



Interim Report Jul-Sep 2024

Andreas Stenbäck, CEO

Martin Aronsson, CFO

25 Okt 2024

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



Volati	
Net sales, LTM Q3 2024	SEK 7,667 m
EBITA, LTM Q3 2024	SEK 657 m

+18% EBITA CAGR since 2018

+10% EBITA CAGR since 2018

SALIX GROUP

~37%

Share of group EBITA, LTM

+28% EBITA CAGR since 2018

Etiketto Group

~26%

Share of group EBITA, LTM

+19% EBITA CAGR since 2018

Industry

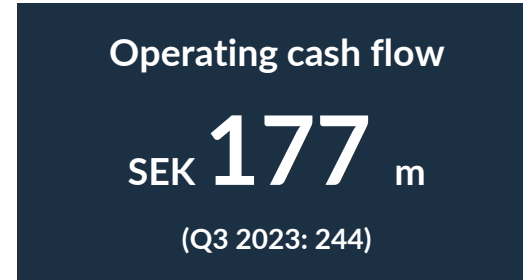
~36%

Share of group EBITA, LTM

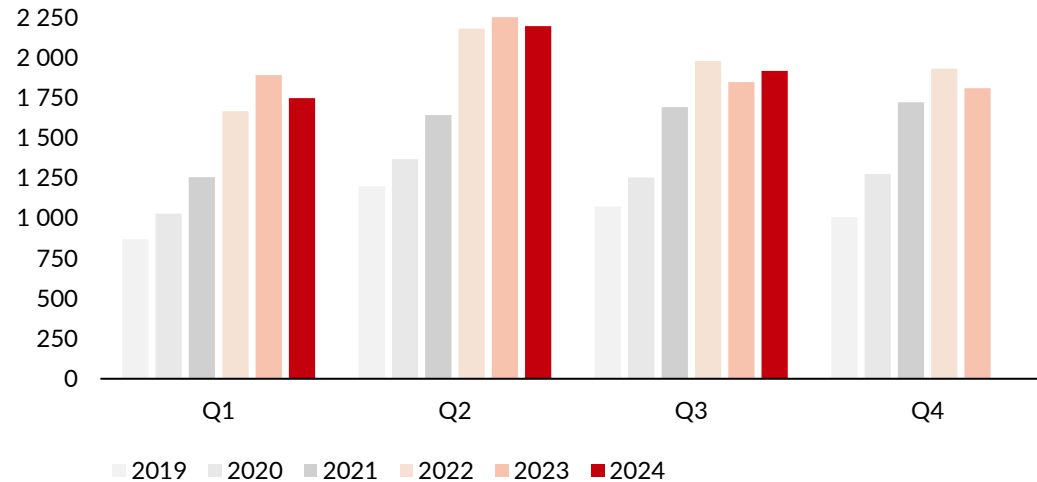
Q3 in brief

- Another quarter in line with last year, where we continue to meet slow or declining markets in four of our six platforms
- Ettiketto Group grew organically with 15% in the quarter, and the EBITA margin increased to 21% LTM. Slightly better margins than before we started making add-on acquisitions which has taken the EBITA from SEK 52m in 2019 to SEK 189 LTM
- Salix Group delivers a solid quarter with 5% acquisition driven sales growth and margins in line with last year. That means improved EBITA compared to last year for the second quarter in a row
- In Industry we saw a strong demand for Corroventas products as well as growth from very low levels in Communication
- S:t Eriks Group see a challenging construction market, while the infrastructure segment is holding up well. Still meeting strong comparables in the quarter, which will change from Q4 onwards
- Tornum Group experience the slowest market in Europe in many years. This in combination with slower than anticipated deliveries in Spain, on the back of strong order book, resulted in a very weak quarter
- No short term expectation of rapid changes to the market environment, but thanks to our long term focus, good cost structures, and maintained or strengthened market positions all our platforms are well prepared for when the market returns

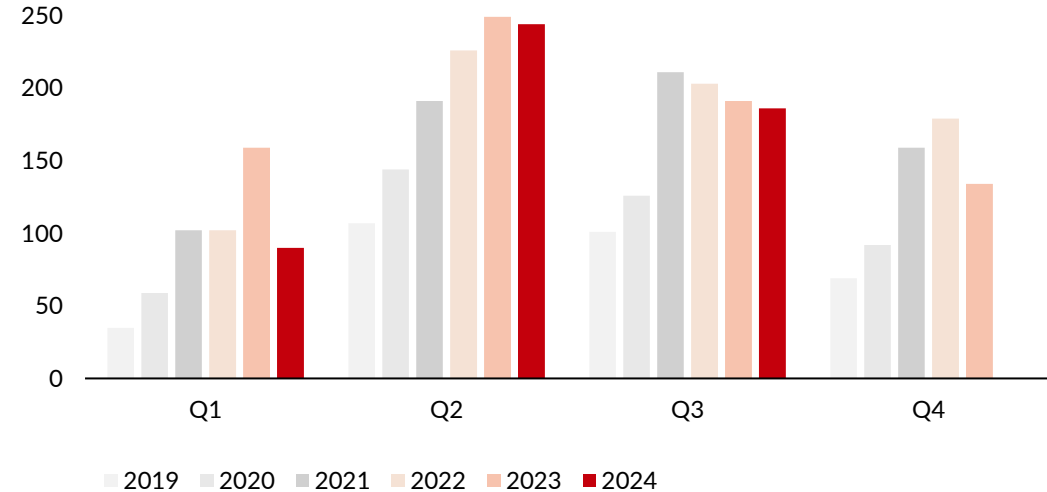
Financial development, Q3 2024



Net sales, SEK m



EBITA, SEK m

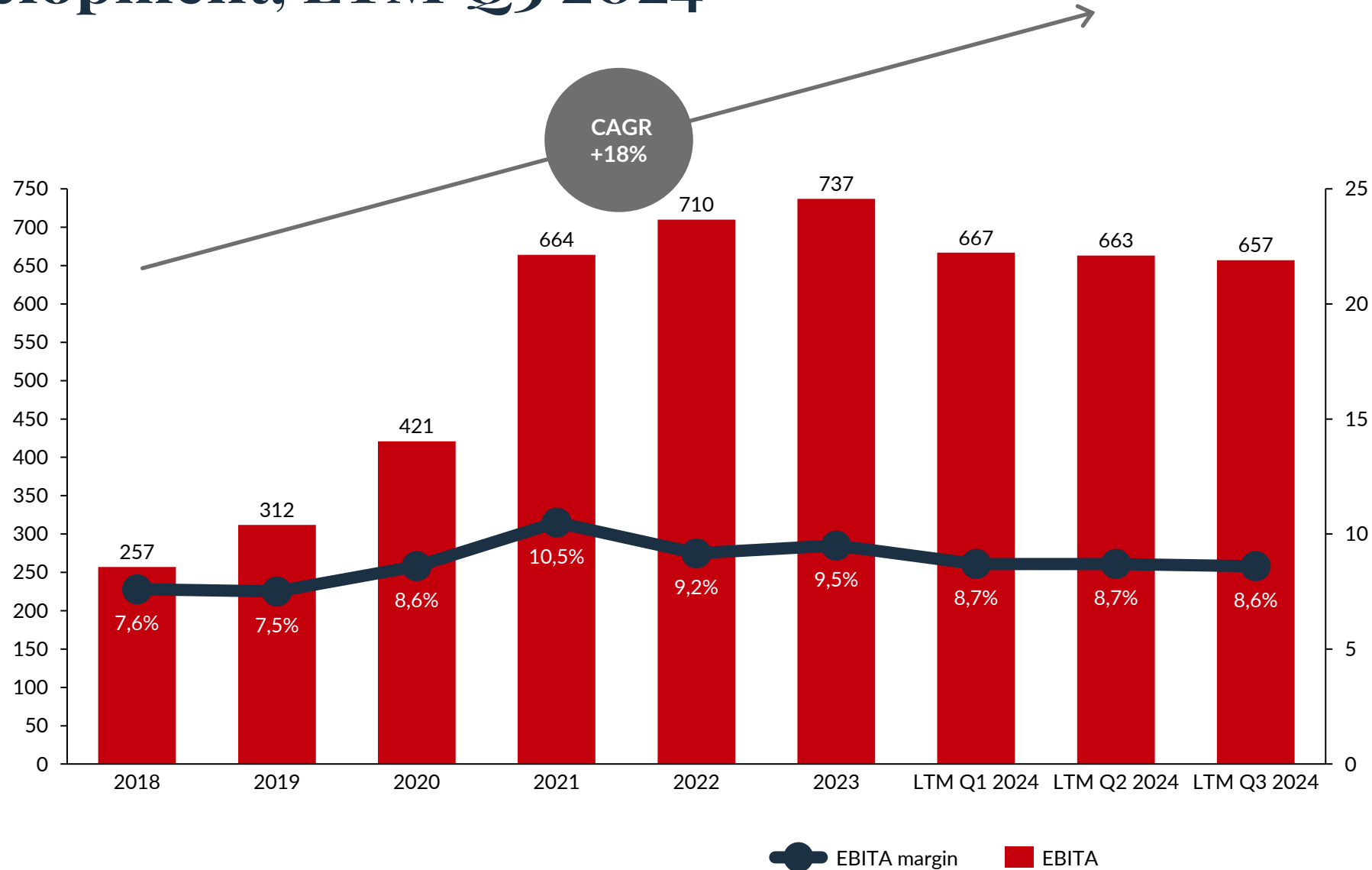


Financial development, LTM Q3 2024

Net sales
SEK **7,667** m
(Q3 2023: 7,917)

EBITA
SEK **657** m
(Q3 2023: 778)

Operating cash flow
SEK **704** m
(Q3 2023: 860)



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 equity¹⁾ of 20 percent²⁾.

Capital structure

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

Growth in EBITA per ordinary share, LTM

-16%

Q3 2023: 13%

Five year average: 19%

Return on adjusted equity

15%

Q3 2023: 28%

Five year average: 34%

Net debt/adjusted EBITDA

2.8x

Q3 2023: 2,0x

Five year average: 2,0x

1) See pages 137-141 of the 2023 Annual Report for definitions of alternative performance measures. 2) Including divested operations.

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.

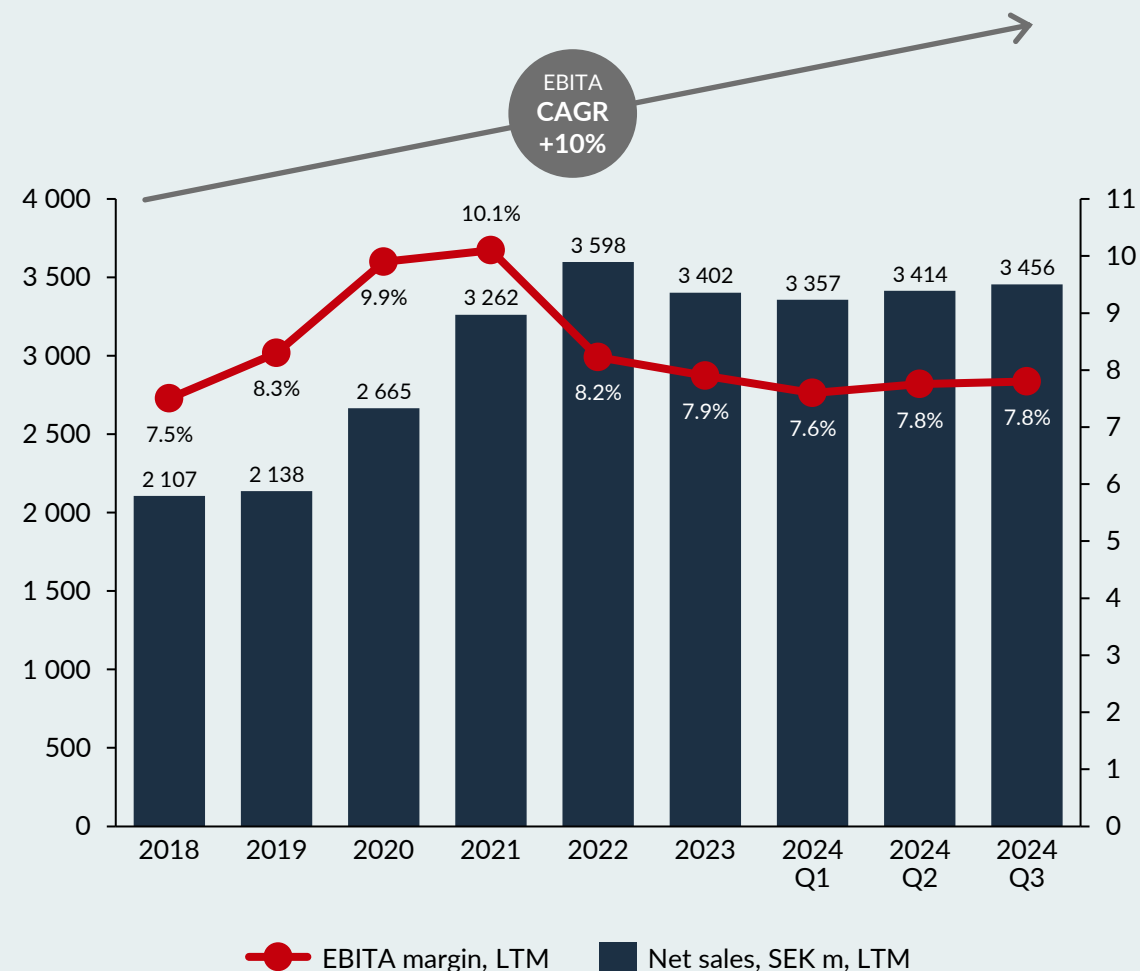


Four businesses with leading market positions in their niches; Products and solutions for grain management. Products for dampness and water damage management. Infrastructure for telecom, lighting and solar panels. Stone and cement products for infrastructure and construction.

Salix Group

- Sales increase of 5% in the quarter
- Continued challenging market situation in the industrial and professional segments, early signs of improvement in the consumer related business
- Overall market growth expected in 2025
- EBITA margin in the quarter in line with last year
- Visible benefits from cost control measures, coordination benefits, synergy realisation and active market development
- When demand recovers, Salix Group is in a good position to capitalise on the growth.
- Well positioned for further acquisitions

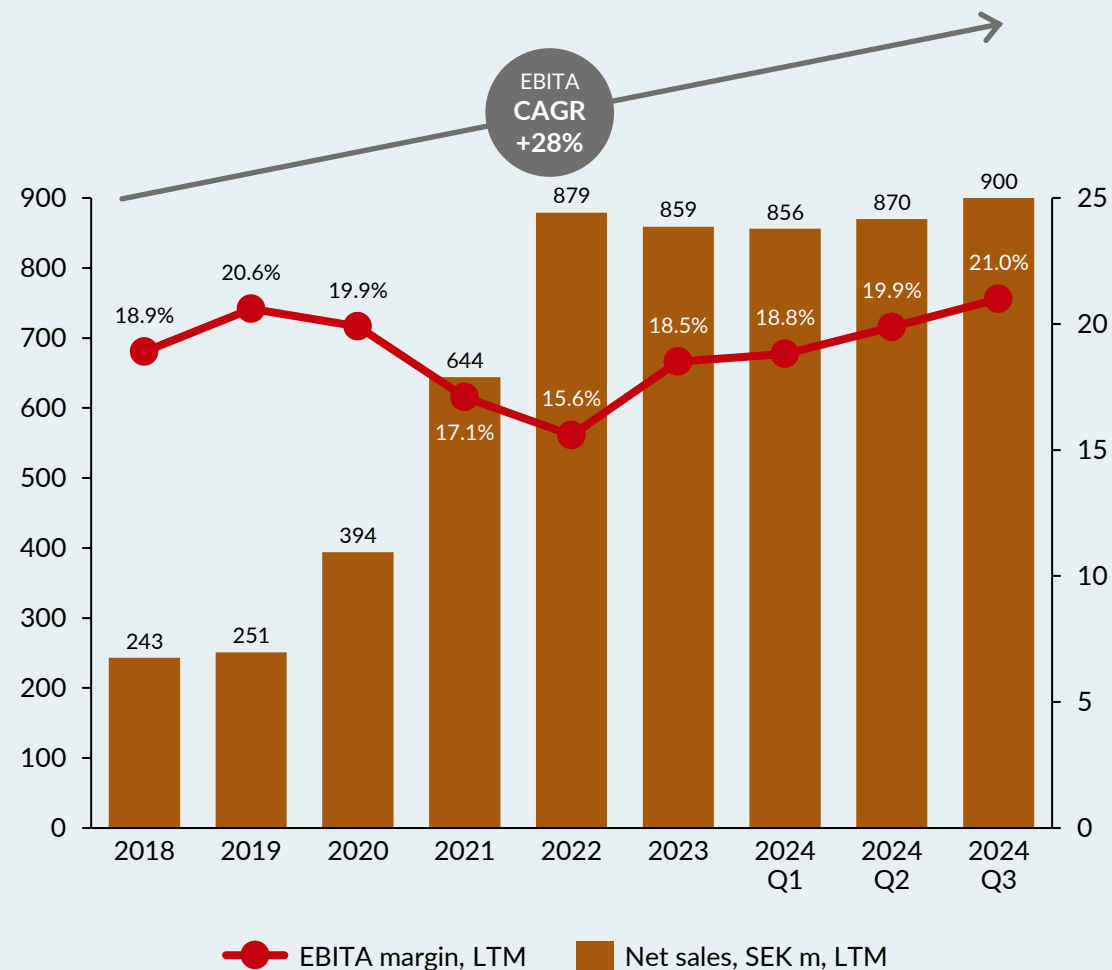
	Jul-Sep 2024	Jul-Sep 2023	LTM Q3 2024	FY 2023
Net sales, SEK m	868	826	3,456	3,402
EBITA, SEK m	83	79	268	269
EBITA-margin, %	10	10	8	8
ROCE excl. goodwill, %	24	24	24	25



Ettiketto Group

- Organic sales increase of 15% in the quarter and 3% LTM
- Margin increase in the quarter of 4pp compared to last year
- LTM EBITA margin of 21% - above the previous record in 2019
- Acquisitions, synergies and operational improvement has taken the EBITA from SEK 52 million in 2019 to SEK 189 million LTM
- Strong demand and solid order intake expanding the production capacity to meet the demand
- Well-positioned for acquisition-driven growth

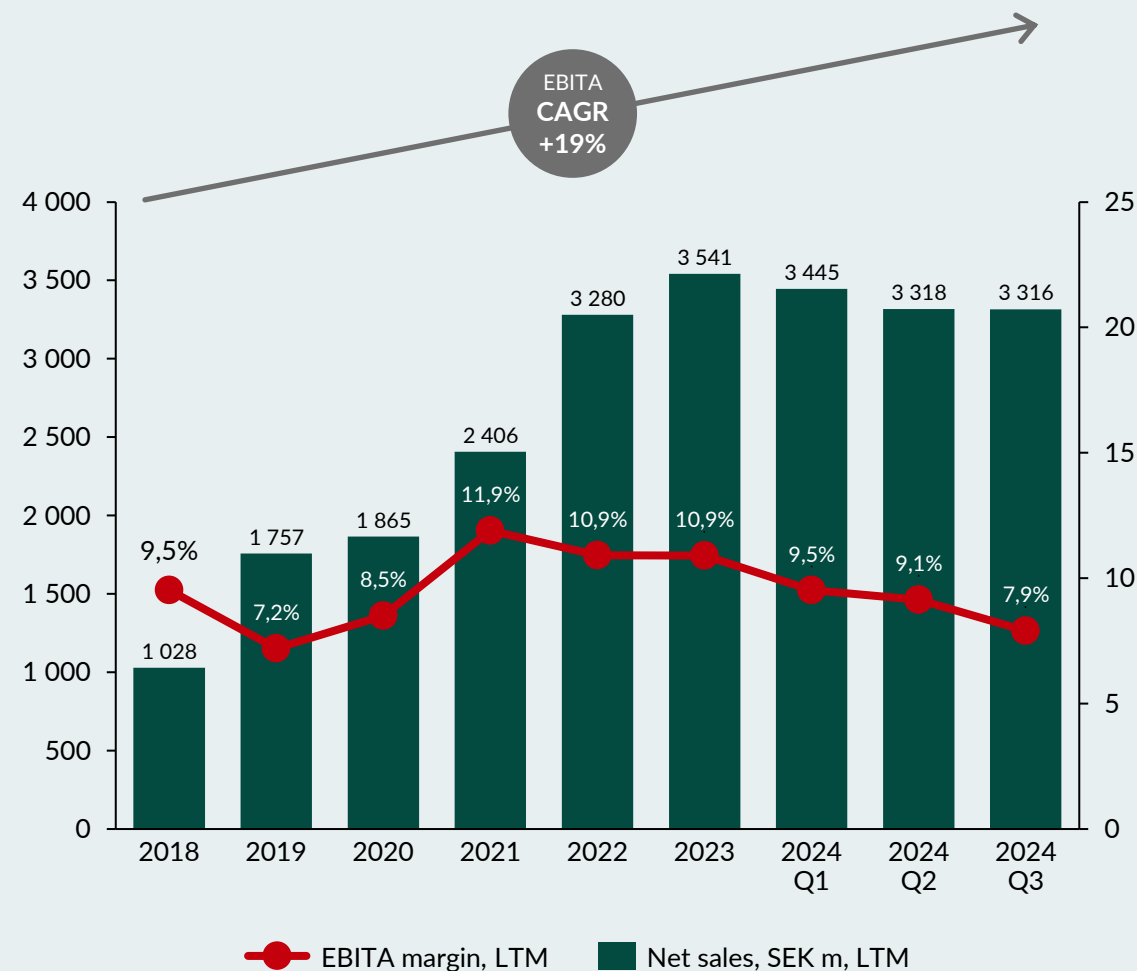
	Jul-Sep 2024	Jul-Sep 2023	LTM Q3 2024	FY 2023
Net sales, SEK m	233	203	900	859
EBITA, SEK m	59	43	189	159
EBITA-margin, %	25	21	21	18
ROCE excl. goodwill, %	77	65	77	67



Industry

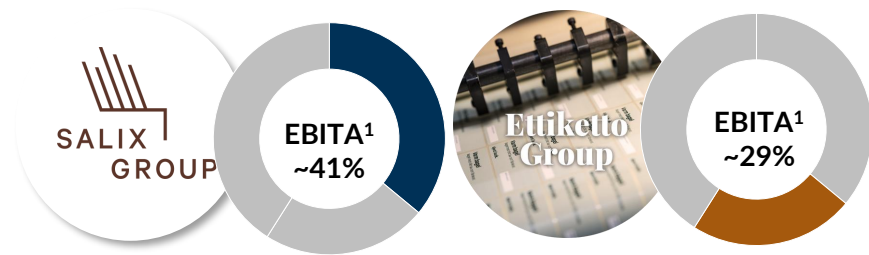
- Sales in line with last years quarter and EBITA of SEK 50 million vs last year of SEK 91 million
- Continued strong performance in Corroventa, driven by a strong core business and floodings in Europe
- S:t Eriks continues to meet a challenging market situation in the construction segment, while the demand in the infrastructure segment is stable. Strong comparables in the quarter, however meeting lower comparables from Q4 onwards
- Tornum Group is meeting the toughest market conditions in years due to low demand in the agricultural segment, negatively affecting the quarter.
- Communication is showing growth in EBITA compared to Q3 last year, despite meeting a continued slow market.

	Jul-Sep 2024	Jul-Sep 2023	LTM Q3 2024	FY 2023
Net sales, SEK m	817	819	3,316	3,541
EBITA, SEK m	50	91	262	385
EBITA-margin, %	6	11	8	11
ROCE excl. goodwill, %	21	37	21	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
Skipnes January 2022	SALES 70
Jigraf March 2022	SALES 30

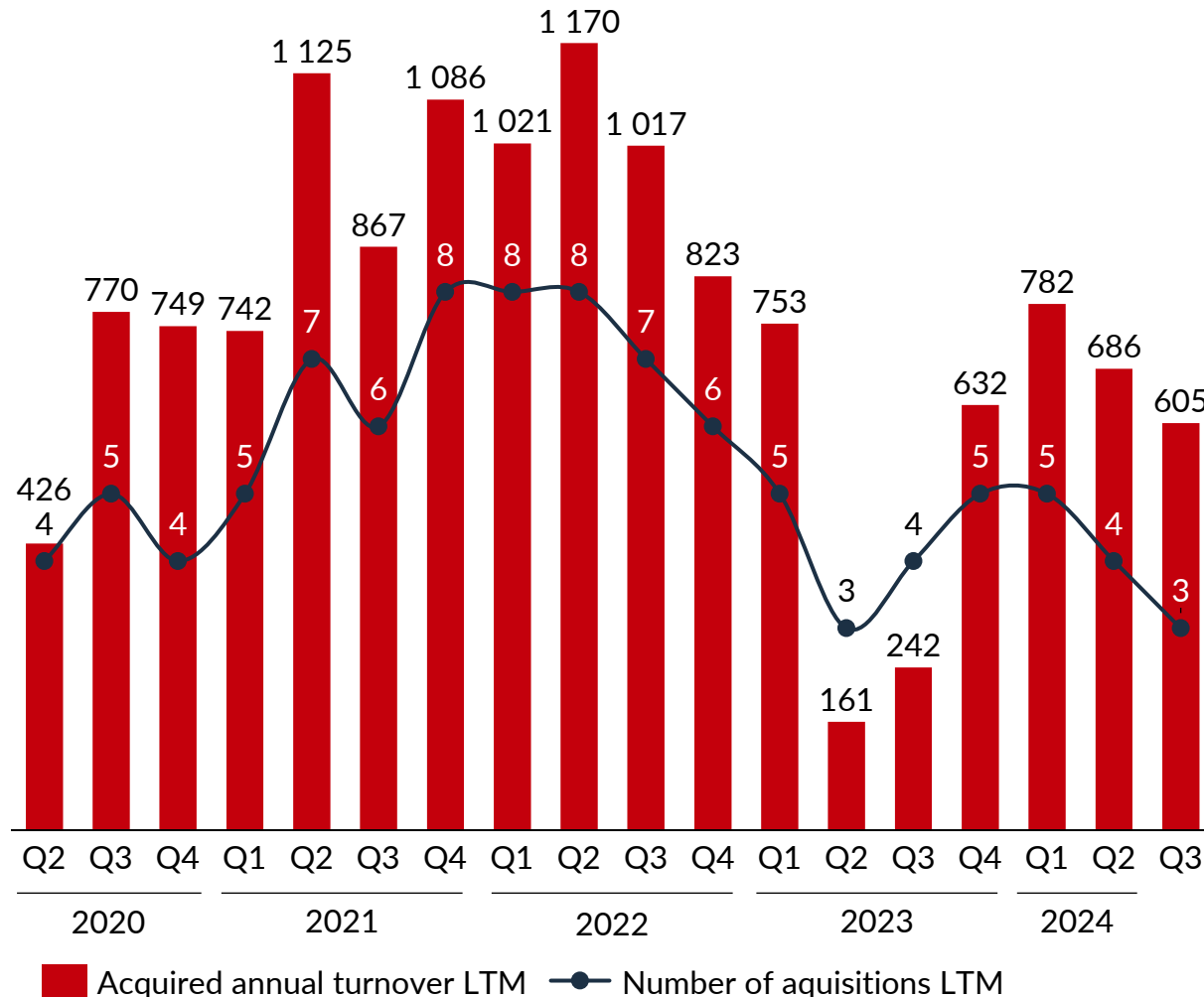
Corroventa

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

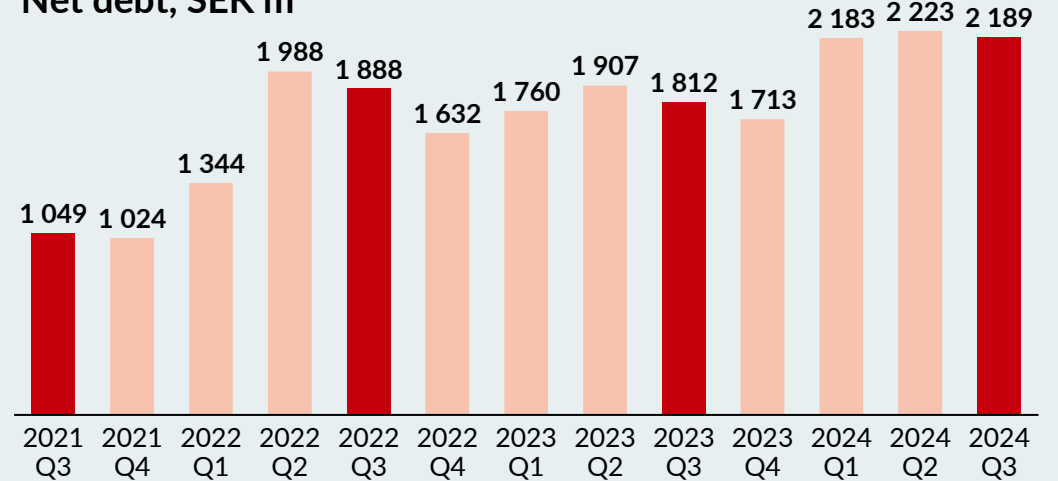


- M&A have over time contributed with annual sales of SEK 600–1,200 million
- Annual pace of 6-8 acquisitions
- Majority of the acquisitions are value creating add-on acquisitions, enabling substantial synergy realisation
- Platforms, financial capacity and processes in place to continue to grow through acquisitions

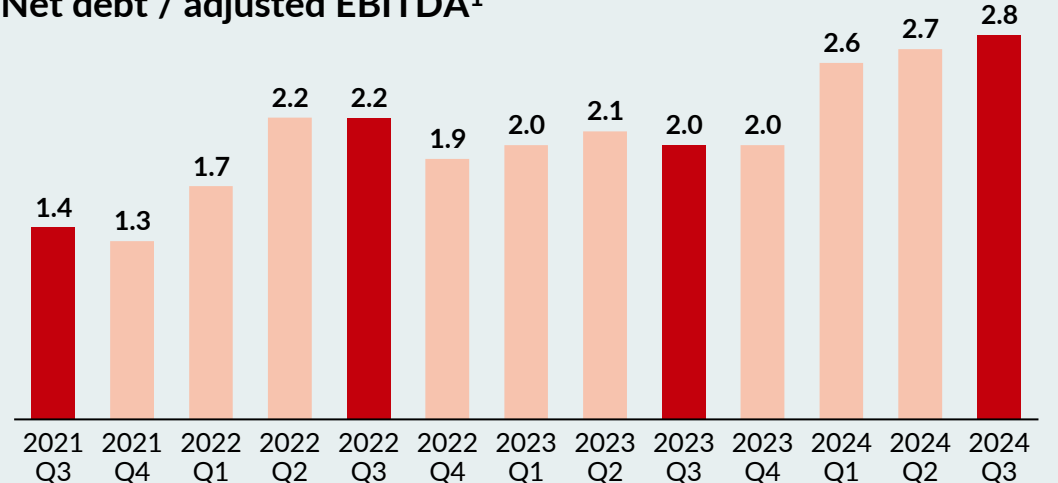
Well positioned for further acquired growth

- Operational cash flow of SEK 177 million in Q3 2024 compared to SEK 244 million same period last year
- LTM Q3 2024 Cash flow of 704 million
- Total cash generation of 94% during last twelve months.
- Net debt decrease with SEK 34 million in the quarter due to
 - Operating cash flow of SEK +177 million
 - Tax, interest, dividend outflow and other net debt items of SEK -143 million
- Once markets normalise, we will see a positive effect on our net debt / EBITDA ratio

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

- Performance in Q3 roughly in line with last year
- Weak market conditions affecting four out of six platforms
- Long term focus, good cost structures, and maintained or strengthened market positions speaks for accelerated organic growth once market return
- Solid foundation for continued growth through acquisitions

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