

Press release

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Volati makes two add-on acquisitions in the Industry business area

Volati has acquired all shares in Stenentreprenader i Hesselholm AB and Mundus Maskin AB. The acquisitions are add-on acquisitions for Volati's Industry business area and the S:t Eriks and Tornum business units. The acquired companies had combined annual sales of SEK 125 million and an EBITDA of SEK 16 million in 2018.

Add-on acquisitions are an important part of Volati's strategy to create long-term value growth. They reinforce the existing business units' market positions and add further value through synergies.

"With Volati's business area organization, we currently have the capacity to generate and evaluate more potential add-on acquisitions for our business units than before. The Stenentreprenader and Mundus acquisitions are a result of this process. We have acquired two reasonably valued, well-managed companies with good profitability and a strong market position in their niche," says Nicklas Margård, Head of Business Area Industry and responsible for the acquisitions.

Stenentreprenader is one of the major natural stone contractors in Sweden. The company specialises in delivery and assembly of natural stone for façades, floors and window sills. Customers are mainly medium-sized and large construction contractors, and the projects primarily consist of public buildings. Stenentreprenader, headquartered in Hesselholm, had net sales of SEK 104 million and an EBITDA of SEK 14 million for 2018.

Mundus delivers and installs handling systems for grain and other raw materials for the agriculture and industry sectors in Sweden. Mundus, which has its head office in Ystad, had net sales of SEK 21 million and an EBITDA of SEK 2 million for 2018.

"Stenentreprenader complements S:t Eriks' current offering of natural stone products extremely well. In addition to a general strengthening of the market position and offering, Stenentreprenader can also install and lay flooring in the natural stone supplied by S:t Eriks. This business was previously outsourced. Mundus in turn fits well into Tornum and will have even better scope for growth as part of a larger company," says Nicklas Margård.

The acquisition price on a cash-free and debt-free basis for both companies amounts to SEK 74 million, which corresponds to an EV/EBITDA multiple of 5.0x 2018 earnings for Stenentreprenader and 1.5x for Mundus. The acquisitions have been financed through Volati's existing credit facilities.

The acquisitions have been conducted with immediate access to the shares, and the companies will therefore be consolidated from April. The acquisitions are expected to have a positive effect on Volati's results for 2019 and contribute to an increase in return on equity.

For further information, please contact:

Nicklas Margård, Head of Business Area Industry, +46 76 200 85 78, nicklas.margard@volati.se
Mårten Andersson, CEO Volati AB, +46 72 735 42 84, marten.andersson@volati.se

Volati AB (publ)

Engelbrektsplan 1, SE-114 34 Stockholm

Tel: +46 8 21 68 40, email: info@volati.se, corp.reg.no.: 556555-4317

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About Volati

Volati is a Swedish industrial group, formed in 2003, organised in four business areas: Trading, Consumer, Akademibokhandeln and Industry. Volati mainly acquires reasonably valued companies with proven business models, leading market positions and strong cash flows and develops them with a focus on long-term value creation. The strategy is to build on the companies' identity and entrepreneurial spirit, adding leadership, expertise, processes and financial resources. Volati has operations in 16 countries, over 2,000 employees and annual sales of approximately SEK 7 billion. Volati's ordinary shares and preference shares are listed on Nasdaq Stockholm. Further information is available at www.volati.se.