



Interim Report Jan-Mar 2024

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



Volati	
Net sales, LTM Q1 2024	SEK 7,653 m
EBITA, LTM Q1 2024	SEK 665 m

+20%
EBITA CAGR
since 2018

+10%
EBITA CAGR
since 2018

SALIX GROUP

~34%

Share of group EBITA, LTM

+27%
EBITA CAGR
since 2018

Etiketto Group

~22%

Share of group EBITA, LTM

+26%
EBITA CAGR
since 2018

Industry

~44%

Share of group EBITA, LTM

Introduction - Q1 performance below our expectations

- Volati is best evaluated over time, individual quarters hard to predict
- As expected below last years record quarter of 55% EBITA growth
 - 5G-rollout significantly slower this year, from record levels a year ago
 - Construction market weaker than a year ago
 - Calendar effects from Easter
- Did not meet our own expectations. Mainly attributed to an even slower construction market than anticipated
- A more positive outlook for the coming quarters:
 - Somewhat easier comparables the rest of the year
 - Cost-saving measures mitigating a tough market
 - Effects from acquisitions will compensate for organic EBITA growth

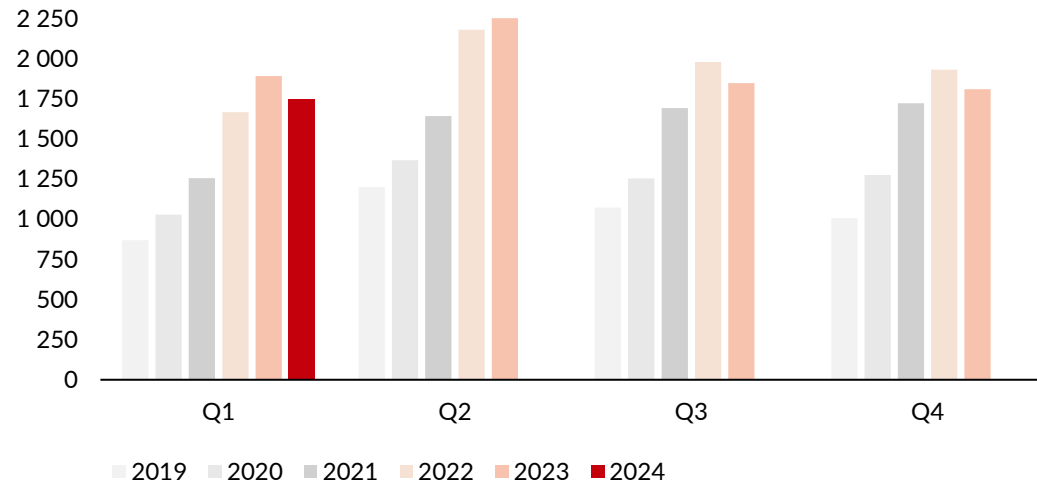
Introduction – Positioned for long-term value creation

- Accelerated growth once the construction market recover
 - Successfully balanced short term cost initiatives and long-term value creation – focus on structural measures
 - Accelerated organic growth once market return to compensate for recent years lower growth
- Well positioned for continued acquisitions
 - Acquired Beslag Design in Q1, and finalised the acquisition of Trejon
 - We remain disciplined, never prioritising growth at the expense of poor returns
 - However well positioned for continued acquisitive growth in our platforms
- Comfortable with existing net debt to EBITDA levels, prioritising acquisitions going forward

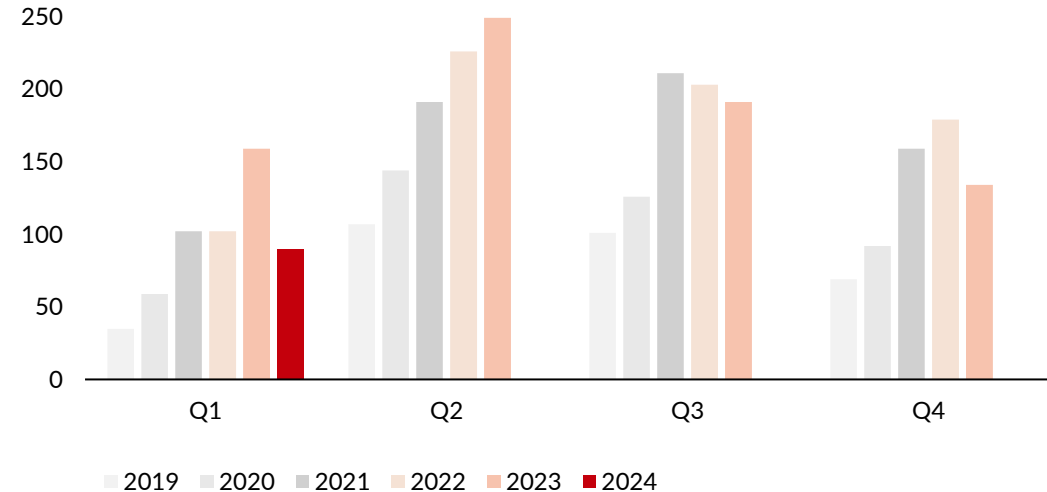
Financial development, Q1 2024



Net sales, SEK m

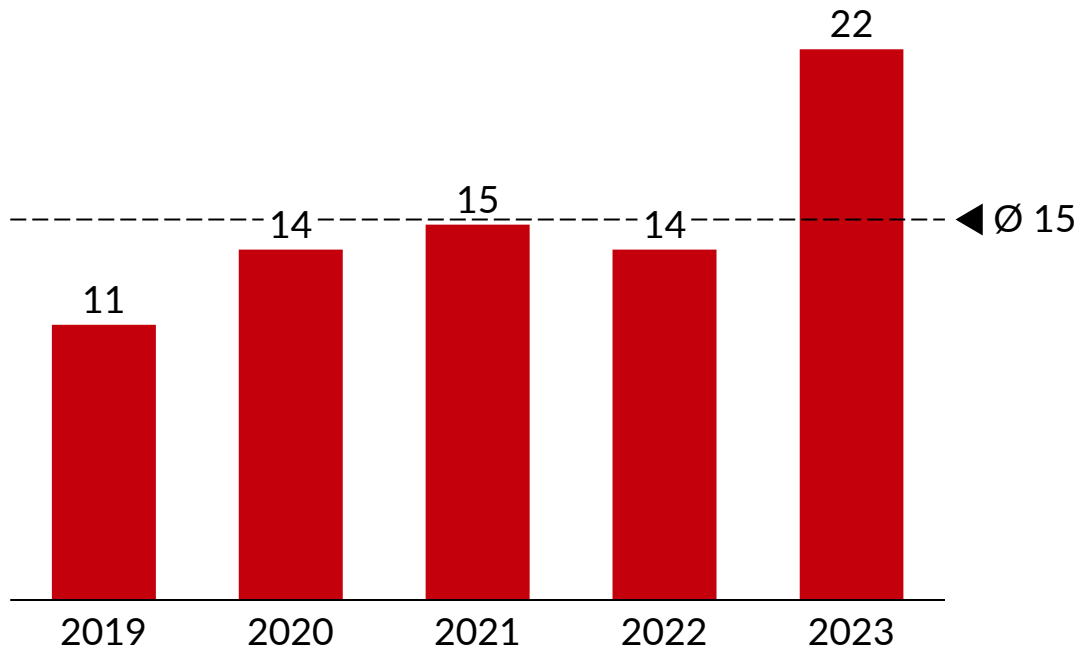


EBITA, SEK m



Q1 accounts for a low share of yearly EBITA

Q1 share of yearly EBITA the past 5 years
percent



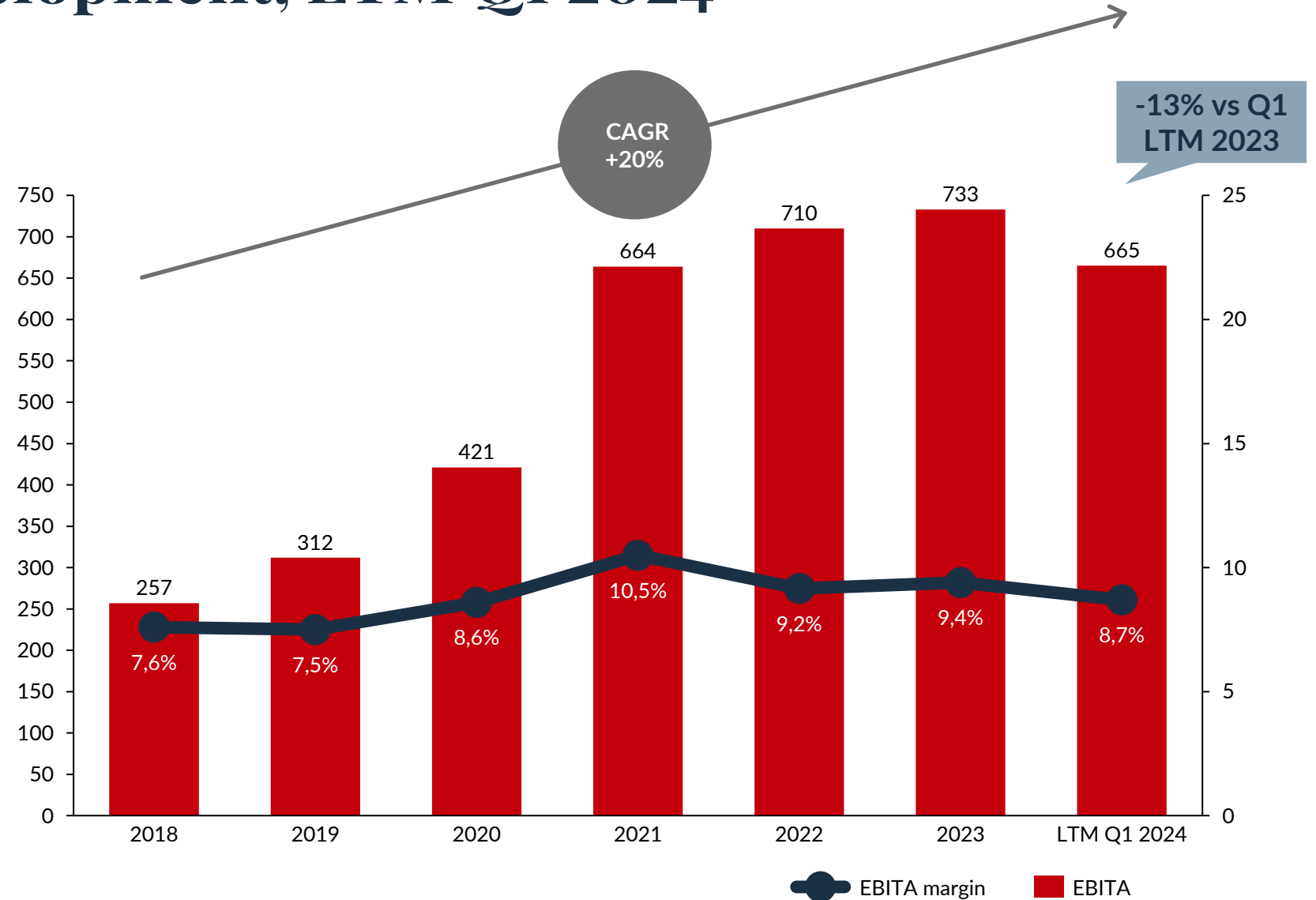
- Volati's turnover, earnings and cash flow are affected by seasonal variations.
- The first quarter historically has the smallest EBITA contribution, representing an average of ~15% of yearly EBITA
- Q1 2024 represents 14% of the EBITA during the last 12 months

Financial development, LTM Q1 2024

Net sales
SEK 7,653 m
 (Q1 2023: 7,976)

EBITA
SEK 665 m
 (Q1 2023: 766)

Operating cash flow
SEK 728 m
 (Q1 2023: 707)



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 equity²⁾ of 20 percent.

Capital structure

The target is a net debt/adjusted EBITDA¹⁾ ratio of 2 to 3 times, and not exceeding 3.5 times.

Growth in EBITA per
ordinary share, LTM

-13%

(Q1 2023: 15%)

(Five year average: 23%)

Return on adjusted equity

18%

(Q1 2023: 32%)

(Five year average: 29%)

Net debt/adjusted EBITDA

2,6x

(Q1 2023: 2,0x)

(Five year average: 1,8x)

1) See pages 137–141 of the 2023 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.

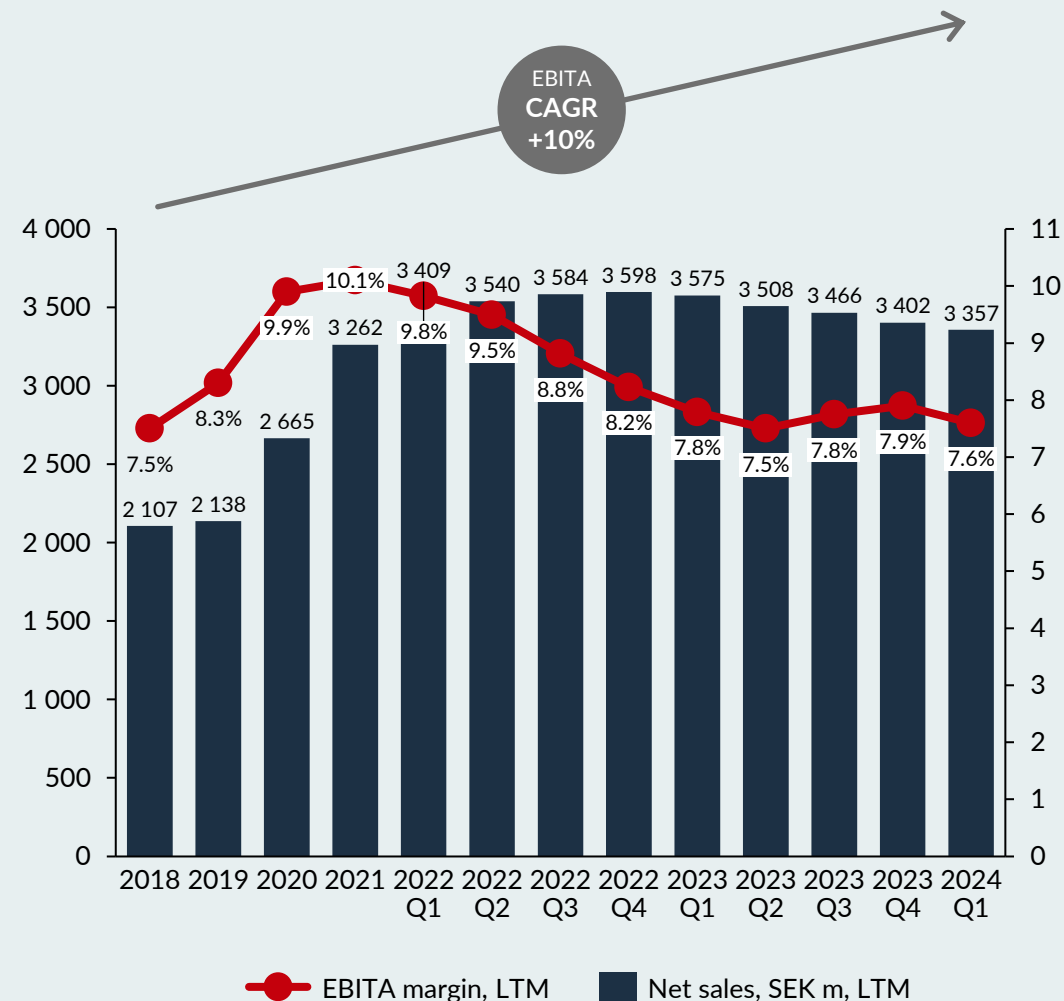


Four businesses with leading market positions in their niches; Products and solutions for grain management. Products for dampness and water damage management. Infrastructure for telecom, lighting and solar panels. Stone and cement products for infrastructure and construction.

Salix Group

- Sales in the quarter declined by 5% and EBITA with 9 MSEK compared to last year
- The demand in the quarter continues to be hampered due to the headwind in the construction sector
- Cost saving initiatives continue to increasingly yield effects into 2024, as well as synergies and coordination initiatives
- Negative currency effect in the quarter, however reduced freight costs and prices on some raw materials contribute positively
- When demand recovers, Salix Group is in a good position to capitalise on the growth.
- The add-on acquisition of Beslag & Design was completed during the quarter, and the acquisition of Trejon was finalized, adding annual sales of 500 MSEK

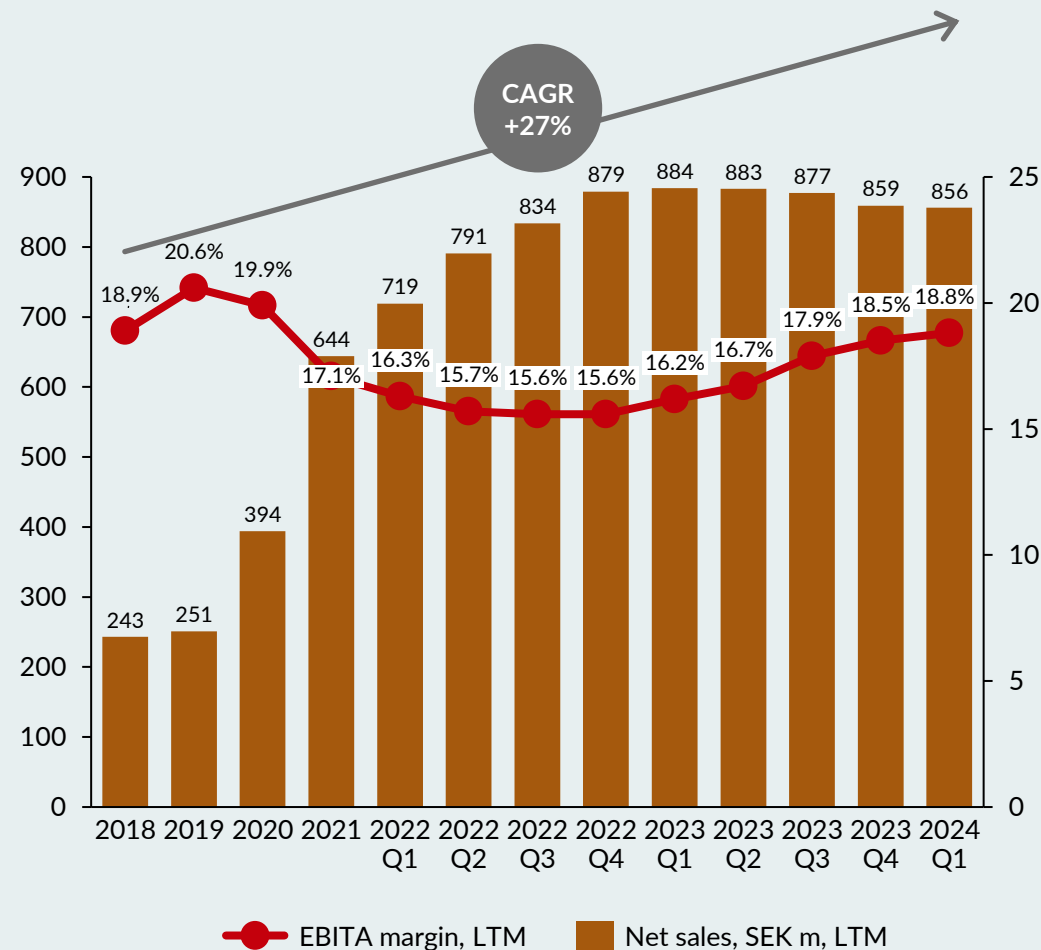
	Jan-Mar 2024	Jan-Mar 2023	LTM Q1 2024	FY 2023
Net sales, SEK m	810	855	3,357	3,402
EBITA, SEK m	41	53	256	269
EBITA-margin, %	5	6	8	8
ROCE excl. goodwill, %	23	24	23	25



Ettiketto Group

- Net sales in the quarter declined by 2% compared compared to last year
- Healthy order intake in Sweden where capacity is being ramped up to keep up with demand
- The EBITA margin in the quarter increased with 2 pp, and full year now at 19%, driven by synergy realisation and focus on operational improvements
- Well-positioned for continued acquisition-driven growth, both in our Nordic home markets and across Europe.

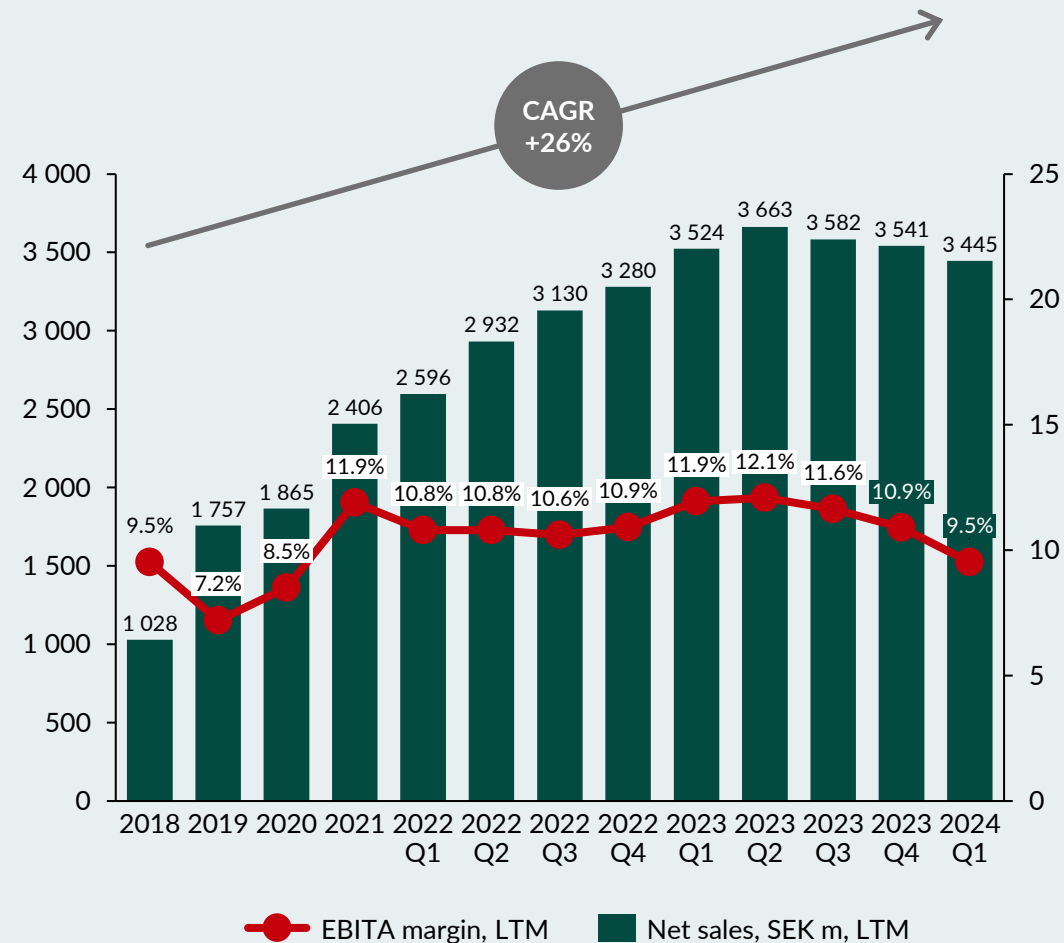
	Jan-Mar 2024	Jan-Mar 2023	LTM Q1 2024	FY 2023
Net sales, SEK m	217	221	856	859
EBITA, SEK m	41	38	161	159
EBITA-margin, %	19	17	19	18
ROCE excl. goodwill, %	68	58	68	67



Industry

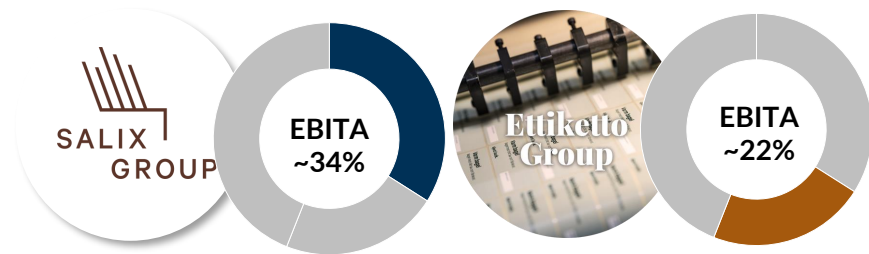
- Sales declined by 12% in the quarter, and EBITA decreased from 81 MSEK last year to 24 MSEK Q1 2024
- The challenging market situation for S:t Eriks remain, with the platform initiating additional cost saving measures
- Continued market headwind for Communication, also facing tough comparables from last year
- Tornum Group continue to develop well increasing full year margins compared to last year, and with positive contribution from the newly acquired Simeza
- High demand for Corroventa's products driven by the aftermath of several lates storms during 2023 in Europe

	Jan-Mar 2024	Jan-Mar 2023	LTM Q1 2024	FY 2023
Net sales, SEK m	720	816	3,445	3,541
EBITA, SEK m	24	81	328	385
EBITA-margin, %	3	10	10	11
ROCE excl. goodwill, %	28	39	28	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

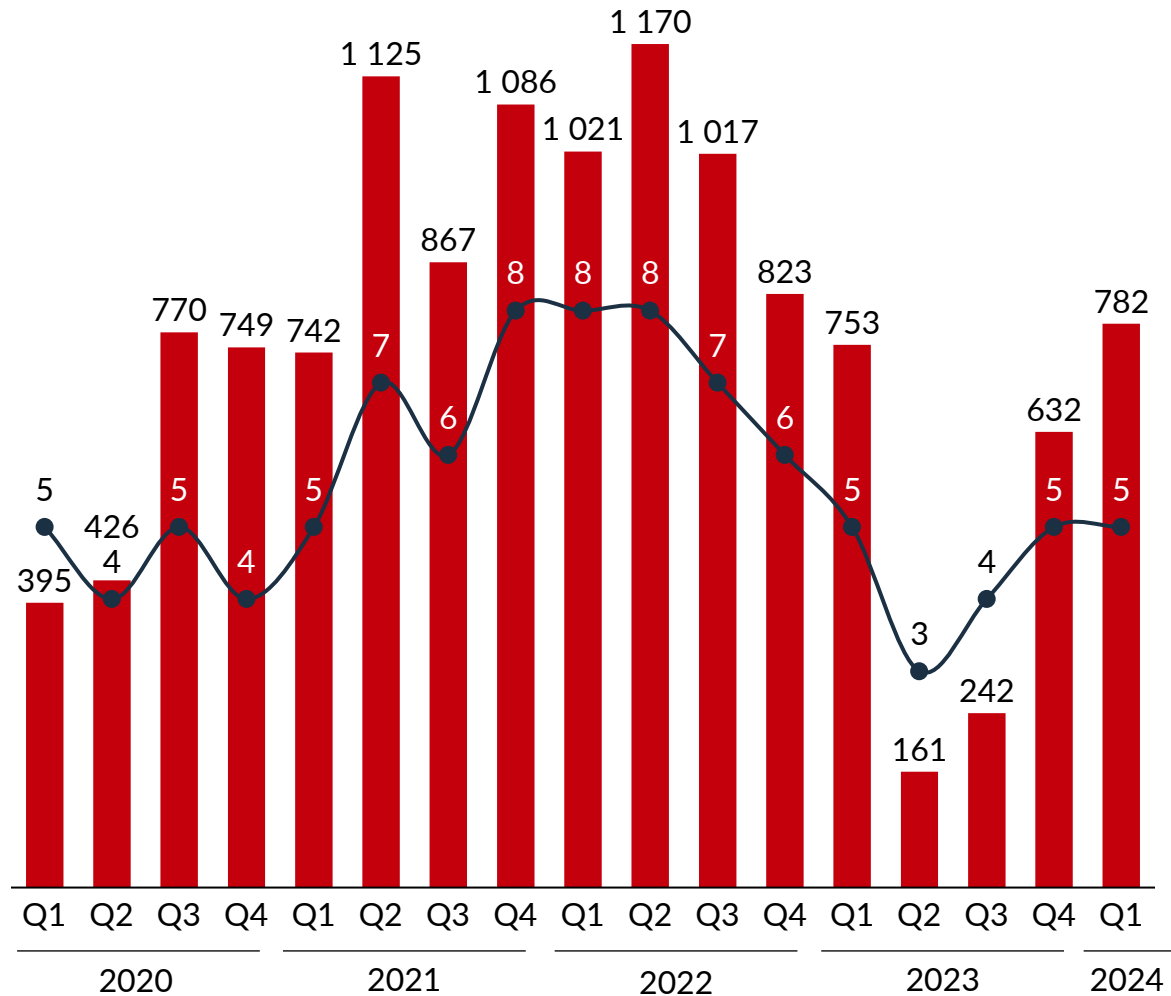
Corroventa

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

■ Acquired annual turnover LTM
● Number of acquisitions LTM

Beslag & Design AB

- Annual sales of SEK 190 million
- A company with a leading brand within fittings and interior details founded in 1972 in Båstad
- The acquisition strengthens Salix Group's customer offerings as an add-on acquisition to the Home & Fittings business
- Synergy potential through channel expansion through Beslag & Design's e-commerce, supply chain optimisation and purchasing.
- This concludes Salix Group's 9th acquisition since 2020, totalling approximately SEK 1.3 billion in annual sales, underlining our ability to make acquisitions in different types of market conditions

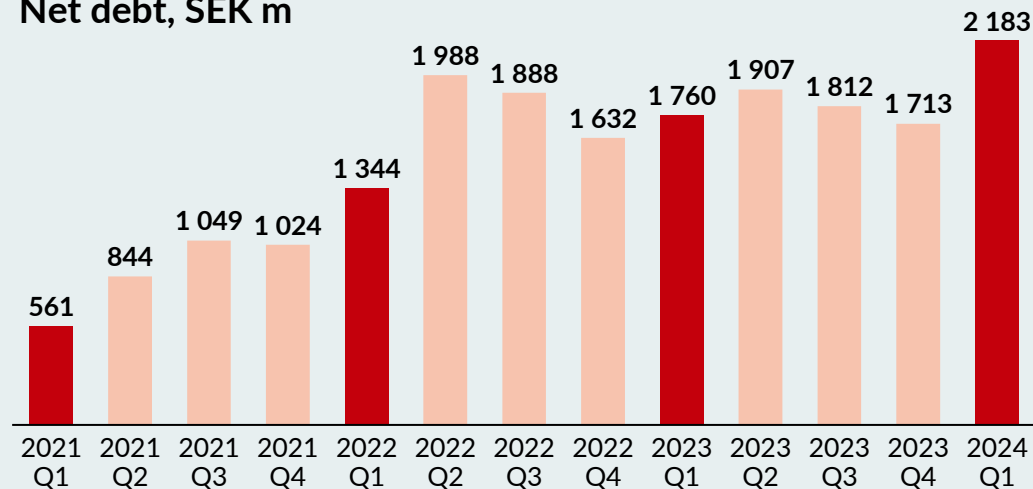


 beslag design

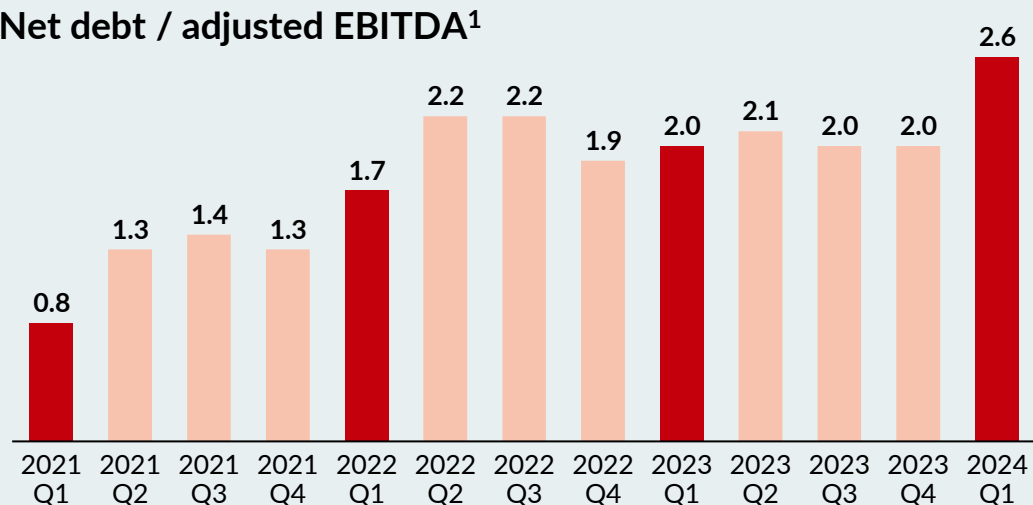
Continued strong position for acquired growth

- Operational cash flow of SEK 18 million.
- LTM Q1 2024 results in 728 million compared to 707 LTM Q1 2023.
- Total cash generation of 96% during last twelve months.
- Net debt increase with SEK 470 million in the quarter due to
 - Operating cash flow of SEK 18 million
 - M&A-related cash outflow of SEK 355 million
 - Tax, interest and dividend outflow of SEK 115 million
- Strong cash flow, especially in the second part of the year
- Once markets normalise we will see a positive effect our earnings

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

- Volati is best evaluated over time, individual quarters hard to predict
- As expected Q1 came in below last years record quarter
- Did not meet our own expectations mainly attributed to a slower construction market
- A more positive outlook for the coming quarters this year
- Accelerated organic growth once market return to compensate for recent years lower growth
- Well positioned for continued acquisitions
- Comfortable with existing net debt to EBITDA levels



volat1.