

INTERIM REPORT 2021

January - September



Strong increase in sales and profit

Third quarter of 2021 in brief

- Sales increased to SEK 3,033 million (2,500)
- Operating profit (EBITA) rose to SEK 339 million (SEK 304 million, excl. a non-recurring item of SEK –17 million)
- EBITA margin of 11.2% (12.2%, excl. the non-recurring item)
- Profit after tax was SEK 257 million (211)
- Diluted earnings per share increased to SEK 0.95 (0.79)
- Cash flow after investments was SEK 116 million (SEK 82 million, excl. acquisitions)

First nine months of 2021 in brief

- Sales increased to SEK 8,464 million (6,872)
- Operating profit (EBITA) rose to SEK 983 million (814) excl. non-recurring items
- EBITA margin of 11.6% (11.8) excl. non-recurring items
- Diluted earnings per share increased to SEK 2.88 (2.24)
- Cash flow after investments was SEK 533 million (SEK 694 million excl. acquisitions)
- Financial position remains strong

Comments from the President and CEO - Record quarter despite challenges

Nolato continued to deliver a robust increase in sales and profit in the third quarter. Adjusted for currency and acquisitions, consolidated sales grew by a considerable 16% to SEK 3,033 million. Although we are still feeling the effects of the pandemic, operating profit (EBITA) rose to SEK 339 million, its highest ever level for an individual quarter, with a margin of 11.2%. We have an excellent financial position and aim to further strengthen our global offering and advance our market positions throughout our business areas over time, particularly in Medical Solutions.



Christer Wahlquist, President and CEO, Nolato AB

Medical Solutions sales for the third quarter totaled SEK 977 million (796), corresponding to organic growth of –4%. Sales were adversely affected by postponed surgical operations, while there has also been a return to more normal inventory levels by a number of other customers as pandemic-related restrictions have been eased or removed. Operating profit (EBITA) amounted to SEK 100 million (103), resulting in a margin of 10.2% (12.9). The margin has been subject to a dilutive effect from the American business acquired in September 2020 and has also been impacted by the ramp-up of a large project with an existing customer that is expanding into the in vitro diagnostics (IVD) field. This ramp-up is resulting in temporarily higher costs in the second half of the year. The planned expansion of production capacity in Switzerland, Hungary, Poland, the United States and Sweden is proceeding according to plan.

Integrated Solutions sales totaled SEK 1,519 million (1,158), corresponding to organic growth of a remarkable 39%. The continued strong growth in volume is due to high demand and some inventory build-up in Vaporiser Heating Products (VHP), as well as excellent performance in EMC, particularly in the automotive segment. We expect fourth-quarter sales for this business area to be in line with or slightly lower than this year's third-quarter sales. Operating profit (EBITA) was a record SEK 200 million (160), with a strong margin of 13.2% (13.8).

Industrial Solutions sales totaled SEK 540 million (547), corresponding to negative organic growth of 4%. We have experienced supply chain disruptions, with component shortages causing some customers to halt or reduce production capacity periodically. These disruptions have intensified since the summer and are also expected to affect the fourth quarter this year. Operating profit (EBITA) totaled SEK 42 million (48), with a margin of 7.8% (8.8). The margin was adversely affected by lower volumes and low production efficiency.

Group highlights

SEK million unless otherwise specified	Note	Q3 2021	Q3 2020	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Net sales	1	3,033	2,500	8,464	6,872	10,951	9,359
Operating profit (EBITDA)		450	388	1,356	1,067	1,745	1,456
Operating profit (EBITA)		339	287	1,033	783	1,316	1,066
EBITA margin, %		11.2	11.5	12.2	11.4	12.0	11.4
Operating profit (EBIT)	2	331	282	1,007	774	1,281	1,048
Profit after financial income and expense	2	322	267	968	745	1,237	1,014
Profit after tax		257	211	774	595	985	806
Basic earnings per share, SEK	3	0.96	0.79	2.89	2.24	3.67	3.03
Diluted earnings per share, SEK	3	0.95	0.79	2.88	2.24	3.67	3.02
Cash flow after investm., excl. acquis. and disposals		116	82	533	694	744	905
Net investm. affecting cash flow, excl. acq. and disp.		245	112	577	245	679	347
Cash conversion, %		—	—	—	—	62	87
Return on capital employed, %		—	—	20.6	21.8	20.6	20.7
Return on shareholders' equity, %		—	—	25.1	25.0	25.1	23.9
Equity/assets ratio, %		—	—	45	41	45	44
Net financial liabilities (-), excluding pension- & lease liabilities		—	—	-72	-535	-72	-298

See definitions of IFRS measures and alternative performance measures on page 22.

Including a non-recurring item of SEK 50 million in operating profit and profit after tax in Q2 2021.

Including a non-recurring item of SEK –17 million in operating profit in Q3 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK –14 million.

Including a non-recurring item of SEK –14 million in operating profit in Q1 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK –11 million.

This document is a translation from Swedish. In the event of any difference between this version and the Swedish original, the latter shall prevail.

Third quarter 2021

- Sales totaled SEK 3,033 million (2,500), adjusted for currency and acquisitions, which was a considerable 16% increase
- Supply chain disruptions, but strong growth for Integrated Solutions
- Operating profit (EBITA) rose to SEK 339 million (SEK 304 million, excl. a non-recurring item of SEK –17 million)
- EBITA margin of 11.2% (12.2%, excl. the non-recurring item)
- Cash flow after investments was SEK 116 million (SEK 82 million, excl. acquisitions)

Sales

Consolidated sales totaled SEK 3,033 million (2,500). Adjusted for currency and acquisitions, this was a considerable 16% increase.

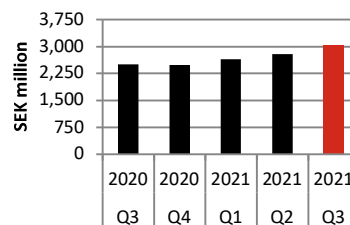
Medical Solutions sales totaled SEK 977 million (796); adjusted for currency and acquisitions, sales decreased by 4%. Volumes have continued to be adversely affected by postponed surgical operations, while there has also been a return to more normal inventory levels by several customers in other areas as pandemic-related restrictions have been eased or removed.

Integrated Solutions sales increased sharply to SEK 1,519 million (1,158), driven by significant volume growth in Vaporiser Heating Products (VHP), as well as EMC. Adjusted for currency, sales increased by a remarkable 39%. VHP volumes were very high in the quarter, but were also believed to have been impacted by some inventory build-up by customers. EMC sales increased significantly as a result of good growth in telecom and, above all, owing to strong relative growth in automotive. We expect fourth-quarter sales for this business area to be in line with or slightly lower than this year's third-quarter sales.

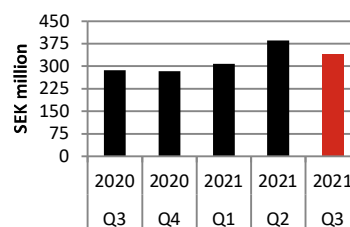
Industrial Solutions sales totaled SEK 540 million (547); adjusted for currency and acquisitions, sales decreased by 4%. Supply chain disruptions, in which component shortages have caused some customers to halt production or reduce production capacity periodically, have intensified since the summer vacation period.

Strong increase in sales and profit

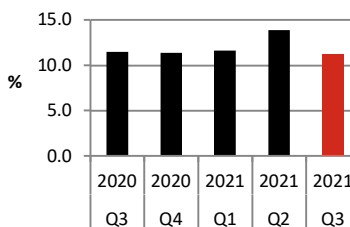
• Sales



• Operating profit (EBITA)



• EBITA margin



Profit

The Group's operating profit (EBITA) increased to SEK 339 million (SEK 304 million, excluding a non-recurring item of SEK –17 million). Integrated Solutions achieved record profit in the quarter, while profitability at Medical Solutions and Industrial Solutions was adversely affected by pandemic-related effects and supply chain disruptions. Including non-recurring items last year, profit amounted to SEK 339 million (287).

Operating profit (EBITA) was SEK 100 million (103) for Medical Solutions, while for Integrated Solutions it rose to SEK 200 million (160), and for Industrial Solutions it decreased to SEK 42 million (48).

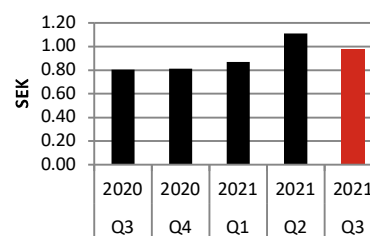
The EBITA margin for Medical Solutions was 10.2% (12.9). The margin was adversely affected by the negative impact on volumes, a lower operating margin at the acquired American business, which was only included in September last year, and high costs for the start-up of a new project. The ramp-up relates to a large project with an existing, globally leading customer in a new area for Nolato with this customer; in vitro diagnostics (IVD). This is resulting in disruptions and temporarily higher costs in the third and fourth quarters. For Integrated Solutions, the margin was a strong 13.2% (13.8). High volumes contributed to the margin. The EBITA margin for Industrial Solutions was 7.8% (8.8). Supply chain disruptions leading to lower volumes and low production efficiency adversely affected the margin. Overall, the Group's EBITA margin was 11.2% (12.2%, excluding non-recurring items). Including non-recurring items last year, the margin was 11.2% (11.5%).

Operating profit (EBIT) rose to SEK 331 million (SEK 299 million, excluding non-recurring items). In August last year, Nolato announced it had acquired the North American group GW Plastics Inc. The acquisition resulted in SEK 17 million in acquisition expenses. These were recognized last year as a non-recurring item at Group level and did not impact the business areas' profit.

Profit after net financial income/expense rose to SEK 322 million (267).

Profit after tax was SEK 257 million (211). Diluted earnings per share were SEK 0.95 (0.79). Adjusted earnings per share after dilution, but excluding amortization of intangible assets arising from acquisitions, amounted to SEK 0.98 (0.80).

Adjusted diluted earnings per share



Sales, operating profit (EBITA) and EBITA margin by business area

SEK million	Sales Q3/2021	Sales Q3/2020	EBITA Q3/2021	EBITA Q3/2020	EBITA marg. Q3/2021	EBITA marg. Q3/2020
Medical Solutions	977	796	100	103	10.2%	12.9%
Integrated Solutions	1,519	1,158	200	160	13.2%	13.8%
Industrial Solutions	540	547	42	48	7.8%	8.8%
Intra-Group adj., Parent Co	- 3	- 1	- 3	- 24	—	—
Group total	3,033	2,500	339	287	11.2%	11.5%

Including a non-recurring item of SEK –17 million in operating profit in Q3 2020.

Operating profit (EBITA): Earnings before financial income and expense, taxes and amortization of intangible assets arising from acquisitions.

First nine months 2021

Sales and earnings

Consolidated sales totaled SEK 8,464 million (6,872). Adjusted for currency and acquisitions, this was a considerable 15% increase.

Sales for Medical Solutions rose by 41% to SEK 3,004 million (2,138), for Integrated Solutions by 19% to SEK 3,750 million (3,161) and for Industrial Solutions by 9% to SEK 1,715 million (1,576).

The Group's operating profit (EBITA) increased to SEK 983 million (814), excluding non-recurring items of SEK +50 million (-31). Including non-recurring items, profit amounted to SEK 1,033 million (783). Overall, the Group's EBITA margin was 11.6% (11.8%) excluding non-recurring items.

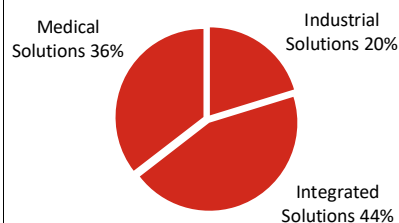
Operating profit (EBIT) rose to SEK 957 million (805), excluding non-recurring items. Including non-recurring items, profit amounted to SEK 1,007 million (774). Profit for the year includes a positive non-recurring item of SEK 50 million, which relates to a remitted loan. Last year there were non-recurring expenses of SEK -14 million for the closure of a UK business and acquisition expenses of SEK -17 million. These non-recurring items were recognized at Group level and have consequently not affected the profit of the business areas.

Profit after net financial income/expense was SEK 968 million (745).

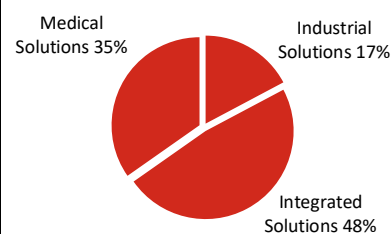
Profit after tax was SEK 774 million (595). Diluted earnings per share were SEK 2.88 (2.24). Excluding non-recurring items, diluted earnings per share were SEK 2.70 (2.33). Adjusted earnings per share after dilution, but excluding amortization of intangible assets arising from acquisitions, amounted to SEK 2.96 (2.26). The effective tax rate was 20.0% (20.1).

Return on capital employed was 20.6% for the last 12-months (20.7% for the 2020 calendar year). Return on equity was 25.1% for the last 12 months (23.9% for the 2020 calendar year).

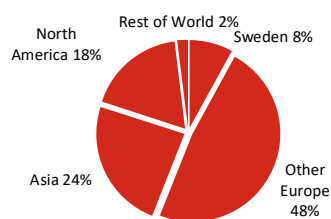
• Business areas' share of sales



• Business areas' share of operating profit (EBITA)



• Sales by geographic markets



Medical Solutions

Sales and profit 9 months (SEK million)	2021	2020
Sales	3,004	2,138
Operating profit (EBITA)	345	290
EBITA margin (%)	11.5	13.6
Operating profit (EBIT)	326	286

Medical Solutions sales totaled SEK 3,004 million (2,138); adjusted for currency and acquisitions, sales grew by 5%. Growth was strong in most areas in the first quarter, particularly in diagnostics, in which demand was partly driven by the pandemic. Demand in diagnostics remained good in the second quarter, but growth was limited by available capacity. Volumes in the third quarter continued to be adversely affected by postponed surgical operations, while there has also been a return to more normal inventory levels by several customers in other areas as pandemic-related restrictions have been eased or removed.

Operating profit (EBITA) increased to SEK 345 million (290).

The EBITA margin was 11.5% (13.6). A lower operating margin in the acquired US business, consolidated since September 1, 2020, is having a dilutive effect. In addition, the margin was adversely affected by volumes in the third quarter and high costs for the ramp-up of a large project. The ramp-up is resulting in disruptions and temporarily higher costs for the third and fourth quarters.

Integrated Solutions

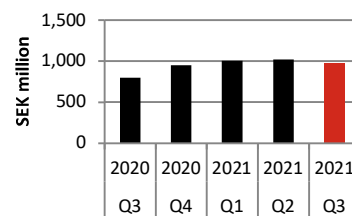
Sales and profit 9 months (SEK million)	2021	2020
Sales	3,750	3,161
Operating profit (EBITA)	479	437
EBITA margin (%)	12.8	13.8
Operating profit (EBIT)	478	436

Integrated Solutions sales totaled SEK 3,750 million (3,161). Adjusted for currency, sales increased by a remarkable 29% on the back of strong growth in both Vaporiser Heating Products (VHP) and EMC. VHP volumes have shown good growth in 2021 and were very high in the third quarter, but were also believed to have been impacted by some inventory build-up by customers. EMC sales increased significantly as a result of good growth in telecom and, above all, owing to strong relative growth in automotive. We expect fourth-quarter sales for this business area to be in line with or slightly lower than this year's third-quarter sales.

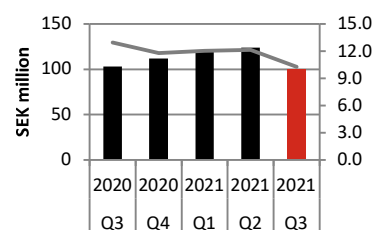
Operating profit (EBITA) was SEK 479 million (437).

The EBITA margin was 12.8% (13.8). Last year a general subsidy was received from Chinese authorities, which boosted the margin by just under half a percentage point.

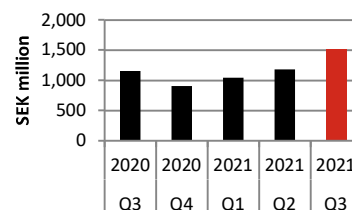
Medical Solutions sales



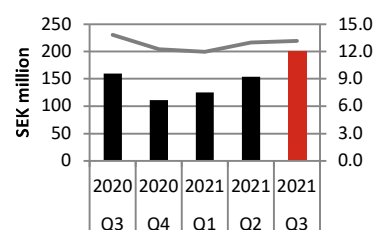
Medical Solutions operating profit (EBITA) & EBITA margin %



Integrated Solutions sales



Integrated Solutions operating profit (EBITA) & EBITA margin %



Industrial Solutions

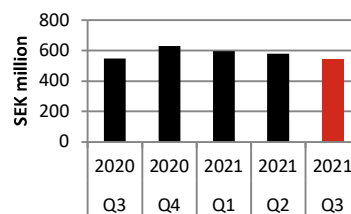
Sales and profit 9 months (SEK million)	2021	2020
Sales	1,715	1,576
Operating profit (EBITA)	170	106
EBITA margin (%)	9.9	6.7
Operating profit (EBIT)	164	102

Industrial Solutions sales totaled SEK 1,715 million (1,576); adjusted for currency and acquisitions, sales grew by 6%. Last year, demand from automotive industry customers was significantly impacted by production halts for parts of the period. The second quarter of this year was also affected by supply chain disruptions, which impacted volumes. Supply chain disruptions have intensified since the summer vacation period, with component shortages causing some customers to halt production or reduce production capacity periodically.

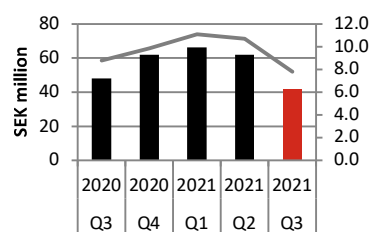
Operating profit (EBITA) increased sharply to SEK 170 million (106).

The EBITA margin rose to 9.9% (6.7). Increased efficiency, particularly in the first quarter of this year, had a positive effect. The margin was adversely affected in the third quarter by supply chain disruptions, leading to lower volumes and low production efficiency. Last year the halt in operations by the automotive industry and redundancy costs had a significant negative impact, particularly in the second quarter.

Industrial Solutions sales



Industrial Solutions operating profit (EBITA) & EBITA margin %



Cash flow

Cash flow after investments in the third quarter was SEK 116 million (SEK 82 million, excluding acquisitions and related foreign exchange effects on cash flow). This was helped by the improvement in profit, while tied-up working capital increased slightly as a result of higher sales. Net investments affecting cash flow rose to SEK 245 million (SEK 112 million, excluding acquisitions).

On an accumulated basis following the first nine months, cash flow after investments was SEK 533 million (SEK 694 million, excluding acquisitions and related foreign exchange effects on cash flow). Including acquisitions last year, cash flow after investments was SEK 533 million (-772). On an accumulated basis, net investments affecting cash flow totaled SEK 577 million (SEK 245 million, excluding acquisitions). Including acquisitions last year, investments affecting cash flow totaled SEK 577 million (1,593). Cash conversion for the last 12 months was 62% (87% for the 2020 calendar year). A dividend totaling SEK 428 million (0) was paid to shareholders in the second quarter.

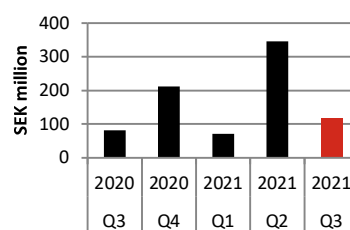
Financial position

Interest-bearing assets amounted to SEK 1,400 million (1,438) and interest-bearing financial liabilities decreased to SEK 1,472 million (1,973). Net financial liabilities consequently totaled SEK 72 million (535). Positive cash flow from the last 12 months has improved net financial liabilities. There are also interest-bearing pension liabilities of SEK 259 million (253) and interest-bearing lease liabilities of SEK 306 million (289). Shareholders' equity rose to SEK 4,280 million (3,653). The equity/assets ratio was 45% (41).

Financial position

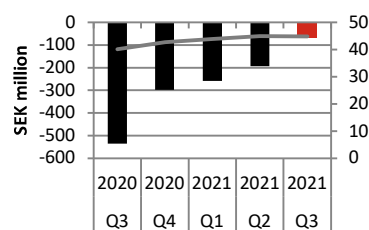
SEK million	30/09/2021	30/09/2020	31/12/2020
Interest-bearing liabilities, credit institutions	-1,472	-1,973	-1,785
Cash and bank	1,400	1,438	1,487
Net financial liabilities (-)	-72	-535	-298
Interest-bearing pension liabilities	-259	-253	-274
Net financial liabilities (-), incl. pension liabilities	-331	-788	-572
Lease liabilities	-306	-289	-358
Net financial liabilities (-), including pension- & lease liabilities	-637	-1,077	-930
Working capital	230	238	388
<i>As a percentage of sales (average) (%)</i>	2.1	4.3	3.6
Capital employed	6,318	6,167	6,116
<i>Return on capital employed (average) (%)</i>	20.6	21.8	20.7
Shareholders' equity	4,280	3,653	3,699
<i>Return on shareholders' equity (average) (%)</i>	25.1	25.0	23.9

• Cash flow after investments



Excluding acquisitions and disposals

• Net financial liabilities & equity/assets ratio



Consolidated performance analysis

SEK million	Note	Q3 2021	Q3 2020	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Net sales	1	3,033	2,500	8,464	6,872	10,951	9,359
Gross profit excl. depreciation/amortization		563	510	1,668	1,370	2,191	1,893
<i>As a percentage of net sales</i>		18.6	20.4	19.7	19.9	20.0	20.2
Costs		- 113	- 122	- 312	- 303	- 446	- 437
<i>As a percentage of net sales</i>		3.7	4.9	3.7	4.4	4.1	4.7
Operating profit (EBITDA)		450	388	1,356	1,067	1,745	1,456
<i>As a percentage of net sales</i>		14.8	15.5	16.0	15.5	15.9	15.6
Depreciation and amortization		- 111	- 101	- 323	- 284	- 429	- 390
Operating profit (EBITA)		339	287	1,033	783	1,316	1,066
<i>As a percentage of net sales</i>		11.2	11.5	12.2	11.4	12.0	11.4
Amortization of intangible assets arising fr. acquis.		- 8	- 5	- 26	- 9	- 35	- 18
Operating profit (EBIT)	2	331	282	1,007	774	1,281	1,048
Financial income and expense	2	- 9	- 15	- 39	- 29	- 44	- 34
Profit after financial income and expense	2	322	267	968	745	1,237	1,014
Tax		- 65	- 56	- 194	- 150	- 252	- 208
<i>As a perc. of profit after financial inc. and exp.</i>		20.2	21.0	20.0	20.1	20.4	20.5
Profit after tax		257	211	774	595	985	806

Personnel

The average number of employees during the period was 8,325 people (6,526). The increase in the number of employees is mainly attributable to Integrated Solutions' operations in China and the acquisition in the US.

Significant risks and uncertainty factors

The Group and parent company's business risks and risk management, as well as the management of financial risks, are described on pages 53–55 and in Note 30 on pages 83–86 of the 2020 annual accounts.

No events of material significance occurred in the period that materially affect or change these descriptions of the Group and parent company's risks and their management.

Seasonal effects

Nolato does not experience any significant seasonal variations. However, in the third quarter sales within Industrial Solutions, and to a certain degree Medical Solutions, can be negatively affected by the fact that the holiday period falls in this quarter both for Nolato and its customers.

Events after the balance sheet date

No significant events have occurred since the end of the period, but, owing to Covid-19, Nolato is operating in an environment that, at the time of this report's publication, is still affecting the Group in various ways.

• Contact:

- Christer Wahlquist, President and CEO, tel. +46705 804848.
- Per-Ola Holmström, CFO, tel. +46705 763340.

• Webcast conference call on 28 October:

In connection with the interim report, Nolato will hold a webcast conference call in English at 2.30 p.m. CET. Nolato will be represented by President and CEO Christer Wahlquist and CFO Per-Ola Holmström, who will present the interim report and answer questions. Information regarding telephone numbers and website is available at <https://financialhearings.com/event/13233>. The presentation will be available at www.nolato.com/ir after publication of the interim report. The webcast will be available at the same address after the live broadcast.

Ownership and legal structure

Nolato AB (publ), with Swedish corporate identity number 556080-4592, is the parent company of the Nolato Group.

Nolato's Class B shares are listed on Nasdaq Stockholm in the Large Cap segment, where they are included in the Industrials sector.

There were 15,238 shareholders at 30 September. The largest shareholders are the Jorlén family and the Boström family with 9% each, the Hamrin family with 8%, and Capital Group and Lannebo Funds with 7% of capital each.

Prior to publication this information constituted inside information that Nolato AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the above contact persons, at 1:30 p.m. CET on 28 October 2021.

This report has not been audited by the Company's auditors.

The Parent Company

For the parent company, which has no operating activities, sales amounted to SEK 53 million (49). Profit after financial income and expense amounted to SEK 257 million (164).

Contingent liabilities amounted to SEK 316 million (319).

Accounting and valuation principles

Nolato's consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. Publication of this interim report is subject to the Swedish Securities Market Act.

The consolidated accounts have been prepared according to the same principles as in the most recent annual accounts, as set out in the Annual Report 2020.

IASB and the IFRS Interpretations Committee have issued new standards and statements that apply to financial years starting January 1, 2021, or later. There are no plans for the early application of new or amended standards for future application. None of the standards or interpretations published by IASB are expected to have a material impact on the Group or Parent Company's financial statements.

The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act.

Nomination Committee

In accordance with a decision at Nolato's AGM on May 4, 2021, the largest shareholders in terms of the number of votes at the end of September 2021 have appointed the following individuals to be included in Nolato's Nomination Committee ahead of the 2022 AGM: Henrik Jorlén, chairman (Jorlén family), Gun Boström (Boström family), Lovisa Hamrin (Hamrin family), Johan Ståhl (Lannebo Funds) and Sophie Larsén (First AP Fund AP1).

Shareholders that would like to submit proposals to the Nomination Committee can contact the chairman of the Nomination Committee, Henrik Jorlén, by email at henrik.jorlen@gmail.com or by post at Kommendörsgatan 4, SE-269 77 Torekov, Sweden.

Annual General Meeting

The Annual General Meeting will be held on 3 May 2022.

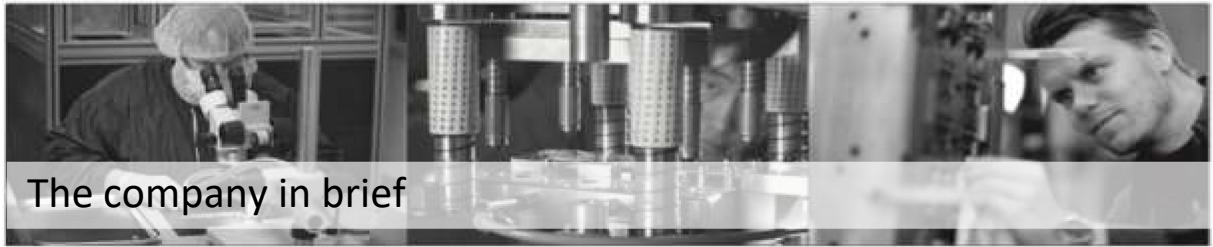
Financial information schedule

- 2021 year-end report: 7 February 2022
- Three-month interim report 2022: 3 May 2022
- 2022 Annual General Meeting: 3 May 2022
- Six-month interim report 2022: 20 July 2022
- Nine-month interim report 2022: 27 October 2022
- 2022 year-end report: 8 February 2023

Torekov, 28 October 2021

Nolato AB (publ)

Christer Wahlquist, President and CEO



The company in brief

Nolato's business

Nolato is a global, advanced high-tech cooperation partner and manufacturer of polymer products and systems for leading customers in well-defined market areas such as medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors.

With its many years of experience, in-depth materials and processes expertise, early involvement in customer projects, advanced project management and detailed knowledge of each customer's specific requirements, Nolato is an effective and innovative partner.

Nolato's business model

Our business model is based on three decentralised business areas, which with their own decision-making and shared ambitions endeavour to fulfil our vision and financial targets.

The sharing of experience between our business areas, leading-edge technology, wide-ranging development and design know-how, advanced project management and efficient production allow us to establish long-term, innovative cooperation with our customers and partners and generate added value for both them and our shareholders.

Our shared values of being professional, well organised and responsible are reflected in everything we do.

Nolato's strategies

- Early involvement in customers' development processes
- Close and long-term collaboration/Partnerships with our customers
- Innovative, integrated and high-tech solutions
- High productivity/Lean manufacturing
- Advancing up the value chain/Greater added value
- Global presence
- Responsible business practice

Nolato is a Swedish group with operations in Europe, Asia and North America.

We develop and manufacture products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors.

Nolato's shares are listed on Nasdaq Stockholm in the Large Cap segment, where they are included in the Industrials sector.

www.nolato.com

Consolidated income statement (summary)

SEK million	Note	Q3 2021	Q3 2020	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Net sales	1	3,033	2,500	8,464	6,872	10,951	9,359
Cost of goods sold		-2,577	-2,090	-7,115	-5,784	-9,184	-7,853
Gross profit		456	410	1,349	1,088	1,767	1,506
Other operating income		1	5	55	27	57	29
Selling expenses		-44	-30	-131	-95	-174	-138
Administrative expenses		-84	-62	-260	-205	-348	-293
Other operating expenses		2	-41	-6	-41	-21	-56
		-125	-128	-342	-314	-486	-458
Operating profit	2	331	282	1,007	774	1,281	1,048
Financial income and expense	2	-9	-15	-39	-29	-44	-34
Profit after financial income and expense	2	322	267	968	745	1,237	1,014
Tax		-65	-56	-194	-150	-252	-208
Profit after tax		257	211	774	595	985	806
All earnings are attrib. to the Parent Co.'s shareh.							
Depreciation/amortization reg. non-current assets		119	106	349	293	464	408
Basic earnings per share, SEK	3	0.96	0.79	2.89	2.24	3.67	3.03
Diluted earnings per share, SEK	3	0.95	0.79	2.88	2.24	3.67	3.02
Number of shares at the end of the period, bef. dil.		269,282,080	267,343,080	269,282,080	267,343,080	269,282,080	267,442,080
Number of shares at the end of the period, after dil.		269,323,327	267,757,160	269,323,327	267,757,160	269,323,327	267,933,740
Average number of shares, before dilution		269,098,330	266,578,080	268,270,205	266,029,080	268,084,780	266,311,680
Average number of shares, after dilution		269,227,427	267,160,270	268,629,519	266,217,770	268,455,044	266,560,960

At the end of the period, the Group had two incentive programmes: Incentive Programme 2016/2021 and Incentive Programme 2019/2024. For more information please see Note 3 Earnings per share on page 16.

Consolidated comprehensive income

SEK million	Q3 2021	Q3 2020	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Profit after tax	257	211	774	595	985	806
Other comprehensive income						
<i>Items that cannot be transferred to profit for the period</i>						
Revaluations of defined benefit pension plans	1	4	22	1	-5	-26
Tax attrib. to items that cannot be transf. to profit for the per.	—	-1	-3	—	1	4
	1	3	19	1	-4	-22
<i>Items that have been conv. or can be conv. into prof. for the per.</i>						
Transl. diff. for the period on transl. of foreign operations	54	16	117	4	-26	-139
Changes in the fair value of cash flow hedges for the period	-1	-6	9	-4	2	-11
Tax attrib. to changes in the fair value of cash flow hedges	—	2	-2	1	-1	2
	53	12	124	1	-25	-148
Other comprehensive income, net of tax	54	15	143	2	-29	-170
Total comp. inc. for the per. attrib. to the Parent Co.'s shareh.	311	226	917	597	956	636

Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2.

Consolidated balance sheet (summary)

SEK million	30/09/2021	30/09/2020	31/12/2020
Assets			
Non-current assets			
Intangible non-current assets	2,182	2,278	2,093
Property, plant and equipment	2,739	2,401	2,402
Non-current financial assets	2	2	2
Other non-current receivables	2	1	1
Deferred tax assets	54	57	50
Total fixed assets	4,979	4,739	4,548
Current assets			
Inventories*	1,194	869	826
Accounts receivable	1,422	1,361	1,254
Other current assets ^{2)*}	547	493	367
Cash and bank	1,400	1,438	1,487
Total current assets*	4,563	4,161	3,934
Total assets*	9,542	8,900	8,482
Shareholders' equity and liabilities			
Shareholders' equity	4,280	3,653	3,699
Long-term liabilities and provisions ¹⁾	2,058	1,700	1,584
Deferred tax liabilities ¹⁾	205	159	223
Current liabilities and provisions ^{1) 3)*}	2,999	3,388	2,976
Total liabilities and provisions*	5,262	5,247	4,783
Total shareholders' equity and liabilities*	9,542	8,900	8,482
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	2,037	2,515	2,417
Non-interest-bearing liabilities and provisions*	3,225	2,732	2,366
Total liabilities and provisions*	5,262	5,247	4,783

* As of December 31, 2020, inventories have been reclassified by SEK –284 million and other receivables by SEK +82 million, net SEK –202 million of total assets, which have since also reduced non-interest-bearing liabilities and provisions. As of September 30, 2020, inventories have been reclassified by SEK –302 million and other receivables by SEK +89 million, net SEK –213 million of total assets, which have since also reduced non-interest-bearing liabilities and provisions.

Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2.

²⁾ Derivative assets are included in other current assets at

1	11	27
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³⁾ Derivative liabilities are included in current liabilities and provisions at

44	35	18
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Changes in consolidated shareholders' equity (summary)

SEK million	Q1 - Q3 2021	Q1 - Q3 2020	Full year 2020
Shareholders' equity at the beginning of the period	3,699	2,966	2,966
Total comprehensive income for the period	917	597	636
Dividends	- 428	—	—
Share warrants included in incentive programmes	—	—	2
Exercise of warrants included in incentive programmes	92	90	95
Shareholders' equity at the end of period attrib. to Parent Co's shareh.	4,280	3,653	3,699

At the end of the period, the Group had two incentive programmes: Incentive Programme 2016/2021 and Incentive Programme 2019/2024. In Incentive Programme 2016/2021, Series 2018/2021 has redemptions from 01/05/2021 to 15/12/2021. The subscription price is SEK 50.20 for Series 2018/2021. In Incentive Programme 2019/2024, Series 2020/2023 has redemptions from 01/05/2023 to 15/12/2023. The subscription price is SEK 92.88 for Series 2020/2023. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 3,042,500 new class B shares.

Consolidated cash flow statement (summary)

SEK million	Q3 2021	Q3 2020	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Cash fl. from oper. activities bef. changes in work. cap.	376	- 20	1,089	556	1,590	1,057
Changes in working capital	- 15	96	21	265	- 137	107
Cash flow from operating activities	361	76	1,110	821	1,453	1,164
Cash flow from investment activities	- 245	- 1,460	- 577	- 1,593	- 679	- 1,695
Cash flow before financing activities	116	- 1,384	533	- 772	774	- 531
Cash flow from financing activities	- 4	926	- 711	858	- 839	730
Cash flow for the period	112	- 458	- 178	86	- 65	199
Cash and cash equiv. at the beginning of the period	1,248	1,906	1,487	1,362	—	1,362
Exchange rate difference in liquid assets	40	- 10	91	- 10	—	- 74
Cash and cash equivalents at the end of the period	1,400	1,438	1,400	1,438	—	1,487

Note 1 Revenue

SEK million	Q1 - Q3 - 2021				Q1 - Q3 - 2020				Full year - 2020			
	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.
Sweden	689	90	20	579	701	119	8	574	971	154	12	805
Other Europe	4,105	1,498	1,732	875	3,366	1,358	1,192	816	4,611	1,824	1,678	1,109
North America	1,515	1,200	119	196	732	471	123	138	1,225	853	152	220
Asia	2,008	115	1,834	59	1,963	83	1,837	43	2,390	122	2,204	64
Rest of world	152	101	45	6	113	107	1	5	165	136	22	7
Elimination internal sales	- 5				- 3				- 3			
Tot. revenues fr. customer contracts	8,464	3,004	3,750	1,715	6,872	2,138	3,161	1,576	9,359	3,089	4,068	2,205

The above table essentially covers products transferred at a specific date.

For the first nine months of the year, the Group recognised increased provision of previously impaired trade receivables of SEK 8 million. Impairment losses are recognised in the cost of goods sold.

Note 2 Reconciliation of consolidated income before tax

SEK million	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Operating profit (EBIT)				
Medical Solutions	326	286	431	391
Integrated Solutions	478	436	588	546
Industrial Solutions	164	102	225	163
Group adjustments, Parent Company	39	- 50	37	- 52
Consolidated operating profit (EBIT)	1,007	774	1,281	1,048
Financial income and expense (not distributed by business areas)	- 39	- 29	- 44	- 34
Consolidated profit before tax	968	745	1,237	1,014

Including a non-recurring item of SEK 50 million in operating profit in Q2 2021. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK -17 million in operating profit in Q3 2020. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

Note 3 Earnings per share (IFRS measures)

SEK million	Q3 2021	Q3 2020	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Profit after tax	257	211	774	595	985	806
Average number of shares, before dilution	269,098,330	266,578,080	268,270,205	266,029,080	268,084,780	266,311,680
Basic earnings per share (SEK)	0.96	0.79	2.89	2.24	3.67	3.03
Non-recurring items	—	14	- 50	25	- 50	25
Profit after tax excl. non-recurring items	257	225	724	620	935	831
Basic earnings per share excl. non-recurring items (SEK)	0.96	0.84	2.70	2.33	3.49	3.12
Dilutive shares from Series 2017/2020 incentive progr. with exercise price SEK 48.51 per share; total 1,962,000 warrants	—	129,710	—	52,780	4,536	42,220
Dilutive shares from Series 2018/2021 incentive progr. with exercise price SEK 50.20 per share; total 1,935,000 warrants	119,506	452,480	359,314	135,910	365,728	207,060
Dilutive shares from Series 2020/2023 incentive progr. with exercise price SEK 92.88 per share; total 287,500 warrants	9,591	—	—	—	—	—
Average number of shares, after dilution	269,227,427	267,160,270	268,629,519	266,217,770	268,455,044	266,560,960
Diluted earnings per share (SEK)	0.95	0.79	2.88	2.24	3.67	3.02
Diluted earnings per share excl. non-rec. items (SEK)	0.95	0.84	2.70	2.33	3.48	3.12
Numb. of shares at the end of the per., before dilution	269,282,080	267,343,080	269,282,080	267,343,080	269,282,080	267,442,080
Numb. of shares at the end of the period, after dilution	269,323,327	267,757,160	269,323,327	267,757,160	269,323,327	267,933,740

Following a resolution at the Annual General Meeting on May 4, 2021, each share, regardless of series, has been divided into ten shares of the same series. In line with the completed share split, all historical share information has been adjusted.

At the end of the period, the Group had two incentive programmes: Incentive Programme 2016/2021 and Incentive Programme 2019/2024. In Incentive Programme 2016/2021, Series 2018/2021 has redemptions from 01/05/2021 to 15/12/2021. The subscription price is SEK 50.20 for Series 2018/2021. In Incentive Programme 2019/2024, Series 2020/2023 has redemptions from 01/05/2023 to 15/12/2023. The subscription price is SEK 92.88 for Series 2020/2023. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 3,042,500 new class B shares.

Adjusted earnings per share (alternative performance measures)

SEK million	Q3 2021	Q3 2020	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Profit after tax	257	211	774	595	985	806
Adjusted earnings:						
Amort. of intangible assets arising from acquisitions	8	5	26	9	35	18
Tax on amortization	-1	-1	-5	-2	-7	-4
Adjusted earnings	264	215	795	602	1,013	820
Average number of shares, before dilution	269,098,330	266,578,080	268,270,205	266,029,080	268,084,780	266,311,680
Adjusted basic earnings per share (SEK)	0.98	0.81	2.96	2.26	3.78	3.08
Non-recurring items	—	14	-50	25	-50	25
Adjusted earnings after tax, excl. non-recurring items	264	229	745	627	963	845
Adj. basic earnings per share excl. non-rec. items (SEK)	0.98	0.86	2.78	2.36	3.59	3.17
Average number of shares, after dilution	269,227,427	267,160,270	268,629,519	266,217,770	268,455,044	266,560,960
Adjusted diluted earnings per share (SEK)	0.98	0.80	2.96	2.26	3.77	3.08
Adj. diluted earn. per share excl. non-rec. items (SEK)	0.98	0.86	2.77	2.36	3.59	3.17

Five-year overview

IFRS measures	2020	2019	2018	2017	2016
Operating profit (EBIT) (SEK million)	1,048	887	941	749	443
Basic earnings per share (SEK)	3.03	2.66	2.74	2.17	1.28
Diluted earnings per share (SEK)	3.02	2.66	2.74	2.17	1.28

Alternative performance measures					
Net sales (SEK million)	9,359	7,919	8,102	6,720	4,447
Operating profit (EBITA) (SEK million)	1,066	895	949	763	457
EBITA margin (%)	11.4	11.3	11.7	11.4	10.3
Profit after financial income and expense (SEK million)	1,014	857	921	731	438
Profit after tax (SEK million)	806	703	722	572	336
Cash flow after investments, excl. acq. and disposals (SEK million)	905	800	593	496	245
Cash conversion (%)	87	88	60	66	55
Return on capital employed (%)	20.7	23.1	29.7	26.6	20.6
Return on shareholders' equity (%)	23.9	25.5	30.4	29.4	19.0
Net financial liabilities (-) / assets (+), excl. pension- & lease liabilities (SEK million)	-298	666	341	31	-206
Equity/assets ratio (%)	43	48	50	45	47
Adjusted basic earnings per share (SEK)	3.08	2.68	2.77	2.22	1.32
Adjusted diluted earnings per share (SEK)	3.08	2.68	2.76	2.22	1.32
Dividend per share (SEK)	1.60	—	1.40	1.25	1.05
Average number of employees	6,721	5,941	6,449	7,249	6,418

Including any non-recurring items.

Quarterly data (summary)

IFRS measures	Note		Q1	Q2	Q3	Q4	Full year
Operating profit (EBIT) (SEK million)	2	2021	299	377	331	—	—
	2	2020	225	267	282	274	1,048
		2019	173	232	236	246	887
Basic earnings per share (SEK)	3	2021	0.85	1.09	0.96	—	—
	3	2020	0.67	0.78	0.79	0.79	3.03
		2019	0.50	0.68	0.70	0.78	2.66
Diluted earnings per share (SEK)	3	2021	0.84	1.08	0.95	—	—
	3	2020	0.67	0.78	0.79	0.79	3.02
		2019	0.50	0.68	0.70	0.78	2.66
Alternative performance measures	Note		Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	1	2021	2,645	2,786	3,033	—	—
	1	2020	2,065	2,307	2,500	2,487	9,359
		2019	1,656	1,987	1,980	2,296	7,919
Operating profit (EBITDA) (SEK million)		2021	414	492	450	—	—
		2020	319	360	388	389	1,456
		2019	259	321	326	357	1,263
Operating profit (EBITA) (SEK million)		2021	308	386	339	—	—
		2020	227	269	287	283	1,066
		2019	175	233	238	249	895
EBITA margin (%)		2021	11.6	13.9	11.2	—	—
		2020	11.0	11.7	11.5	11.4	11.4
		2019	10.6	11.7	12.0	10.8	11.3
Profit after financial income and exp. (SEK million)	2	2021	286	360	322	—	—
	2	2020	221	257	267	269	1,014
		2019	166	223	232	236	857
Profit after tax (SEK million)		2021	226	291	257	—	—
		2020	177	207	211	211	806
		2019	131	180	186	206	703
Cash flow from operating activities (SEK million)		2021	249	500	361	—	—
		2020	– 3	748	76	343	1,164
		2019	130	265	83	682	1,160
Cash fl. from operations per share bef. dilution (SEK)		2021	0.93	1.86	1.34	—	—
		2020	– 0.01	2.82	0.29	1.28	4.37
		2019	0.49	1.00	0.31	2.57	4.38
Cash flow after investments, excluding acquisitions and disposals (SEK million)		2021	71	346	116	—	—
		2020	– 73	685	82	211	905
		2019	25	178	– 4	601	800
Cash flow after investments, excl. acquisitions and disposals per share before dilution (SEK)		2021	0.27	1.29	0.43	—	—
		2020	– 0.27	2.58	0.31	0.79	3.40
		2019	0.10	0.67	– 0.02	2.26	3.02
Adjusted basic earnings per share (SEK)	3	2021	0.87	1.11	0.98	—	—
	3	2020	0.67	0.78	0.81	0.82	3.08
		2019	0.51	0.68	0.71	0.78	2.68
Shareholders' equity per share, before dilution (SEK)		2021	15	15	16	—	—
		2020	12	13	14	14	14
		2019	11	10	11	11	11
Return on total capital (%)		2021	14.0	14.6	14.3	—	—
		2020	15.7	15.8	14.8	14.3	14.3
		2019	16.1	15.2	15.5	15.6	15.6

Alternative performance measures		Q1	Q2	Q3	Q4	Full year
Return on capital employed (%)	2021	20.2	21.0	20.6	—	—
	2020	23.2	23.4	21.8	20.7	20.7
	2019	25.3	23.6	23.4	23.1	23.1
Return on operating capital (%)	2021	28.0	28.5	26.8	—	—
	2020	31.2	33.1	30.9	29.2	29.2
	2019	34.4	31.6	30.7	31.0	31.0
Return on shareholders' equity (%)	2021	23.8	25.1	25.1	—	—
	2020	26.0	25.9	25.0	23.9	23.9
	2019	25.9	24.5	24.7	25.5	25.5
Closing share price Nolato B (Nasdaq Stockholm)	2021	77.80	84.20	104.70	—	—
	2020	44.94	62.80	87.30	83.20	83.20
	2019	38.65	56.65	52.55	55.00	55.00

Including a non-recurring item of SEK 50 million in operating profit and profit after tax in Q2 2021.

Including a non-recurring item of SEK -17 million in operating profit in Q3 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -14 million.

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -11 million.

Including a non-recurring item of SEK -22 million in operating profit in Q4 2019 and tax effects of SEK +6 million, which impacted profit after tax by SEK -16 million.

Quarterly data business areas

Alternative performance measures			Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	Note						
Medical Solutions	1	2021	1,006	1,021	977	—	—
	1	2020	642	700	796	951	3,089
		2019	611	634	612	627	2,484
Integrated Solutions	1	2021	1,045	1,186	1,519	—	—
	1	2020	854	1,149	1,158	907	4,068
		2019	512	821	862	1,097	3,292
Industrial Solutions	1	2021	595	580	540	—	—
	1	2020	570	459	547	629	2,205
		2019	533	541	512	573	2,159
Group adjustments, Parent Company	1	2021	-1	-1	-3	—	—
	1	2020	-1	-1	-1	—	-3
		2019	—	-9	-6	-1	-16
Group total	1	2021	2,645	2,786	3,033	—	—
	1	2020	2,065	2,307	2,500	2,487	9,359
		2019	1,656	1,987	1,980	2,296	7,919

Alternative performance measures		Q1	Q2	Q3	Q4	Full year
Operating profit (EBITA) (SEK million)						
Medical Solutions	2021	121	124	100	—	—
	<i>EBITA margin (%)</i>	12.0	12.1	10.2	—	—
	2020	87	100	103	112	402
	<i>EBITA margin (%)</i>	13.6	14.3	12.9	11.8	13.0
	2019	78	82	80	80	320
	<i>EBITA margin (%)</i>	12.8	12.9	13.1	12.8	12.9
Integrated Solutions	2021	125	154	200	—	—
	<i>EBITA margin (%)</i>	12.0	13.0	13.2	—	—
	2020	111	166	160	111	548
	<i>EBITA margin (%)</i>	13.0	14.4	13.8	12.2	13.5
	2019	57	107	116	147	427
	<i>EBITA margin (%)</i>	11.1	13.0	13.5	13.4	13.0
Industrial Solutions	2021	66	62	42	—	—
	<i>EBITA margin (%)</i>	11.1	10.7	7.8	—	—
	2020	47	11	48	62	168
	<i>EBITA margin (%)</i>	8.2	2.4	8.8	9.9	7.6
	2019	44	46	44	47	181
	<i>EBITA margin (%)</i>	8.3	8.5	8.6	8.2	8.4
Group adjustments, Parent Company	2021	–4	46	–3	—	—
	2020	–18	–8	–24	–2	–52
	2019	–4	–2	–2	–25	–33
Group total	2021	308	386	339	—	—
	<i>EBITA margin (%)</i>	11.6	13.9	11.2	—	—
	2020	227	269	287	283	1,066
	<i>EBITA margin (%)</i>	11.0	11.7	11.5	11.4	11.4
	2019	175	233	238	249	895
	<i>EBITA margin (%)</i>	10.6	11.7	12.0	10.8	11.3

Including a non-recurring item of SEK 50 million in operating profit in Q2 2021. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK –17 million in operating profit in Q3 2020. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK –14 million in operating profit in Q1 2020. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK –22 million in operating profit in Q4 2019. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

Depreciation/write-downs/amortization (SEK million)		Q1	Q2	Q3	Q4	Full year
Medical Solutions	2021	61	61	63	—	—
	2020	41	41	48	63	193
	2019	39	40	40	41	160
Integrated Solutions	2021	15	16	15	—	—
	2020	17	16	15	15	63
	2019	17	17	16	16	66
Industrial Solutions	2021	39	38	41	—	—
	2020	36	36	43	36	151
	2019	30	32	34	35	131
Parent Company	2021	—	—	—	—	—
	2020	—	—	—	1	1
	2019	—	—	—	19	19
Group total	2021	115	115	119	—	—
	2020	94	93	106	115	408
	2019	86	89	90	111	376

Group financial highlights

IFRS measures	Note	Q3 2021	Q3 2020	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Basic earnings per share (SEK)	3	0.96	0.79	2.89	2.24	3.67	3.03
Diluted earnings per share (SEK)	3	0.95	0.79	2.88	2.24	3.67	3.02
Alternative performance measures							
Net sales (SEK million)	1	3,033	2,500	8,464	6,872	10,951	9,359
Sales growth (%)		21	26	23	22	19	18
Percentage of sales outside Sweden (%)		94	92	92	90	91	90
Operating profit (EBITDA) (SEK million)		450	388	1,356	1,067	1,745	1,456
Operating profit (EBITA) (SEK million) ¹⁾		339	287	1,033	783	1,316	1,066
EBITA margin (%) ¹⁾		11.2	11.5	12.2	11.4	12.0	11.4
Profit after financial income and exp. (SEK million)	2	322	267	968	745	1,237	1,014
Profit margin (%) ¹⁾		10.6	10.7	11.4	10.8	11.3	10.8
Profit after tax (SEK million)		257	211	774	595	985	806
Return on total capital (%) ¹⁾		—	—	14.3	14.8	14.3	14.3
Return on capital employed (%) ¹⁾		—	—	20.6	21.8	20.6	20.7
Return on operating capital (%) ¹⁾		—	—	26.8	30.9	26.8	29.2
Return on shareholders' equity (%) ¹⁾		—	—	25.1	25.0	25.1	23.9
Equity/assets ratio (%)		—	—	45	41	45	44
Debt/equity (%)		—	—	48	69	48	65
Interest coverage ratio (times)		30	25	30	28	29	28
Net investments affecting cash flow, excl. acquisitions and disposals (SEK million)		245	112	577	245	679	347
Cash flow after investments, excl. acquisitions and disposals (SEK million)		116	82	533	694	744	905
Cash conversion (%) ¹⁾		—	—	—	—	62	87
Net financial liabilities, excl. pension- & lease liabilities (SEK million)		—	—	-72	-535	-72	-298
Adjusted basic earnings per share (SEK)	3	0.98	0.81	2.96	2.26	3.78	3.08
Adjusted diluted earnings per share (SEK)	3	0.98	0.80	2.96	2.26	3.77	3.08
Cash flow from operations per share, before dilution (SEK)		1.34	0.29	4.14	3.09	5.42	4.37
Cash flow from operations per share, after dilution (SEK)		1.34	0.28	4.13	3.09	5.41	4.37
Cash flow after investments excluding acquisitions and disposals, per share, before dilution (SEK)		0.43	0.31	1.99	2.61	2.89	3.40
Cash flow after investments excluding acquisitions and disposals, per share, after dilution (SEK)		0.43	0.31	1.98	2.61	2.88	3.40
Shareholders' equity per share, before dilution (SEK)		—	—	16	14	—	14
Shareholders' equity per share, after dilution (SEK)		—	—	16	14	—	14
Average number of employees		—	—	8,325	6,526	—	6,721

¹⁾ KPIs calculated as specified on pages 23 and 24.

Including a non-recurring item of SEK 50 million in operating profit and profit after tax in Q2 2021.

Including a non-recurring item of SEK -17 million in operating profit in Q3 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -14 million.

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -11 million.

Definitions - IFRS measures

Earnings per share

Earnings for the period that are attributable to the parent company's owners divided by the average number of outstanding shares.

Operating profit (EBIT)

Earnings before financial income and expense and taxes.

Definitions - Alternative performance measures

Nolato presents certain financial measures in this report that are not defined according to IFRS. Nolato considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment of trends and the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not therefore be regarded as substitutes for measures defined according to IFRS.

Adjusted earnings per share

Profit after tax, excluding amortization of intangible assets arising from acquisitions, divided by the average number of shares.

Average number of shares

The average basic number of shares comprises the parent company's weighted average number of outstanding shares during the period. After dilution, a weighted average of the shares that may be issued under the ongoing share warrant programme is added, if they are in-the-money, but only insofar as the average listed share price for the period exceeds the subscription price of the warrants.

Cash conversion

Cash flow after investments, excl. acquisitions and disposals, divided by operating profit (EBIT). Cash flow and operating profit have been adjusted by non-recurring items, if any.

Cash flow after investments, excl. acquisitions and disposals per share

Cash flow after investing activities excl. acquisitions and disposals, divided by the average number of shares.

Cash flow from operating activities per share

Cash flow from operating activities, divided by the average number of shares.

Debt/equity ratio

Interest-bearing liabilities and provisions divided by shareholders' equity.

EBITA margin

Operating profit (EBITA) as a percentage of net sales.

Equity/assets ratio

Shareholders' equity as a percentage of total capital in the balance sheet.

Interest coverage ratio

Profit after financial income and expense, plus financial expenses, divided by financial expenses.

Net financial liabilities (-) / financial assets (+)

Interest-bearing liabilities from credit institutions less interest-bearing assets.

Operating profit (EBITA)

Earnings before financial income and expense, taxes and amortization of intangible assets arising from acquisitions.

Operating profit (EBITDA)

Earnings before financial income and expense, taxes and depreciation/amortization.

Profit margin

Profit after financial income and expense as a percentage of net sales.

Return on capital employed

Profit after financial income and expense, plus financial expenses as a percentage of average capital employed. Capital employed consists of total capital less non-interest-bearing liabilities and provisions.

Return on operating capital

Operating profit as a percentage of average operating capital. Operating capital consists of total capital less non-interest-bearing liabilities and provisions, less interest-bearing assets.

Return on shareholders' equity

Profit after tax as a percentage of average shareholders' equity.

Return on total capital

Profit after financial income and expense, plus financial expenses as a percentage of average total capital in the balance sheet.

Forward-looking information

Some of the items reported relate to future events and actual outcomes may differ materially. In addition to those factors explicitly commented on, other factors may also materially affect the actual outcome, such as economic conditions, exchange rates and interest rate levels, political risks, competition and pricing, product development, commercialisation and technical difficulties, supply problems and customer credit losses.

Alternative performance measures

SEK million unless otherwise specified	Note	Q3 2021	Q3 2020	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Operating profit (EBITDA)		450	388	1,356	1,067	1,745	1,456
Non-recurring items		—	17	– 50	31	– 50	31
Adjusted operating profit (EBITDA)		450	405	1,306	1,098	1,695	1,487
Operating profit (EBIT)	2	331	282	1,007	774	1,281	1,048
Reversal of amort. of intangible assets arising in connection with acquisitions		8	5	26	9	35	18
Operating profit (EBITA)		339	287	1,033	783	1,316	1,066
Non-recurring items		—	17	– 50	31	– 50	31
Adjusted operating profit (EBITA)		339	304	983	814	1,266	1,097
EBITA margin (%)		11.2	11.5	12.2	11.4	12.0	11.4
Adjusted EBITA margin (%)		11.2	12.2	11.6	11.8	11.6	11.7
Profit after financial income and expense	2	322	267	968	745	1,237	1,014
Non-recurring items		—	17	– 50	31	– 50	31
Adjusted profit after financial income and expense		322	284	918	776	1,187	1,045
Profit margin (%)		10.6	10.7	11.4	10.8	11.3	10.8
Adjusted profit margin (%)		10.6	11.4	10.8	11.3	10.8	11.2
Profit after tax		257	211	774	595	985	806
Non-recurring items		—	17	– 50	31	– 50	31
Tax on non-recurring items		—	– 3	—	– 6	—	– 6
Adjusted profit after tax		257	225	724	620	935	831
Cash fl. after investm., excl. acquisitions and dispos.		—	—	—	—	744	905
Non-recurring items (affecting cash flow)		—	—	—	—	19	36
Adj. cash fl. after investments, excl. acq. and disp.		—	—	—	—	763	941
Operating profit (EBIT)	2	—	—	—	—	1,281	1,048
Non-recurring items		—	—	—	—	– 50	31
Adjusted operating profit (EBIT)		—	—	—	—	1,231	1,079
Cash conversion (%)		—	—	—	—	62	87

Including a non-recurring item of SEK 50 million in operating profit and profit after tax in Q2 2021. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK –17 million in operating profit in Q3 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK –14 million. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK –14 million in operating profit in Q1 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK –11 million. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

Alternative performance measures SEK million unless otherwise specified	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Profit after financial income and exp., rolling 12 months	1,238	1,183	1,078	1,015	980				
Financial expense, rolling 12 months	44	44	41	38	38				
Adj. profit after financial inc. and exp., rolling 12 months	1,282	1,227	1,119	1,053	1,018				
Total capital, at the end of period	9,542	8,784	9,191	8,482	8,899	6,638	6,630	6,134	6,051
Average total capital, last 5 quarters	8,980	8,399	7,968	7,357	6,870				
Return on total capital (%)	14.3	14.6	14.0	14.3	14.8				
Adj. profit after financial inc. and exp., rolling 12 months	1,282	1,227	1,119	1,053	1,018				
Capital employed, at the end of period	6,318	5,984	6,479	6,116	6,167	4,514	4,480	4,184	4,022
Average capital employed, last 5 quarters	6,213	5,852	5,551	5,092	4,673				
Return on capital employed (%)	20.6	21.0	20.2	20.7	21.8				
Operating profit (EBIT), rolling 12 months	1,281	1,232	1,122	1,048	1,019				
Capital employed, at the end of period	6,318	5,984	6,479	6,116	6,167	4,514	4,480	4,184	4,022
Cash and bank, at the end of period	-1,400	-1,248	-1,563	-1,487	-1,438	-1,906	-1,333	-1,362	-851
Operating capital, at the end of period	4,918	4,736	4,916	4,629	4,729	2,608	3,147	2,822	3,171
Average operating capital, latest 5 quarters	4,786	4,324	4,006	3,587	3,295				
Return on operating capital (%)	26.8	28.5	28.0	29.2	30.9				
Profit after tax, rolling 12 months	985	939	855	806	801				
Shareholders' equity, at the end of period	4,280	3,951	4,025	3,699	3,653	3,353	3,220	2,966	2,833
Average shareholders' equity, latest 5 quarters	3,922	3,736	3,590	3,378	3,205				
Return on shareholders' equity (%)	25.1	25.1	23.8	23.9	25.0				

Parent Company income statement (summary)

SEK million	Q3 2021	Q3 2020	Q1 - Q3 2021	Q1 - Q3 2020	Rolling 12 months	Full year 2020
Net sales	16	16	53	49	73	69
Selling expenses	-1	-1	-5	-4	-7	-6
Administrative expenses	-13	-9	-40	-40	-57	-57
Other operating income	1	5	9	8	15	14
Other operating expenses	-8	-8	-28	-30	-38	-40
Operating profit	-5	3	-11	-17	-14	-20
Profit from participations in Group companies	64	—	233	200	549	516
Financial income	14	8	54	14	72	32
Financial expenses	-8	-6	-19	-33	-6	-20
Profit after financial income and expense	65	5	257	164	601	508
Appropriations	—	—	—	—	180	180
Tax	6	5	9	6	-50	-53
Profit after tax	71	10	266	170	731	635
Depreciation/amortization	—	—	—	—	1	1

Parent Company balance sheet (summary)

SEK million	30/09/2021	30/09/2020	31/12/2020
Assets			
Intangible fixed assets	1	1	—
Property, plant and equipment	1	—	1
Financial assets	3,671	3,655	3,533
Deferred tax assets	16	16	—
Total fixed assets	3,689	3,672	3,534
Other receivables	360	515	721
Cash and bank	130	204	477
Total current assets	490	719	1,198
Total assets	4,179	4,391	4,732
Shareholders' equity and liabilities			
Shareholders' equity	2,503	2,102	2,572
Untaxed reserves	269	229	269
Deferred tax liabilities	—	—	9
Other provisions	8	12	7
Long-term liabilities	1,232	815	669
Current liabilities	167	1,233	1,206
Total shareholders' equity and liabilities	4,179	4,391	4,732

Transactions with related parties	Period	Services sold	Services bought	Interest income	Interest expenses	Result from shares in Group com	Rec fr rel part on bal sheet date	Liab to rel part on bal sheet date
SEK million								
Subsidiary	Q1 - Q3 2021	53	-18	54	—	233	2,013	143
Subsidiary	Q1 - Q3 2020	49	-17	14	—	200	2,105	418

None of the company's Board members or senior executives currently have, or have previously had, any direct or indirect involvement in any business transaction with the company which is, or was, of an unusual character in terms of its conditions. Nor has the Group issued any loans, pledged any guarantees or entered into any surety arrangements for any of the company's Board members or senior executives.

Nolato AB (publ), Nolatovägen 32, SE-269 78 Torekov, Sweden
 • Tel. +46 431 442290 • Fax +46 431 442291
 • Corp. id. number 556080-4592
 • E-mail info@nolato.com • Website www.nolato.com