

Third quarter

CEO Christer Wahlquist
CFO Per-Ola Holmström

October 27, 2022

Medical
Solutions



Integrated
Solutions



Industrial
Solutions



Q3 summary – Group

- Sales totaled SEK 2,626 million (3,033)
 - Positive currency effect, a 24% decrease adjusted for currency
 - Lower VHP volumes having an impact
- Operating profit (EBITA) was SEK 214 million (339)
- EBITA margin of 8.1% (11.2)
 - Affected by volumes, cost inflation and production efficiency
- Cash flow after investments increased to SEK 166 million (116) as a result of low investments

A global solutions provider established on three continents



One Group – three business areas

Nolato

Our offering as a strategic partner for selected global customers comprises development and production, primarily in the field of polymers, along the entire value chain.

2,626

SALES
SEKm
Q3

214

EBITA
SEKm
Q3

8.1

EBITA MARGIN
%
Q3

Medical Solutions

Development and manufacture of complex product systems and components for medical devices, the pharmaceutical industry and diagnostics.

1,245

SALES
SEKm
Q3

104

EBITA
SEKm
Q3

8.4

EBITA MARGIN
%
Q3

Integrated Solutions

Design, development and manufacture of advanced components, subsystems and ready-packaged products for consumer electronics, EMC & Thermal.

745

SALES
SEKm
Q3

77

EBITA
SEKm
Q3

10.3

EBITA MARGIN
%
Q3

Industrial Solutions

Development and manufacture of products and product systems for customers in automotive, hygiene, packaging, gardening/forestry, domestic appliance and furniture & other selected industrial segments.

638

SALES
SEKm
Q3

33

EBITA
SEKm
Q3

5.2

EBITA MARGIN
%
Q3

Medical Solutions



1,245

SALES
SEKm, Q3

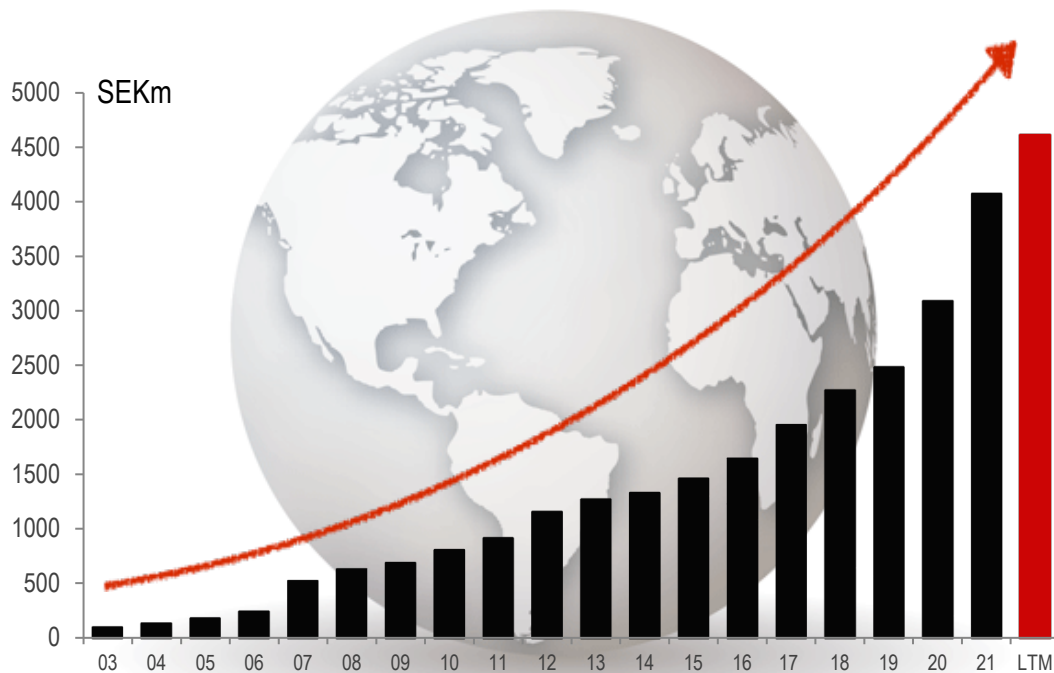
104

EBITA
SEKm, Q3

8.4

EBITA MARGIN
%, Q3

Sustainable Growth and Global expansion



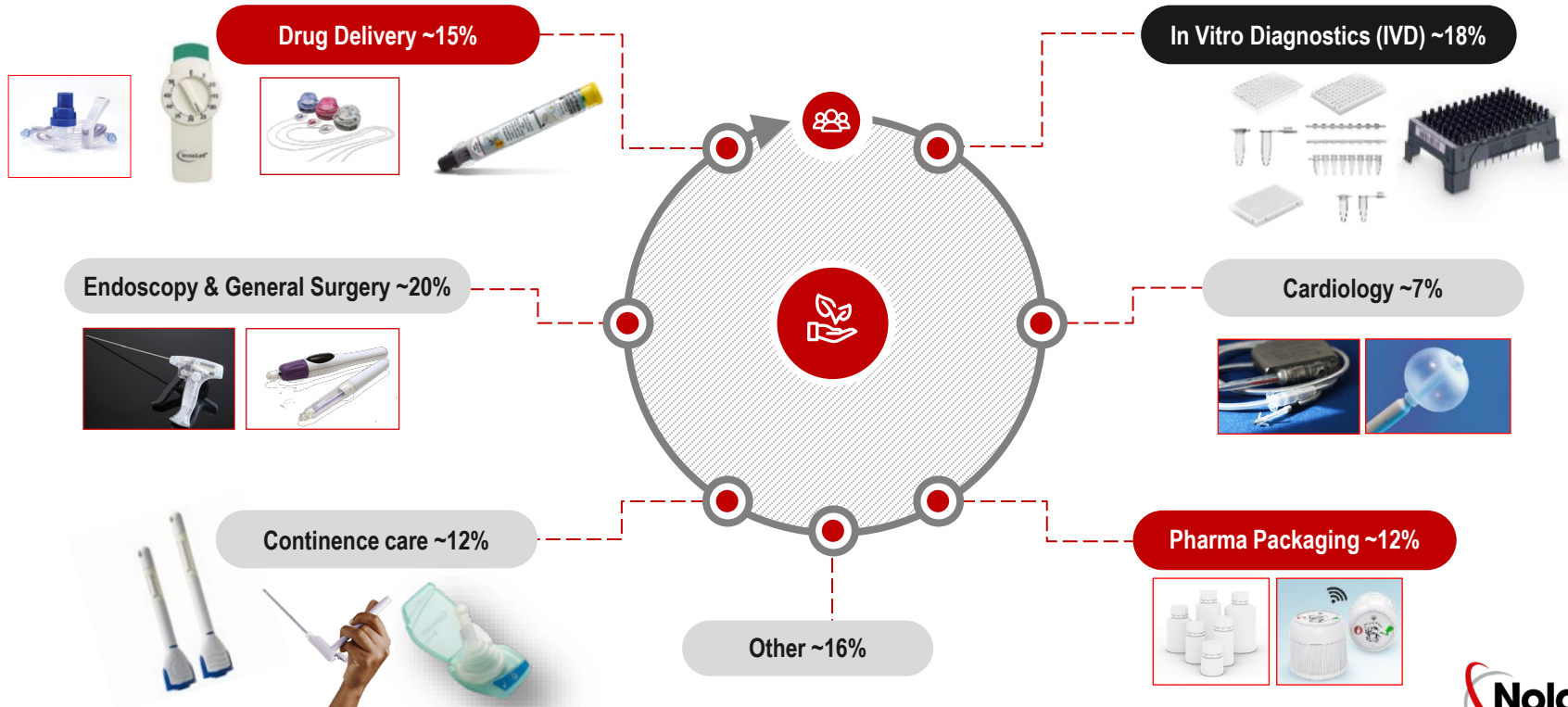
Medical Solutions

Product areas

Pharma

Diagnostics

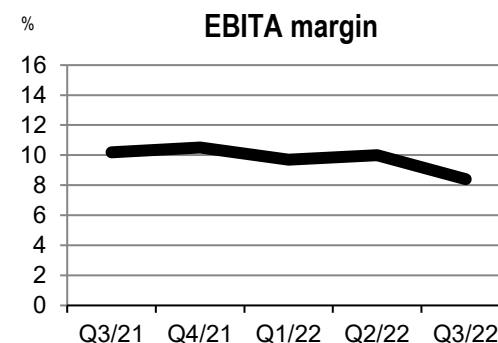
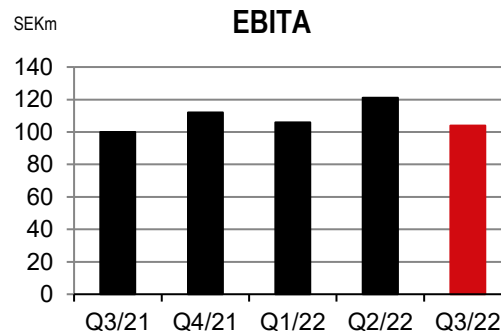
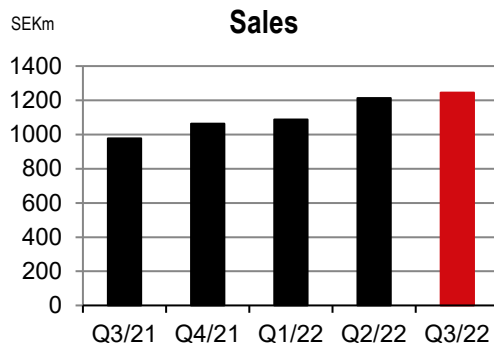
Medical Devices



Medical Solutions – Q3

- 27% increase in sales
 - 13% increase, adjusted for currency
 - The charging on of higher costs contributed to the increase in sales
 - IVD volumes were low in the quarter due to pandemic-related inventory adjustments
 - Good growth in surgery area
- EBITA margin of 8.4% (10.2)
 - Change in the sales mix
 - Inflationary effects and higher manufacturing costs
 - *particularly in the US
 - Cost impact of capacity investments made in 2021

SEKm	Q3		Acc. 9 months	
	2022	2021	2022	2021
Sales	1,245	977	3,547	3,004
Operating profit (EBITA)	104	100	331	345
EBITA margin (%)	8.4	10.2	9.3	11.5
Operating profit (EBIT)	97	94	309	326



Integrated Solutions



745

SALES
SEKm, Q3

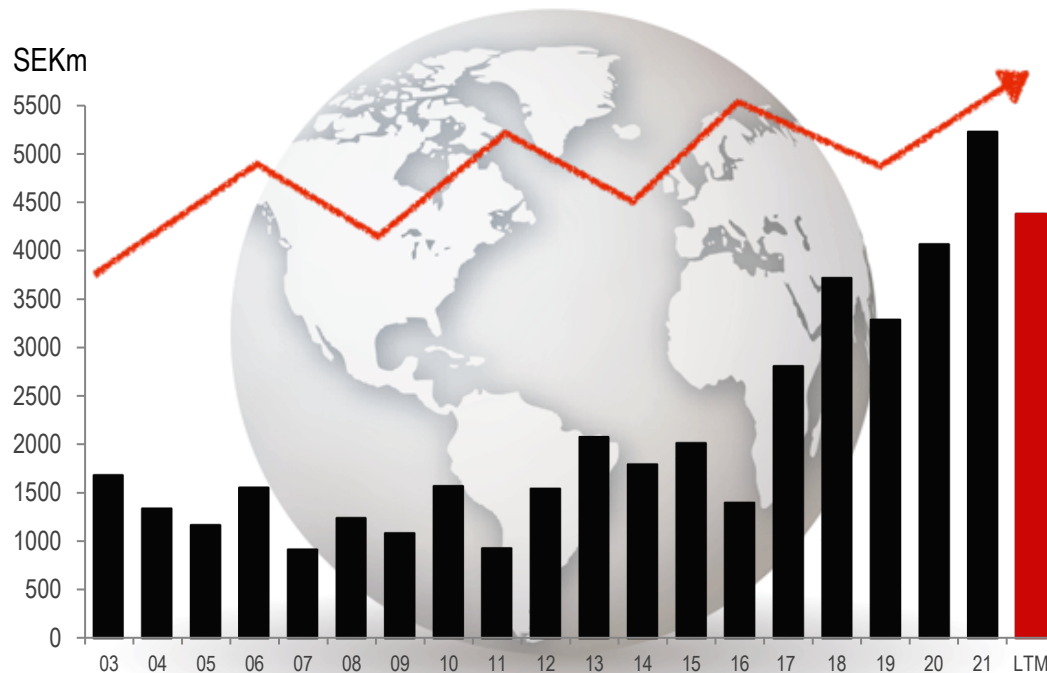
77

EBITA
SEKm, Q3

10.3

EBITA MARGIN
%, Q3

Expansion into new market segments

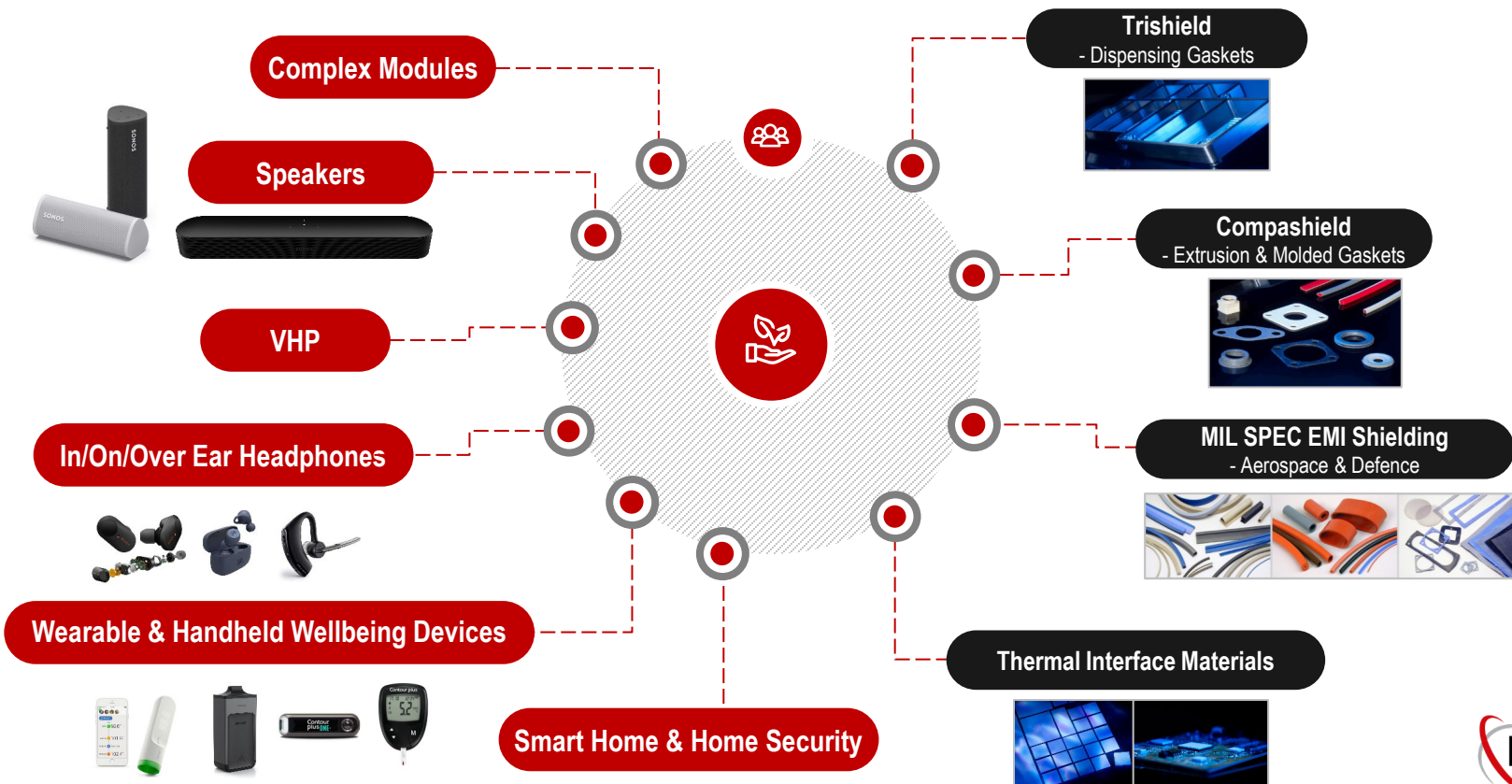


Integrated Solutions

Focused product areas

Consumer Electronics

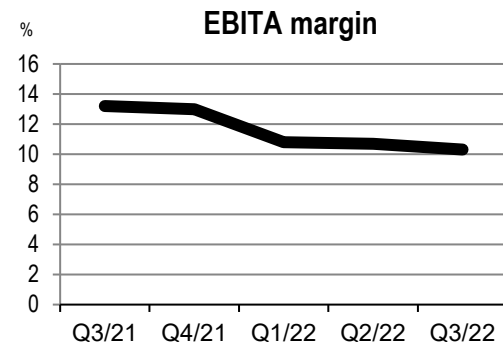
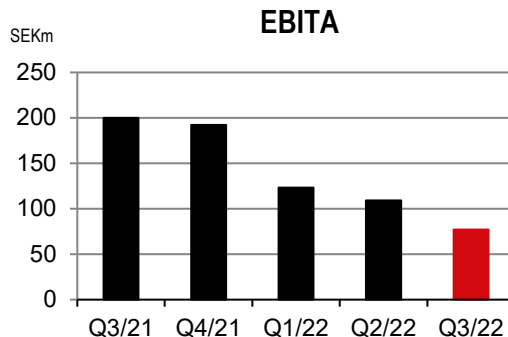
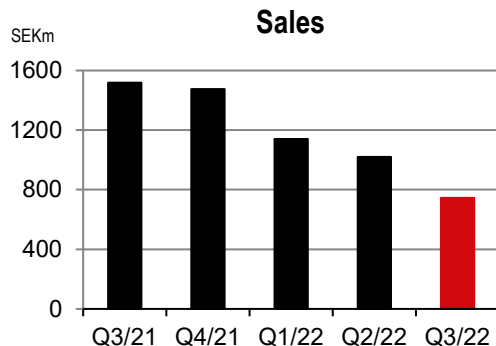
EMC & Thermal



Integrated Solutions – Q3

- 51% decrease in sales
 - Adjusted for currency, this was a decrease of some 60%
 - End-customer demand adversely affected by the situation in Eastern Europe
 - Effects of dual sourcing
 - Licensing underway due to new regulatory requirements for VHP products in China
 - No manufacturing of VHP products so far in October
 - EMC is continuing to perform well
 - Sales in the fourth quarter estimated to be in the region of half a billion kronor, due to lower VHP volumes
- EBITA margin of 10.3% (13.2)
 - The margin was affected by lower volumes

SEKm	Q3		Acc. 9 months	
	2022	2021	2022	2021
Sales	745	1,519	2,904	3,750
Operating profit (EBITA)	77	200	309	479
EBITA margin (%)	10.3	13.2	10.6	12.8
Operating profit (EBIT)	77	200	308	478



Industrial Solutions



638

SALES
SEKm, Q3

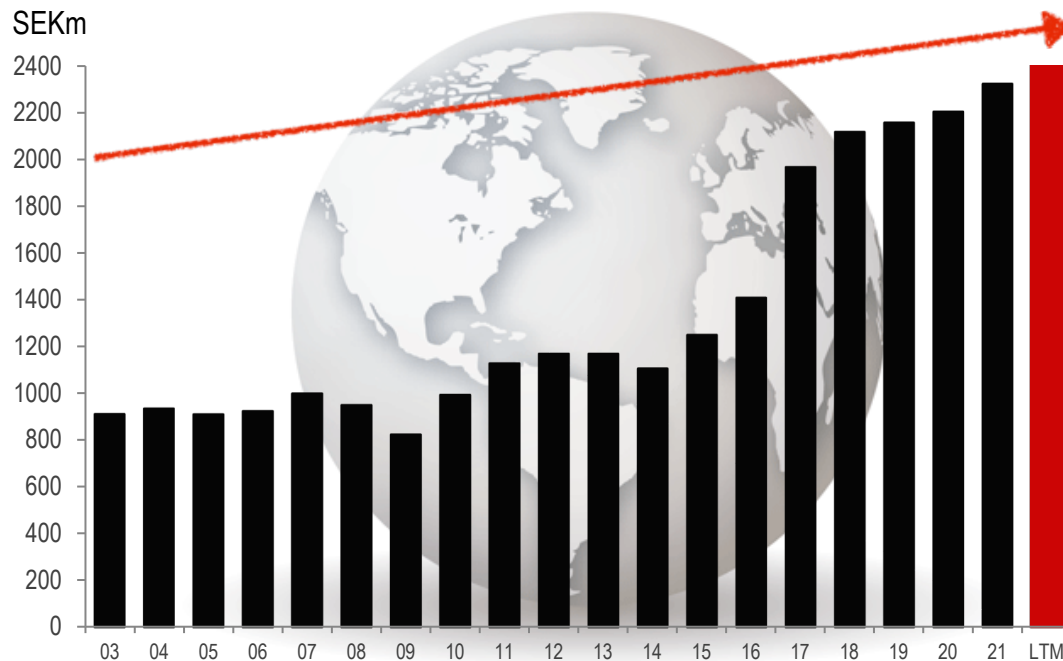
33

EBITA
SEKm, Q3

5.2

EBITA MARGIN
%, Q3

Technological and geographical expansion



Industrial Solutions



General Industry

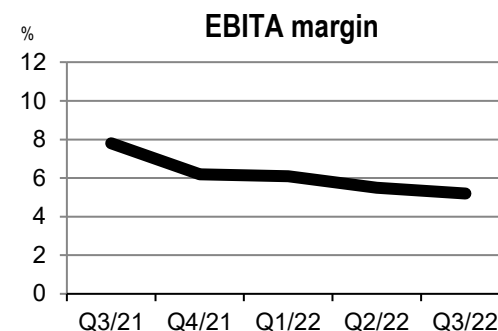
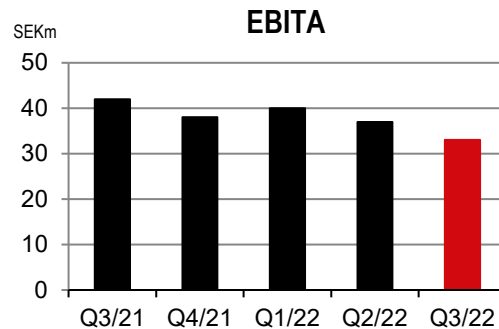
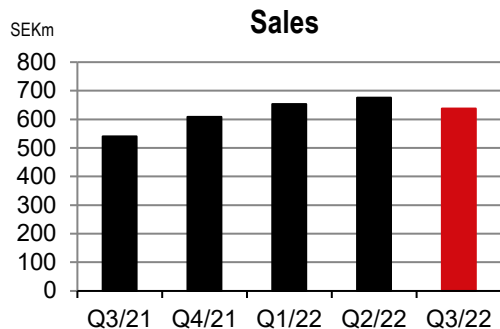
Automotive



Industrial Solutions – Q3

- 18% increase in sales
 - 9% increase, adjusted for currency
 - The charging on of higher costs contributed positively to sales
 - Continued healthy volumes in general, but indications of reduced demand
- EBITA margin of 5.2% (7.8)
 - Fluctuating call-off orders resulting in low operating efficiency
 - Time lag in the charging on of cost increases

SEKm	Q3		Acc. 9 months	
	2022	2021	2022	2021
Sales	638	540	1,967	1,715
Operating profit (EBITA)	33	42	110	170
EBITA margin (%)	5.2	7.8	5.6	9.9
Operating profit (EBIT)	31	40	103	164



Group financial highlights

SEKm	Q3		Acc. 9 months		R-12	Full year 2021
	2022	2021	2022	2021		
Net sales	2,626	3,033	8,410	8,464	11,556	11,610
Operating profit (EBITA)	214	339	745	1,033	1,081	1,369
Operating profit (EBITA), excl. a non-recurring item last year*	214	339	745	983	1,081	1,319
EBITA margin (%), excl. a non-recurring item last year*	8.1	11.2	8.9	11.6	9.4	11.4
Profit after financial income and expense	197	322	689	968	1,122	1,401
Profit after tax	160	257	551	774	937	1,160
Effective tax (%)	–	–	20.0	20.0	16.5	17.2
Cash flow after investments, excl. acquisitions and disposals	166	116	143	533	56	446
Net investments affecting cash flow, excl. acquisitions and disposals	109	245	352	577	557	782
Earnings per share (SEK)	0.59	0.95	2.05	2.88	3.48	4.32
Adjusted earnings per share (SEK)	0.62	0.98	2.13	2.96	3.60	4.42
Equity/assets ratio (%)	–	–	51	45	51	47
Net financial liabilities (-)/net financial assets(+)	–	–	-580	-72	-580	-51
Return on capital employed (%)	–	–	16.7	20.6	16.7	22.8
Operating profit (EBIT)	205	331	715	1,007	1,041	1,333
Cash conversion (%)	–	–	–	–	5	35

* Waiver of loan by US government authorities relating to the pandemic, + SEK 50 million in Q2, 2021



Current situation

Medical Solutions



- Maintained growth strategy
- Focus on innovation
- Strong customer relationships
- Inflationary effects

Integrated Solutions



- Established position in new product areas
- Flexible production structure
- 5G roll-out and new initiatives in the automotive sector are positive for EMC
- Geopolitical concerns
- Chinese licensing procedure ongoing

Industrial Solutions



- Advanced market positions
- Impact of supply chain disruptions
- Emphasis on sustainable solutions
- Inflationary effects

Thank you.



This presentation may contain forward-looking statements. When used in this presentation, words such as "anticipate", "believe", "estimate", "expect", "plan" and "project" are intended to identify forward-looking statements. Such statements could encompass risks and uncertainties pertaining to product demand, market acceptance, effects of economic conditions, impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of Nolato's management as of the date made with respect to future events but are subject to risks and uncertainties. While all of these forward-looking statements are based on estimates and assumptions made by Nolato's management and are believed to be reasonable, they are inherently uncertain and difficult to predict. Actual results and experience could differ materially from the forward-looking statements. Nolato disclaims any intention or obligation to update these forward-looking statements.