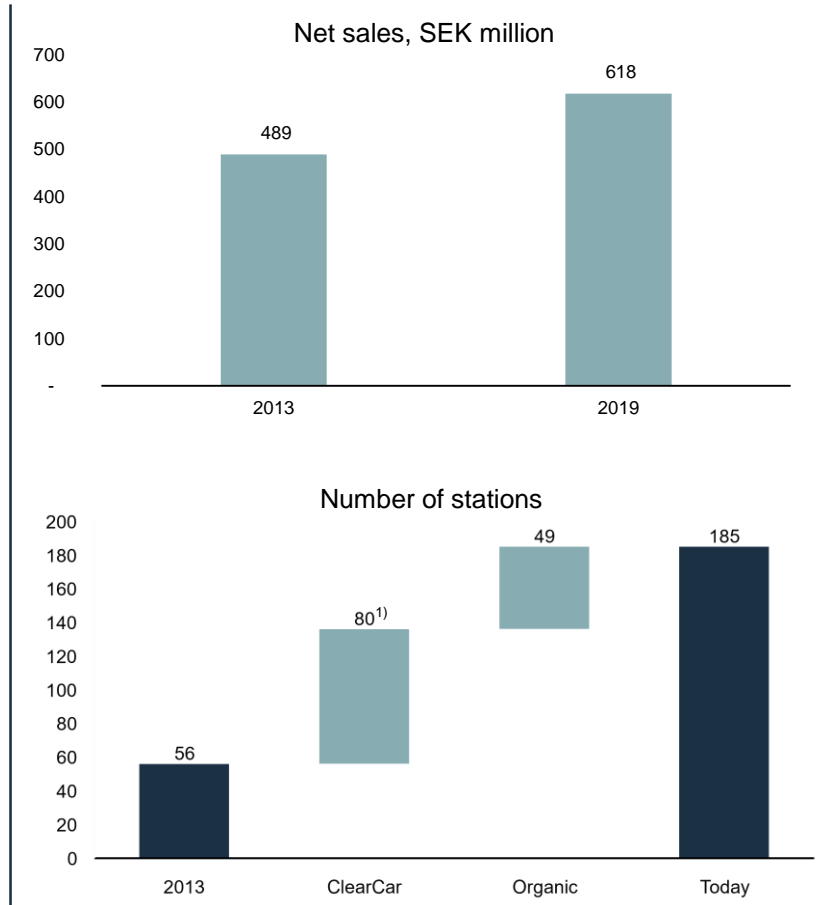
- Profitable player in a regulated industry.
- Strong yet lean organisation.
- Efficient staffing, IT and pricing operations.

Leading market position

- Largest privately owned vehicle inspection company in Sweden.
- Strong brand awareness.
- Maintained market share even though new entrants in the market.
- High customer satisfaction.
- High barriers to entry.

Strong cash flows

- High cash conversion rate.
- Negative net working capital profile.
- Low maintenance capex need.



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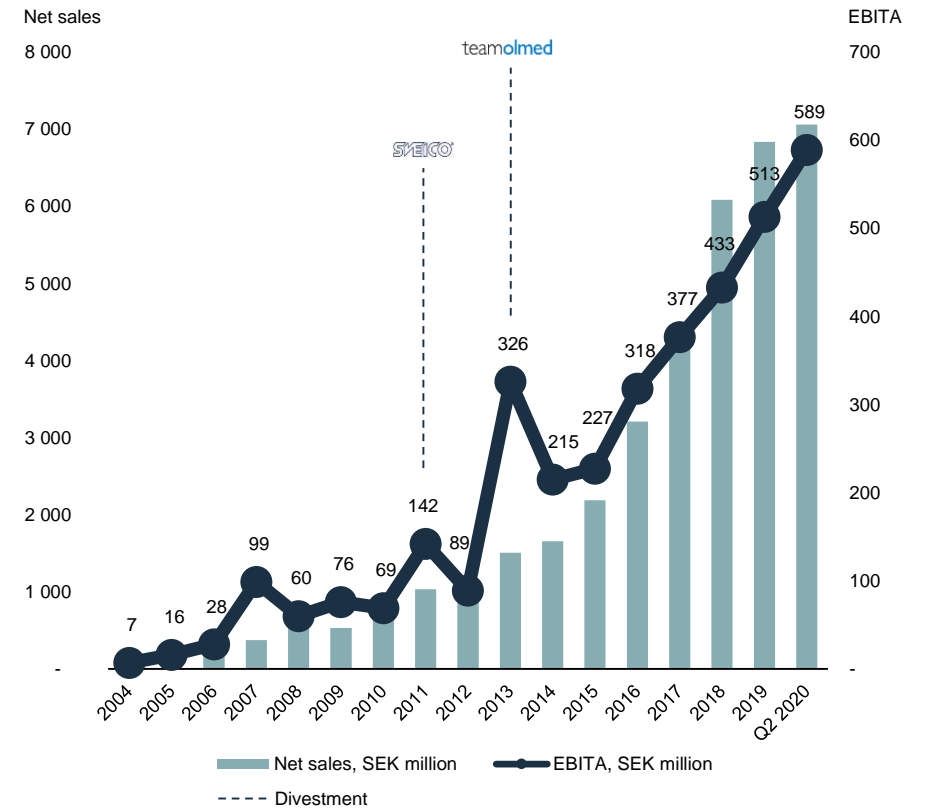
The right buyer – at the right time

Right time

- Besikta currently in process to update the business plan and strategy going forward post successful execution of acquisition hypothesis.
- Changing dynamics in the regulated market for vehicle inspection
 - New technological developments such as self-driving cars;
 - New forms of car ownership emerging; and
 - Ongoing consolidation on a Swedish and European level.

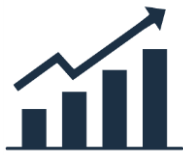
Right buyer

- Received attractive offer from a leading global player, presenting:
 - Good realisation of value for Volati; and
 - Great home for Besikta to continue its successful journey.



Opportune divestments occur; however, they are not an active part of our strategy.

Volati's overall goal is to generate long-term value growth for its shareholders



Divestment of Besikta proves Volati's capacity to generate long-term value through acquisitions, business development and opportune divestments.



Add-on acquisitions increasingly important, however, opportunistically looking for opportunities to exploit difference between perceived and actual risk.



Value creation in existing businesses more important as it grows. Continuous improvement of Volati's value creation model – strong emphasis on strategic HR.

”Volati creates value by acquiring companies with proven business models, leading market positions and strong cash flows at reasonable valuations, and develops them with an emphasis on long-term value creation”

Financials

- Transaction details
 - Enterprise value excluding leasing of SEK 1,050 million.
 - Equity value of approx. SEK 840 million
 - Capital gain of approx. SEK 750 million; and
 - Cashflow impact of approx. SEK 1,040 million.
- Besikta financials for FY2019
 - Net sales of SEK 618 million;
 - EBITA of SEK 82 million; and
 - EBITA (excl. IFRS16) of SEK 78 million.



Volati – a growing Swedish Industrial Group



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