



# Capital Markets Day

Håkan Karlström

2021-03-18

Volati Handel

becomes

SALIX GROUP

# TODAY'S PRESENTER

## HÅKAN KARLSTRÖM



### CEO, Salix Group

- Born 1961, MSc. Business and Economics from Lund University
- CEO since 2017, and has worked within the group since 1996
- CFO and shareholder in Lomond Industrier, before joining Volati in 2015 as part of the acquisition
- Lives in Malmö and is a dedicated MFF fan

# OUR BUSINESS CONCEPT

Salix Group is an **efficient and reliable supplier** of a wide selection of affordable products, own brands and other brands, mainly found in Nordic hardware stores.

We create value through **developing and strengthening our offerings** through **process development, organic growth initiatives** and **add-on acquisitions**.



” Be present in every Nordic home  
and construction site through our  
product ”

# SALIX GROUP AT A GLANCE IN 2020

HQ in Malmö, Sweden

**13** operational **business units**, operating in three primary markets and ten secondary markets

Legal entities in **nine countries**

**2 665 mSEK**

Net sales

**265 mSEK**

EBITA

**22%**

EBITA CAGR  
(2016-2020)

**45%**

EBITA/TWC



# SALIX GROUP HAS A LONG AND SUCCESSFUL HISTORY

**THOMEE + habo**

forms the backbone of today's group

**2006**

**volati.**

adds competence and energy as the new owner

**2015**

  
**SALIX GROUP**

begins a new chapter with increased independence

**2021**

# OUR BUSINESSES



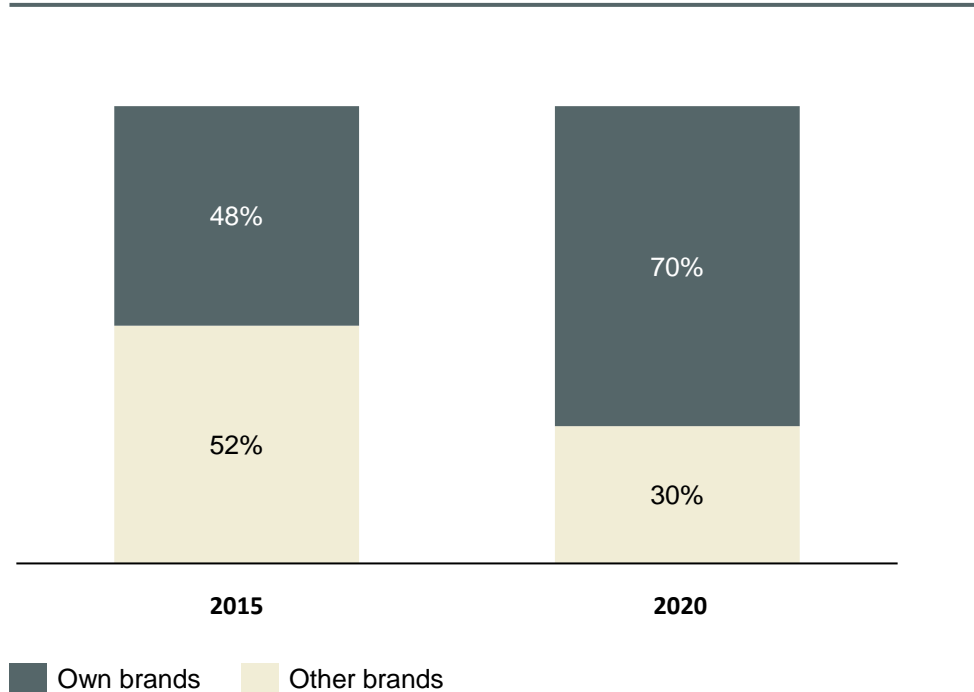


# A SELECTION OF OUR PRODUCTS



# BRAND SALES SPLIT & SALIX GROUP'S OWN BRANDS

BRAND SALES SPLIT

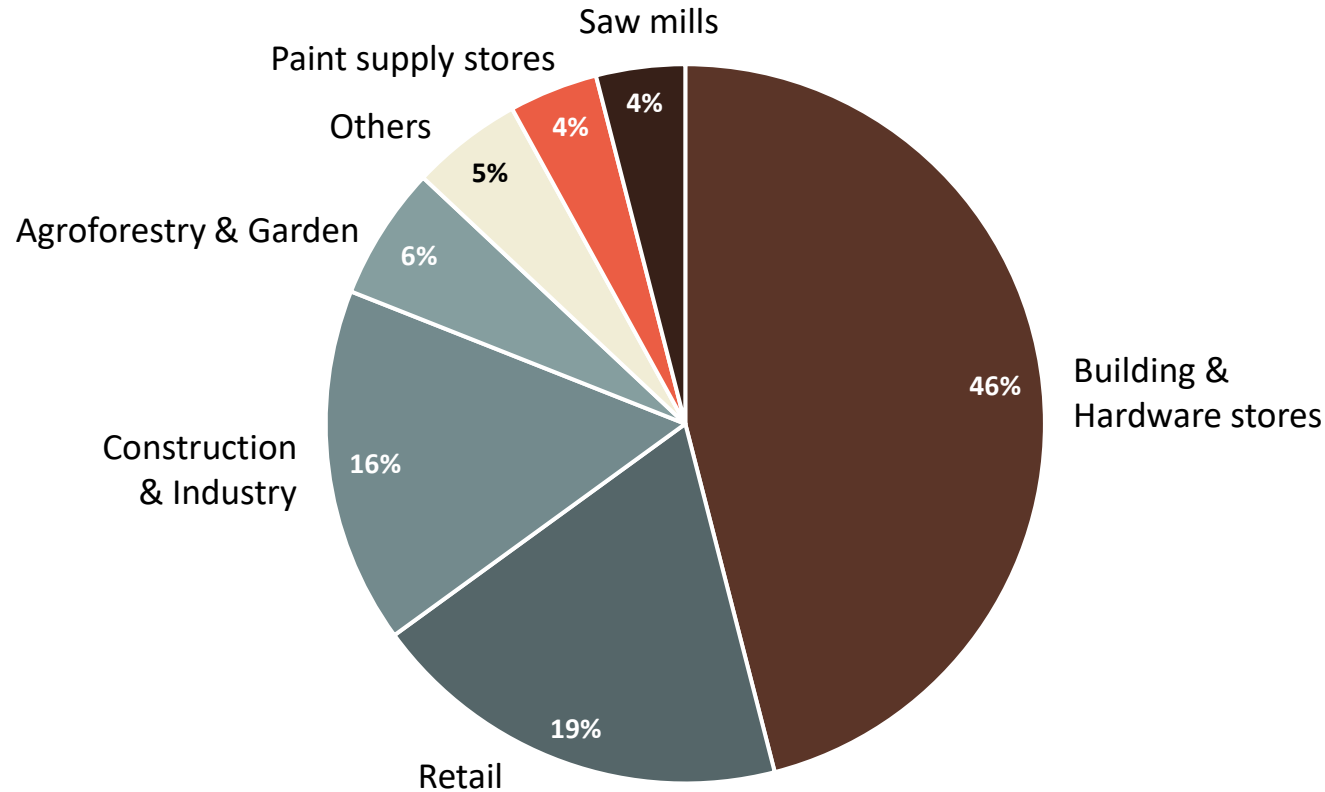


GROUP'S OWN BRANDS



Salix Group is the proud owner of strong brands and has continuously decreased dependence on other brands

# THE GROUP'S VARIOUS CUSTOMER SEGMENTS



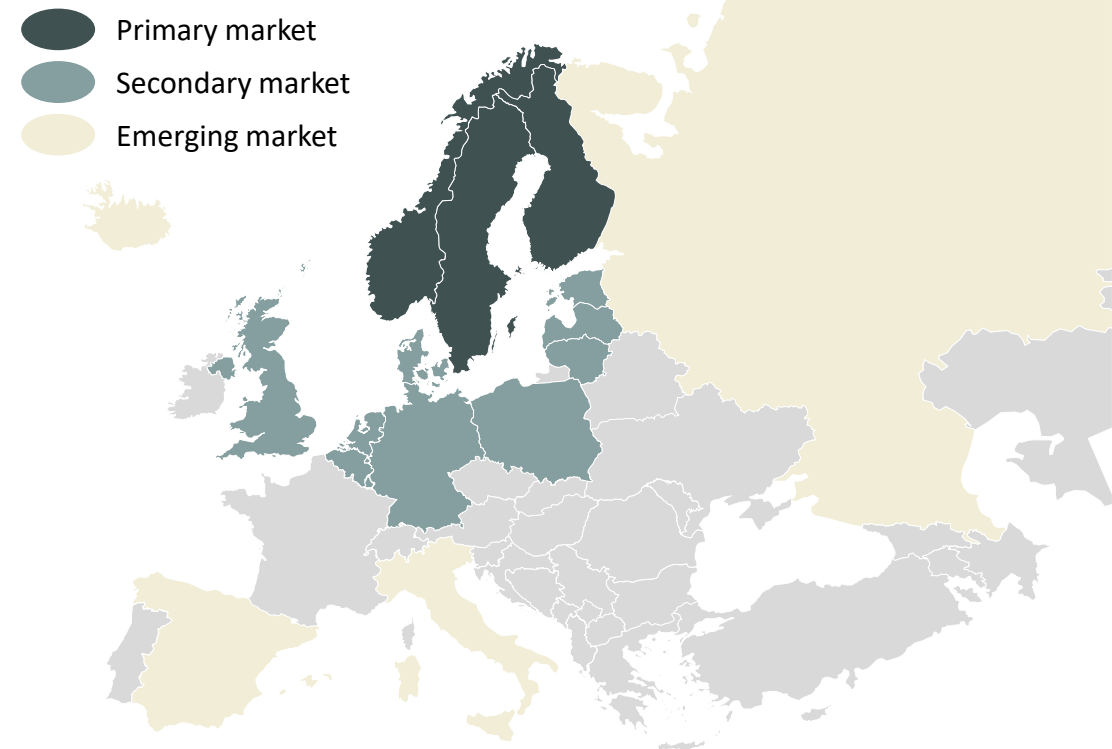
## A SELECTION OF OUR CUSTOMERS



Salix Group serves a wide range of customers with a focus on construction & hardware stores, retail, and industry

# THE GROUP'S GEOGRAPHICAL REACH

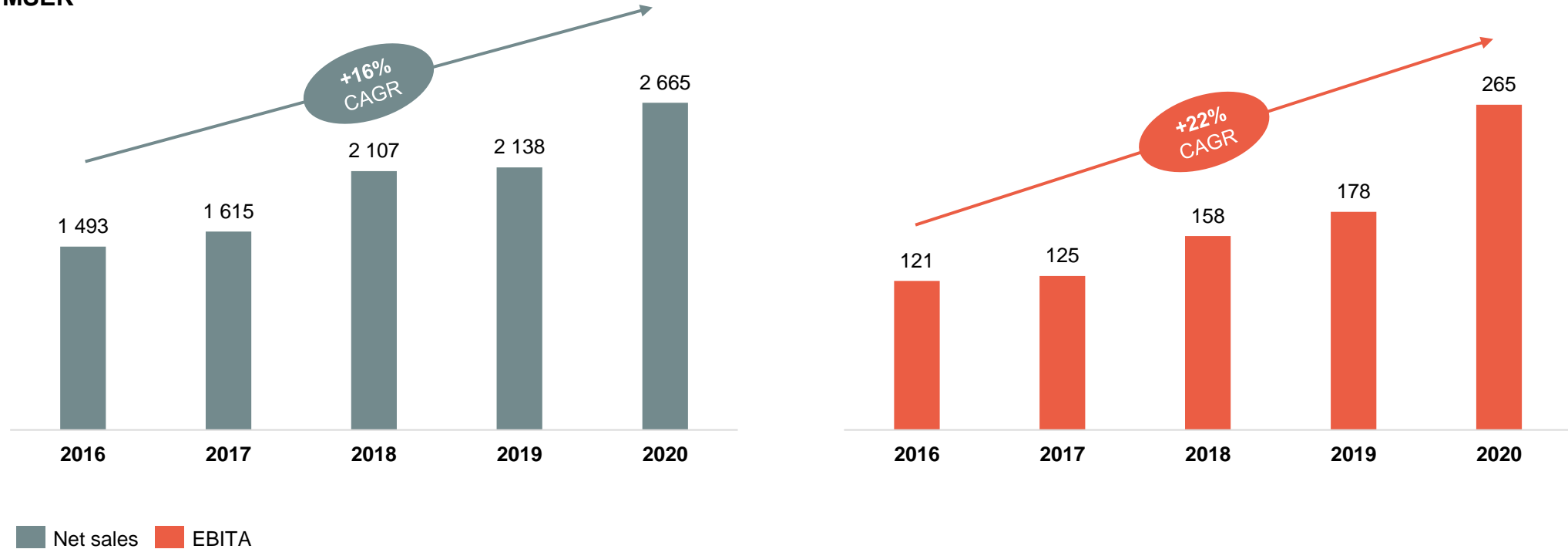
Customer markets	Approx. share of total sales (2020, proforma)
Sweden	69%
Norway	15%
Finland	11%
Rest of world	5%
<b>Total</b>	<b>100%</b>



**Salix Group has a strong presence in key markets with a solid base in the Nordic hubs**

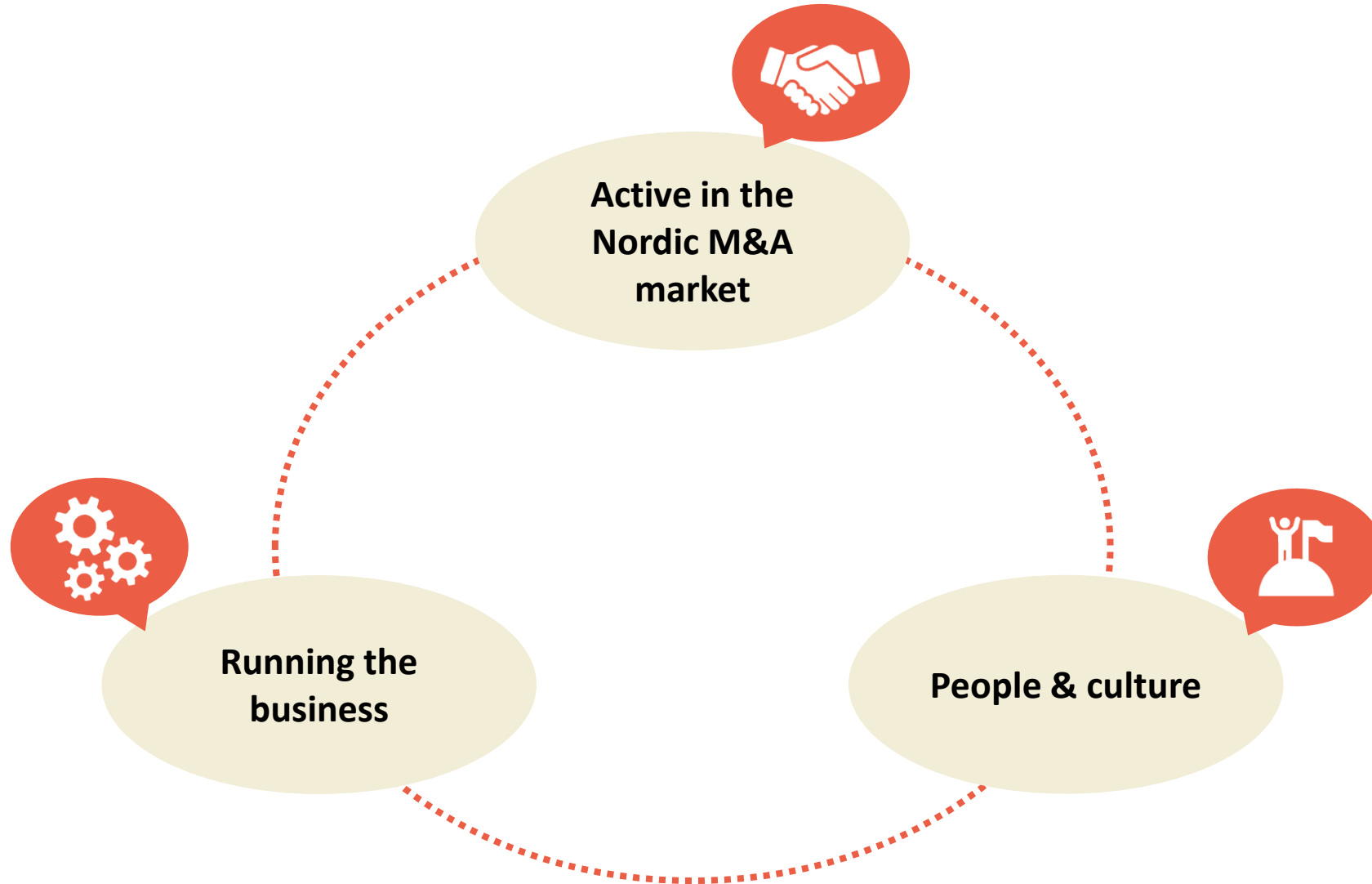
# SOLID HISTORY OF GROWTH

MSEK



Salix Group has experienced a continuous EBITA growth in the last five years, driven both organically and through M&A activities

# OUR WAY OF WORKING



# ACTIVE IN THE NORDIC M&A MARKET



How do we find attractive companies?



Actively **seeking out opportunities** and working systematically with **target lists** (both at Volati, Salix Group and business unit level)



**Established relations** with brokers and M&A advisors

How do we choose which companies to pursue?



**Prospects selectively chosen** based on our industry knowledge and strategic rationale



**Evaluation criteria** based on experience:

- ✓ Strong brands and market position
- ✓ Functioning organisations and good cultural fit
- ✓ Attractive valuation and/or synergy potential

# ACTIVE IN THE NORDIC M&A MARKET



## Investment hypothesis

Create the clear contender in the Nordic retail fastening market with substantial leverage of competence, cost and capital synergies

**Familiar products** and main markets but also entering the industry fastening market

**Synergies of 10 mSEK in capital 5 mSEK on costs** on a transaction EV of approximately 90 mSEK

**Merger** with existing FAST business to create a leading nordic fastening center in Hillerstrop

**Organisational development** to enhance competence, process management and governance structure



## Investment hypothesis

Adding adjacent product segments with scalable applications and acquiring a well-run packaging business

**New products, customers** and **materials**

**Company split into two business units** to streamline, create focus and enable organic growth

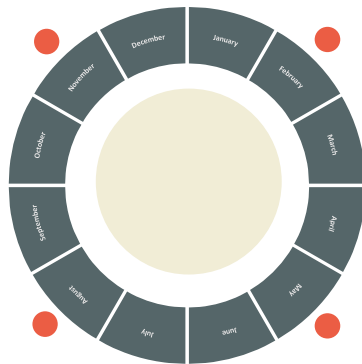
**Creating new brand identities** for each business unit to enhance and support the customer offering

**Transfer of finance, IT and logistics** to Volati Handel Service and creating a new hub in Vetlanda for these company wide services



# RUNNING THE BUSINESS: APPLYING STRUCTURE AND PROCESSES

**Strategic agenda and governance structure** through Volati's yearly board cycle themes

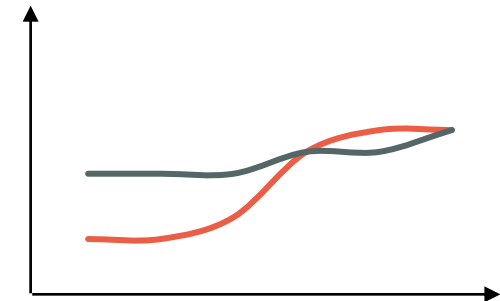


Philosophy of **everyday improvements** and identifying clear, relevant and **understandable KPIs**

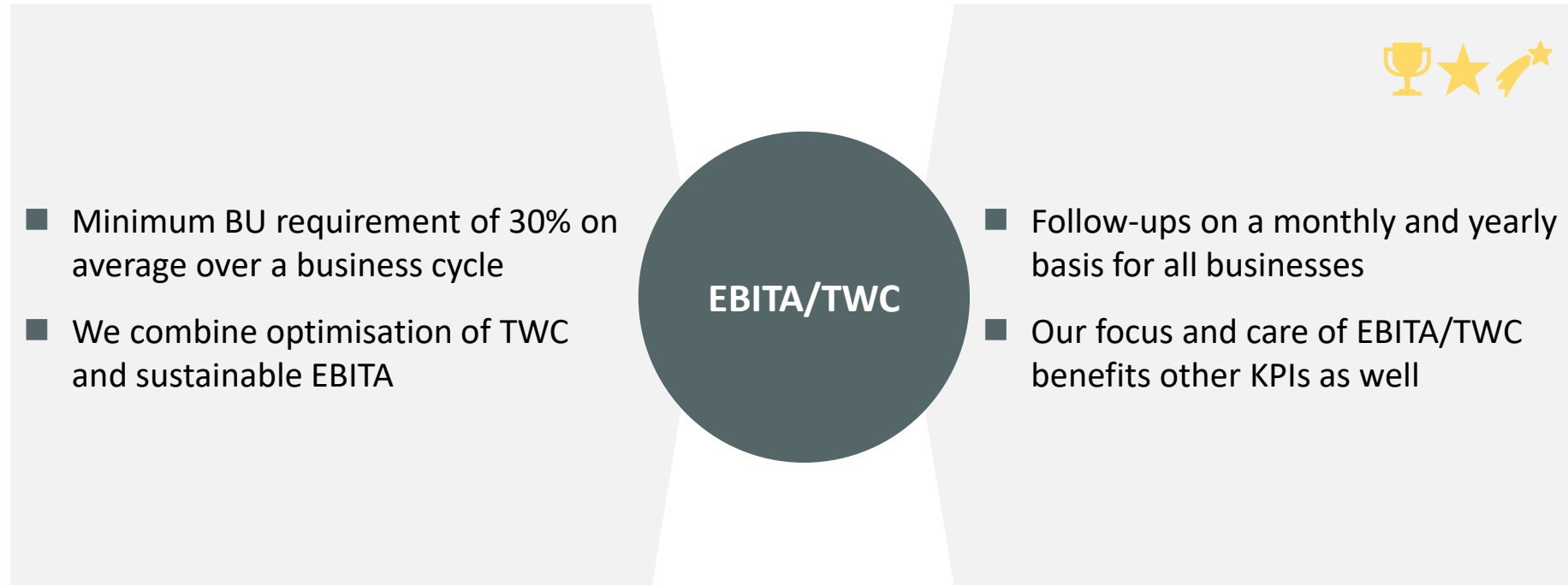
- ✓ EBITA/TWC
- ✓ Service levels
- ✓ Inventory management
- ✓ Warehouse efficiency
- ✓ Profitability break-downs
- ✓ Focus on lifting poor performance first



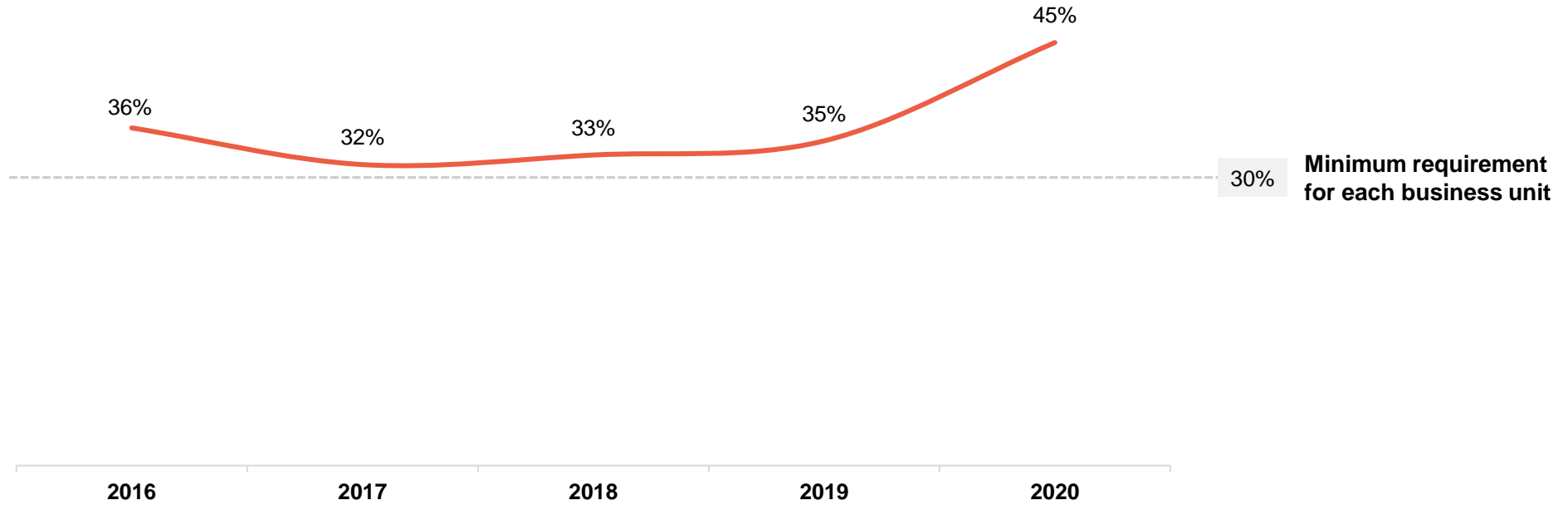
**Pulling different levers** to achieve results – because good can look very different



# RUNNING THE BUSINESS: OUR FAVOURITE KPI – IF WE ONLY HAD ONE



# RUNNING THE BUSINESS: GROWING PROFITABILITY THROUGH EBITA/TWC

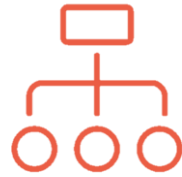


**Salix Group's performance on EBITA/TWC is top of the class versus peers and has been stable for a very long time**

# PEOPLE & CULTURE



# SALIX GROUP GOING FORWARD



Create an **organisation** to support future growth



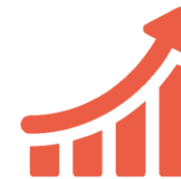
Continue to **develop our shared services company** to support the other business units



Leverage recent acquisitions in Finland and the Baltics and **increase penetration** of existing products in **new markets**



Realise the **organic growth potential** that still exists in many of the business units



Continuously **research, evaluate and pursue acquisitions** that fits well with Salix Group



An aerial photograph of a coastline. The top half of the image shows the ocean with white, frothy waves crashing onto a dark, sandy beach. The bottom half of the image is mostly dark, representing the beach and the water's edge. The text is overlaid on the white foam of the waves.

**Want to get to know us better?**

**Visit us at [salixgroup.se](https://salixgroup.se)**