



# Year-end report 2022

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10 February 2023

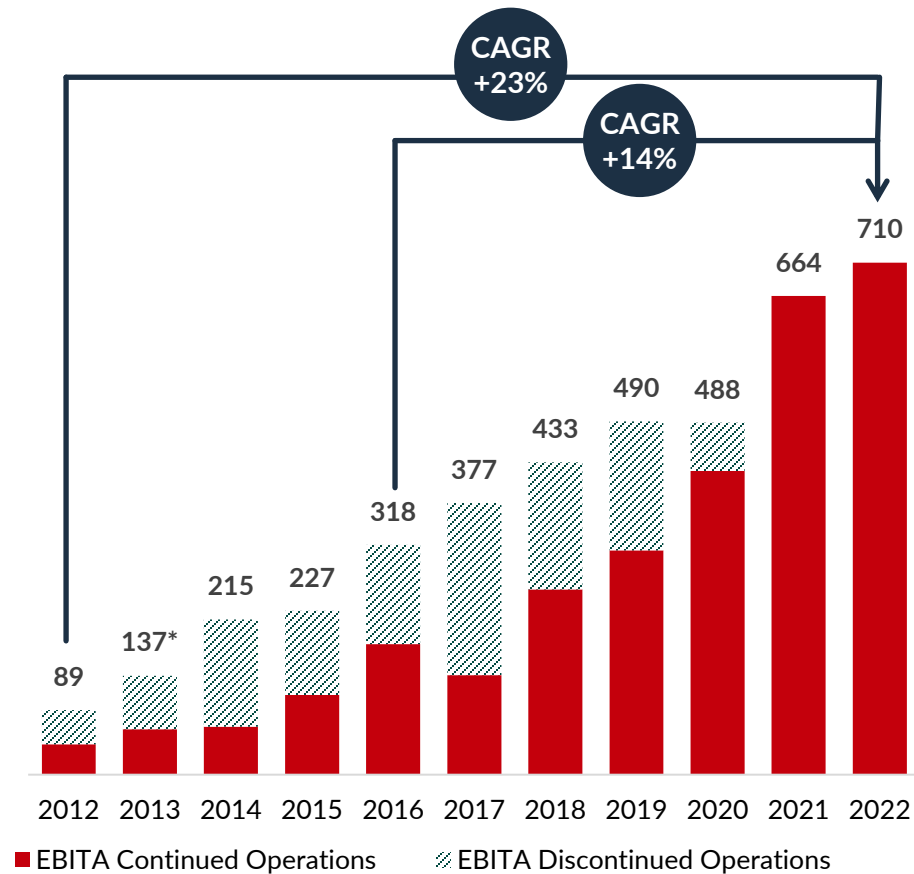
# Volati is a growing group of well-managed companies with strong earnings

volati.



1) Excluding Ettiketto Group

# Proven track record of long-term value creation



\* Excluding capital gain of SEK 189 m

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

- Average annual growth of 21% in sales and 23% in EBITA last 10 years
- SEK 1,8 billion distributed to common shareholders since IPO in 2016
- Average annual growth in continued operations of 27% in sales and 39% in EBITA last 5 years
  - Annual organic growth of 5% in sales and 19% in EBITA during the same period
- Growth funded with own cash flow

# Business model & platforms in place for continued growth

## Development in recent years

- **Focusing on platforms** with intrinsic possibilities for strong continued growth
- **Increased focus on operational performance**, including synergies within the natural business units
- **Further developing our initiatives within competence and leadership**
- **Focus on value adding add-on acquisitions**, enabling significant synergies with our platforms



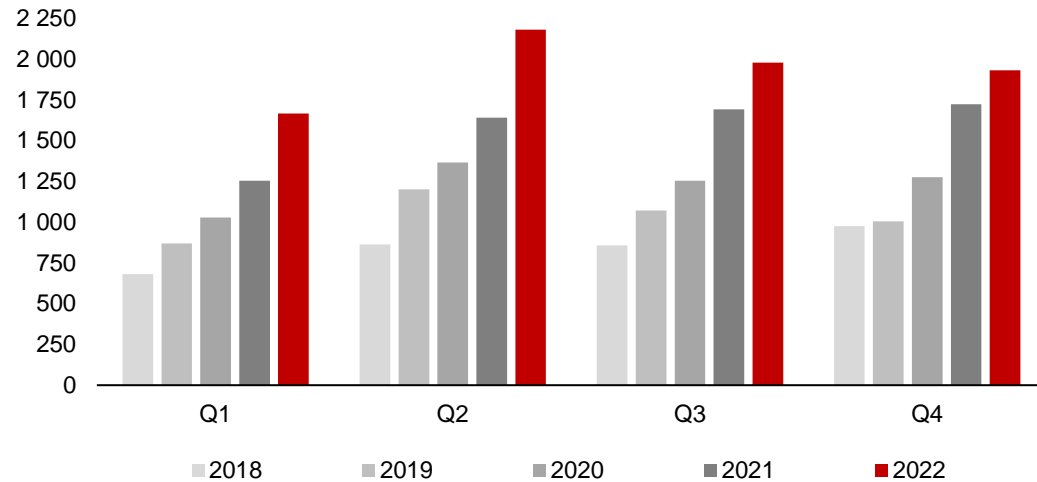
# Q4 and 2022 in brief – Continued growth and strong position going into 2023

- Solid Q4 for Volati with net sales growth of +12% and EBITA increase of +12%
- Industry delivers a strong fourth quarter across all four platforms which summarizes a good 2022 and an EBITA growth of 25% in the year
- Ettiketto Group continues its positive momentum as a newly formed business area, growing EBITA 25% in the year
- Salix Group delivers a sales growth of 10% in the year. Continues to focus on cost control and pricing to improve margins. Well prepared for the year to come
- Improved cash flow in Q4 through successfully reducing working capital, an effort that will continue in 2023
- Six acquisitions during 2022 with good profitability and synergies, adding approximately SEK 820 million in annual sales

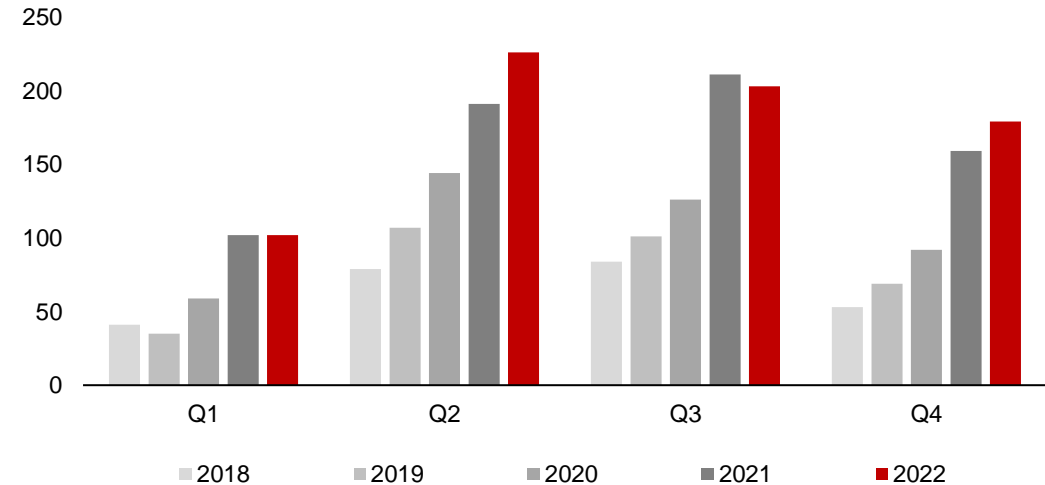
# Financial development, Q4 2022



Net sales, SEK m



EBITA, SEK m

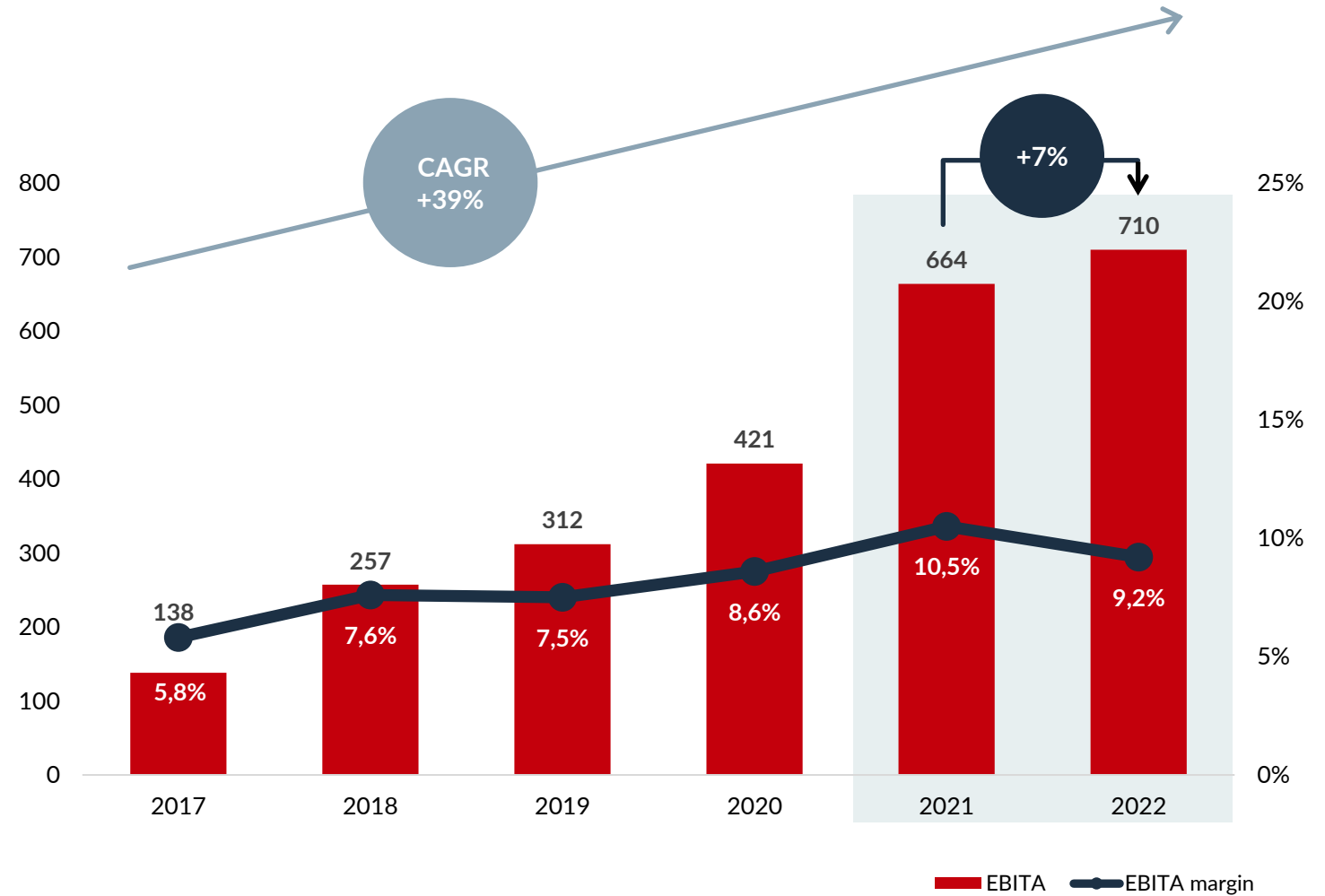


# Financial development 2022

Net sales  
 SEK **7,751** m  
 (FY 2021: 6,309)

EBITA  
 SEK **710** m  
 (FY 2021: 664)

Operating cash flow  
 SEK **431** m  
 (FY 2021: 487)



# 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.

Growth in EBITA per  
ordinary share, LTM

**7%**

(2021: 58%)

## Return on adjusted equity

The long-term target is a return on adjusted equity<sup>2)</sup> of 20 percent<sup>1)</sup>.

Return on adjusted equity

**32%**

(2021: 40%)

## 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.

Net debt/adjusted EBITDA

**1.9x**

(2021: 1.3x)

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.

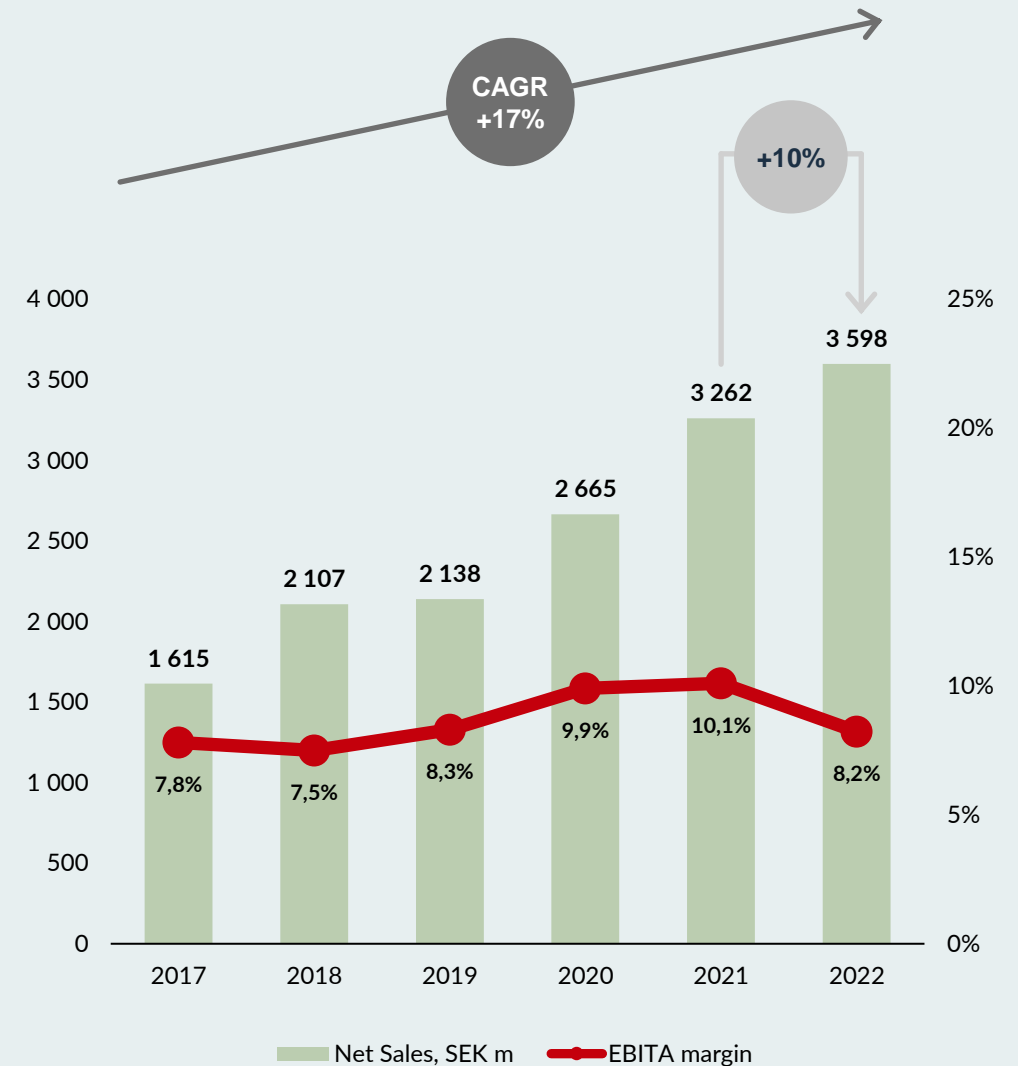


Four businesses with leading market positions in their niches; Products and solutions for grain management. Products for dampness and water damage management. Infrastructure for telecom, lighting and solar panels. Stone and cement products for infrastructure and construction.

# Salix Group

- Annual sales growth of 10%
- Stable demand in the industrial and professional segments – cautiousness in the consumer segment
- Margins 3 pp lower in the quarter due to high material prices, electricity cost and unfavorable currency – however freight costs are declining
- Actions taken that will gradually give effect during 2023
  - Strong focus on cost control and pricing
  - Realizing coordination benefits from being an integrated, natural business area
- Three acquisitions during the year – full year effect will contribute positively to the 2023 growth

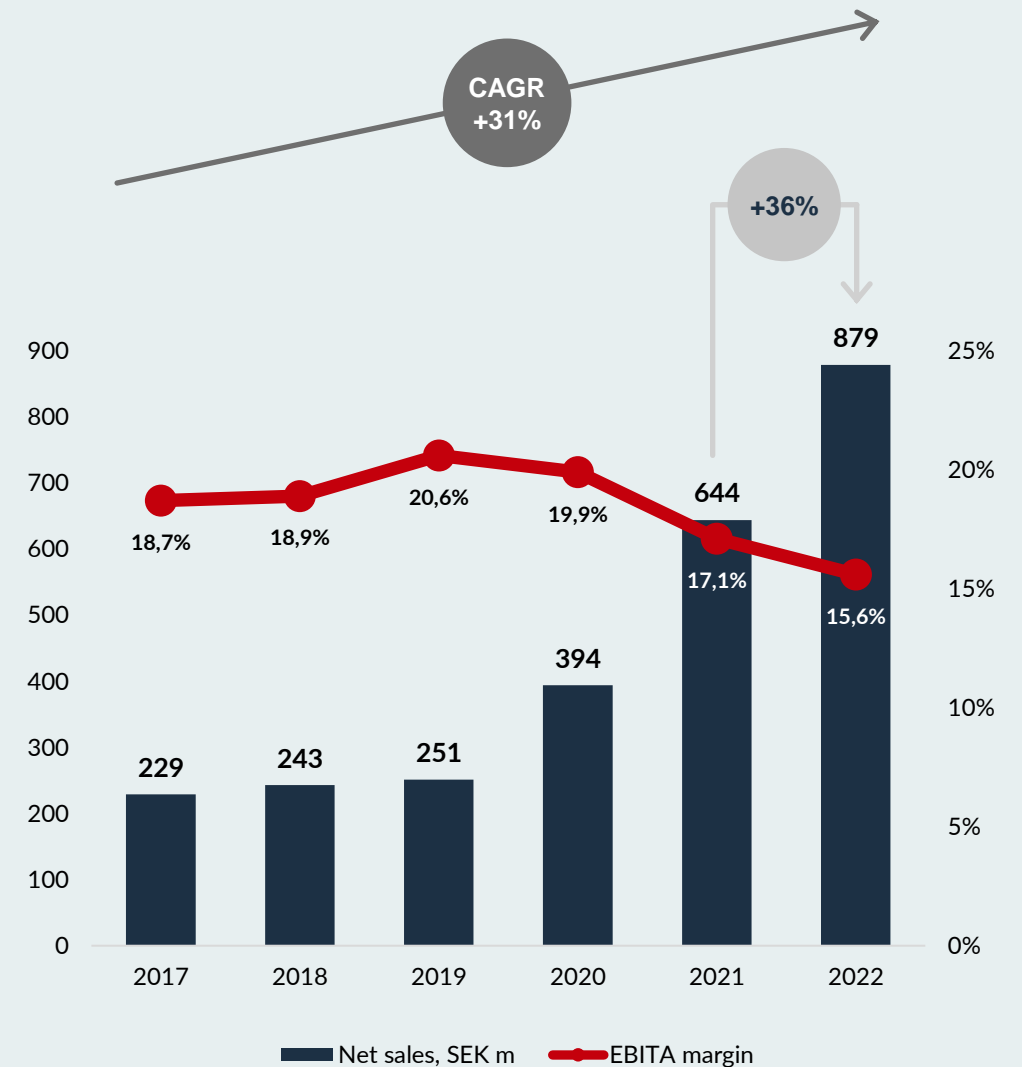
	Oct-Dec 2022	Oct-Dec 2021	FY 2022	FY 2021
Net sales, SEK m	823	809	3,598	3,262
EBITA, SEK m	45	65	296	329
EBITA-margin, %	5	8	8	10
ROCE excl. goodwill, %	26	40	26	40



# Ettiketto Group

- Best quarter in the history of Ettiketto Group, achieving 24% sales growth
- Good demand, expanding with new customers in the quarter
- Industry leading margins – but as expected, full year margins lower than last year affected by acquisitions
- Stable margin in the quarter, executing on the strategy to realize synergies from recently acquired businesses
- Active pricing strategy mitigating increased material and energy costs
- One acquisition during 2022 and well-positioned for continued acquisition-driven growth

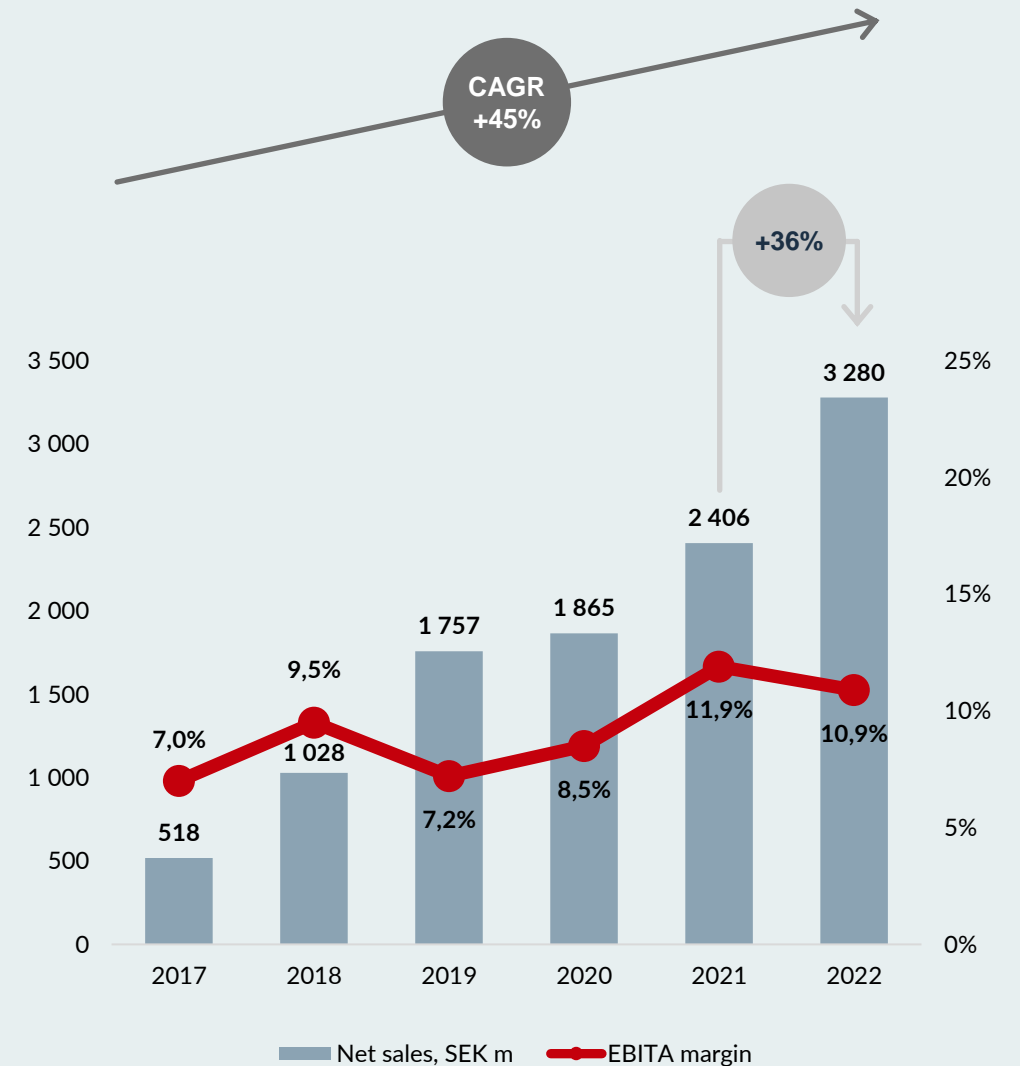
	Oct-Dec 2022	Oct-Dec 2021	FY 2022	FY 2021
Net sales, SEK m	234	188	879	644
EBITA, SEK m	38	31	137	110
EBITA-margin, %	16	16	16	17
ROCE excl. goodwill, %	57	70	57	70



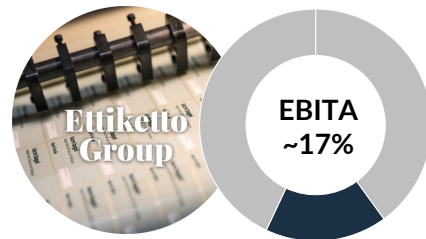
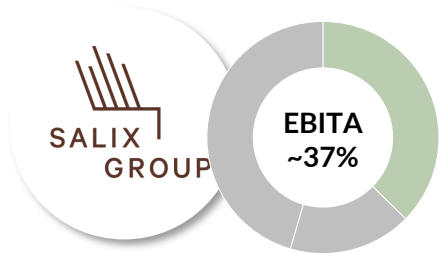
# Industry

- Strong quarter with 21% sales growth
- Margin increase of 0,9 pp in the quarter - positively affected by strong results in MAFI
- Margin decline of 1 pp during the year - predominantly due to tough comparables in Corroventa from 2021
- Good underlying demand and a diversified business with relatively low exposure to the general economy
- Continued focus on improved operational performance through pricing, cost control and productivity improvements
- Two acquisitions during the year and good opportunities for continued acquisition-driven growth

	Oct-Dec 2022	Oct-Dec 2021	FY 2022	FY 2021
Net sales, SEK m	875	725	3,280	2,406
EBITA, SEK m	113	87	358	287
EBITA-margin, %	13	12	11	12
ROCE excl. goodwill, %	34	36	34	36



# Acquisitions LTM with a total annual turnover of SEK 820 million



<b>Heco</b> January 2020	SALES <b>183</b> MSEK
<b>Pisla</b> September 2020	SALES <b>242</b> MSEK
<b>Duschy</b> March 2021	SALES <b>100</b> MSEK
<b>Gunnar Eiklid</b> March 2022	SALES <b>39</b> MSEK
<b>Nibu/SkanCo</b> May 2022	SALES <b>147</b> MSEK
<b>Embo Import</b> November 2022	SALES <b>25</b> MSEK

<b>Beneli</b> June 2020	SALES <b>156</b> MSEK
<b>Märkas</b> September 2020	SALES <b>168</b> MSEK
<b>Strongpoint</b> June 2021	SALES <b>185</b> MSEK
<b>Jigraf</b> November 2021	SALES <b>29</b> MSEK
<b>Skipnes</b> January 2022	SALES <b>72</b> MSEK

**Corroventa**

**Tornum**

<b>JPT</b> January 2021	SALES <b>76</b> MSEK
<b>Apisa</b> July 2021	SALES <b>152</b> MSEK
<b>Terästorni</b> April 2022	SALES <b>216</b> MSEK

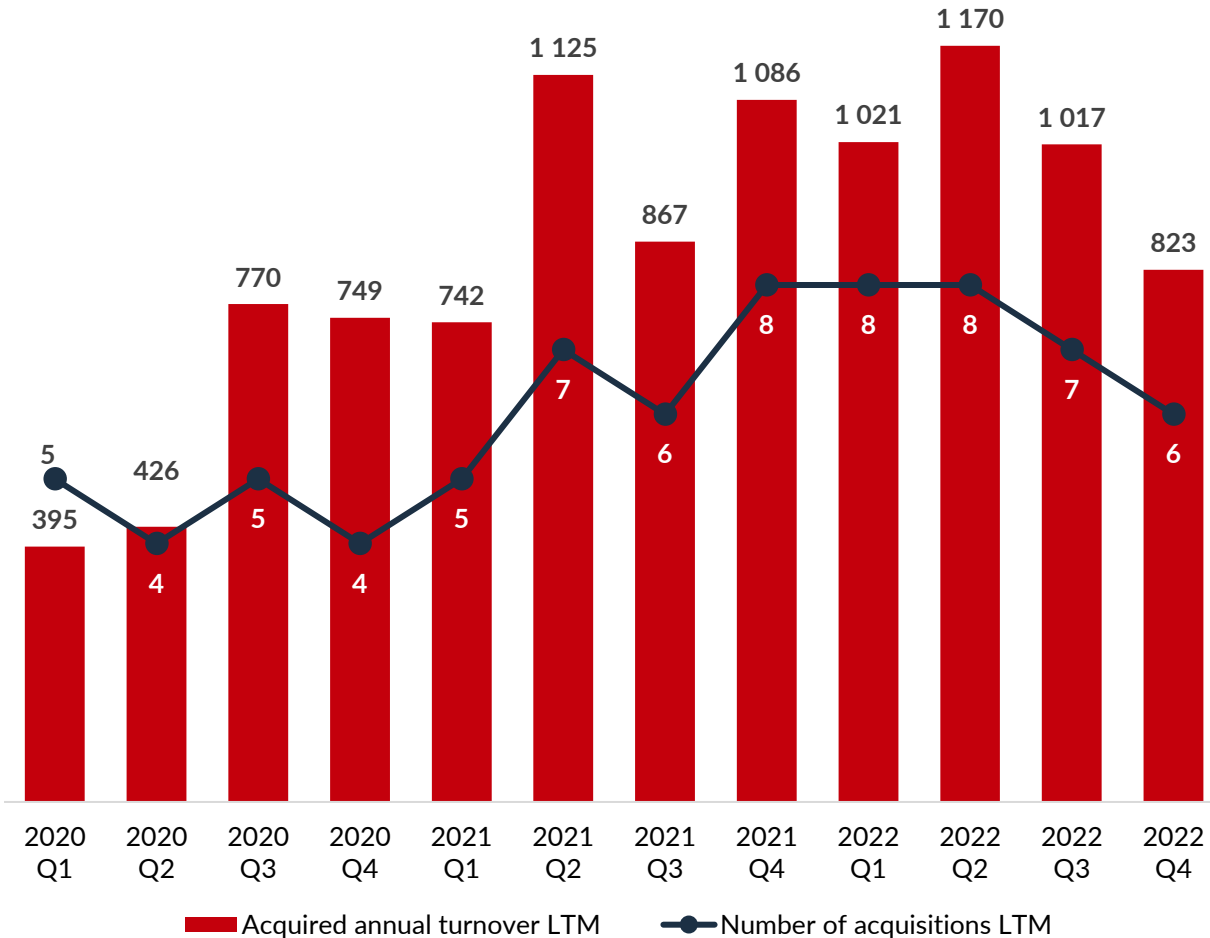
**S:t Eriks**

<b>Byggsystem</b> June 2021	SALES <b>60</b> MSEK
<b>Meag</b> October 2021	SALES <b>190</b> MSEK

**Communication**

<b>Scanmast</b> June 2021	SALES <b>294</b> MSEK
<b>MAFI</b> April 2022	SALES <b>325</b> MSEK

# Recent acquired annual turnover of SEK 800-1,200 million

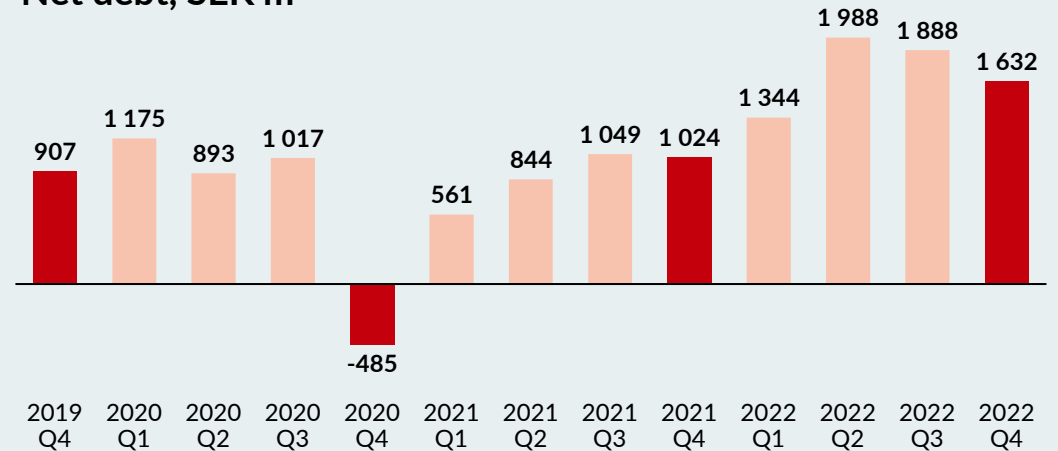


- M&A have over time contributed with annual sales of SEK 800-1,200 million
- Annual pace of 6-8 acquisitions
- Majority of the acquisitions are value creating add-on acquisitions, enabling substantial synergy realisation
- Platforms, financial capacity and processes in place to maintain a good acquisition pace

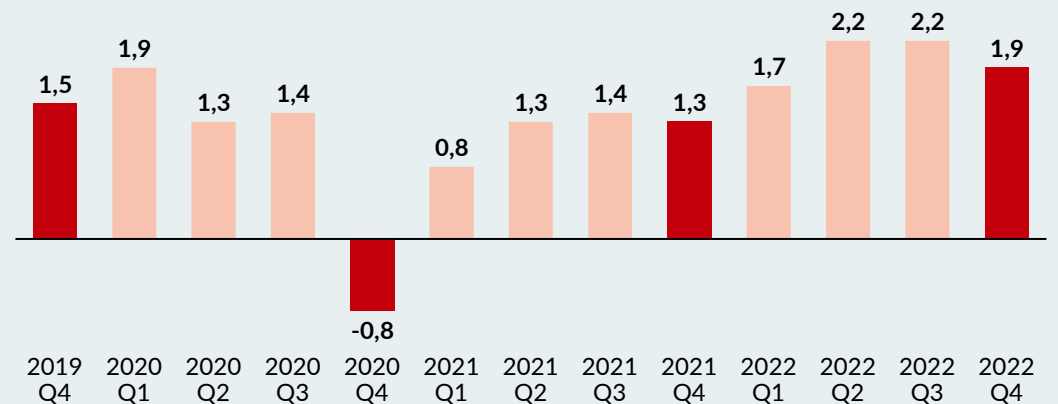
# Strong position for acquired growth

- Net debt decreased with SEK 256 million in the quarter due to strong operating cash flow
- Net debt increased by SEK 608 million compared to same period last year
  - Operating cash flow of SEK 431 million
  - M&A cash outflow of SEK 545 million
  - Dividends of SEK 203 million
- Strong financial position with Net debt / EBITDA of 1,9x
- Total liquidity through debt facilities and cash of SEK 1,161 million as per end of 2022

Net debt, SEK m



Net debt / adjusted EBITDA<sup>1</sup>



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

# Summary

## Strong last quarter concludes a solid 2022

- Volati shows EBITA growth of 12% in the quarter
- Business area Industry and Ettiketto Group developing very well, EBITA growth of 25% in the year
- Salix Group delivers a sales growth of 10% in the year. Cost control and pricing to improve margins. Well prepared for the year to come
- Improved cash flow through successfully reducing working capital

## Focus on long-term value creation

- 1,8 bnSEK distributed to common shareholders since IPO in 2016
- Annual average EBITA growth of 39% for continued operations during the last 5 years
- ROE of 32%

## Continue delivering on our growth journey

- Six platforms with long-term sustainable business models and good growth opportunities
- Six acquisitions in 2022 have added annual sales of SEK 820 million
- Platforms, financial strength and processes in place to maintain a good acquisition rate





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