

Nolato

Fourth quarter

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February 8, 2023

Medical
Solutions



Integrated
Solutions



Industrial
Solutions



Q4 summary – Group

- Sales totaled SEK 2,364 million (3,146)
 - Positive currency effect; adjusted for currency, a 34% decrease
 - Lower volumes in the VHP area
- Operating profit (EBITA) was SEK 163 million (336)
- EBITA margin of 6.9% (10.7)
 - Affected by volumes, cost inflation and production efficiency
- Cash flow after investments was SEK –188 million (–87) because of increased working capital requirements

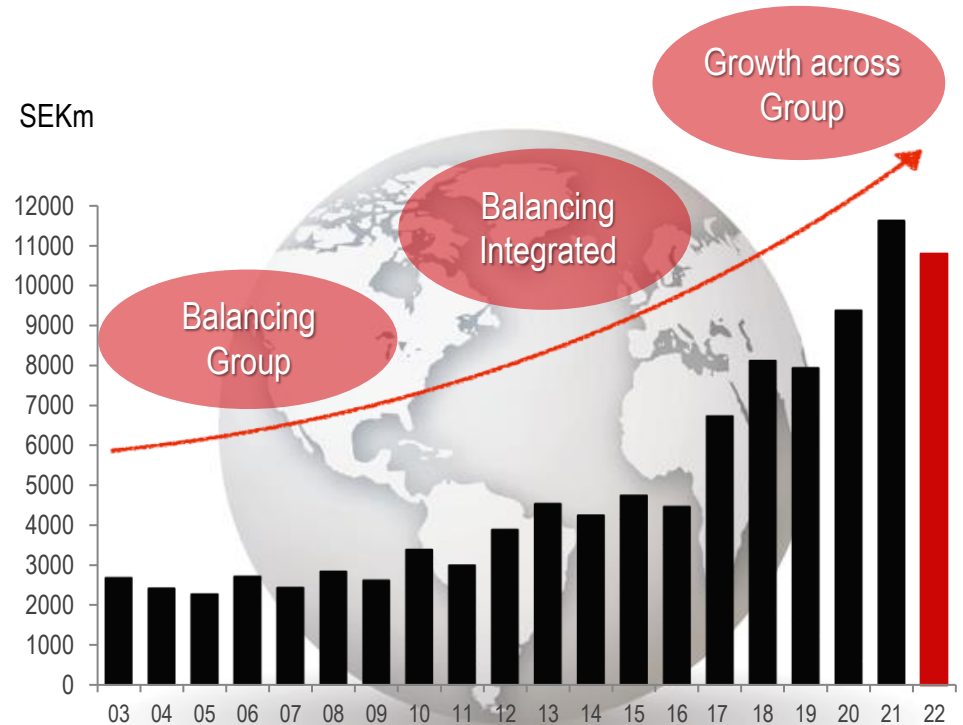
A global solutions provider established on three continents



Full year 2022 in brief

- Sales totaled SEK 10,774 million (11,610)
- EBITA margin of 8.4% (11.4 excl. non-recurring items)
- Earnings per share were SEK 2.44 (3.70), excl. non-recurring items
 - SEK 2.59 (4.32) including non-recurring items
- Strong financial position
 - Net financial liabilities of SEK 708 million (51)
 - Equity/assets ratio of 54% (47)
- Board of Directors' dividend proposal
 - Dividend of SEK 1.90 (1.90)
 - Policy > 50% of net profit
 - Current pay-out ratio of 78% (51), excl. non-recurring items

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.

2,364

SALES
SEKm
Q4

163

EBITA
SEKm
Q4

6.9

EBITA MARGIN
%
Q4

Medical Solutions

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

1,312

SALES
SEKm
Q4

126

EBITA
SEKm
Q4

9.6

EBITA MARGIN
%
Q4

Integrated Solutions

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

407

SALES
SEKm
Q4

25

EBITA
SEKm
Q4

6.1

EBITA MARGIN
%
Q4

Industrial Solutions

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

651

SALES
SEKm
Q4

18

EBITA
SEKm
Q4

2.8

EBITA MARGIN
%
Q4

Medical Solutions



1,312

SALES
SEKm, Q4

126

EBITA
SEKm, Q4

9.6

EBITA MARGIN
%, Q4

Sustainable Growth and Global expansion

SEKm



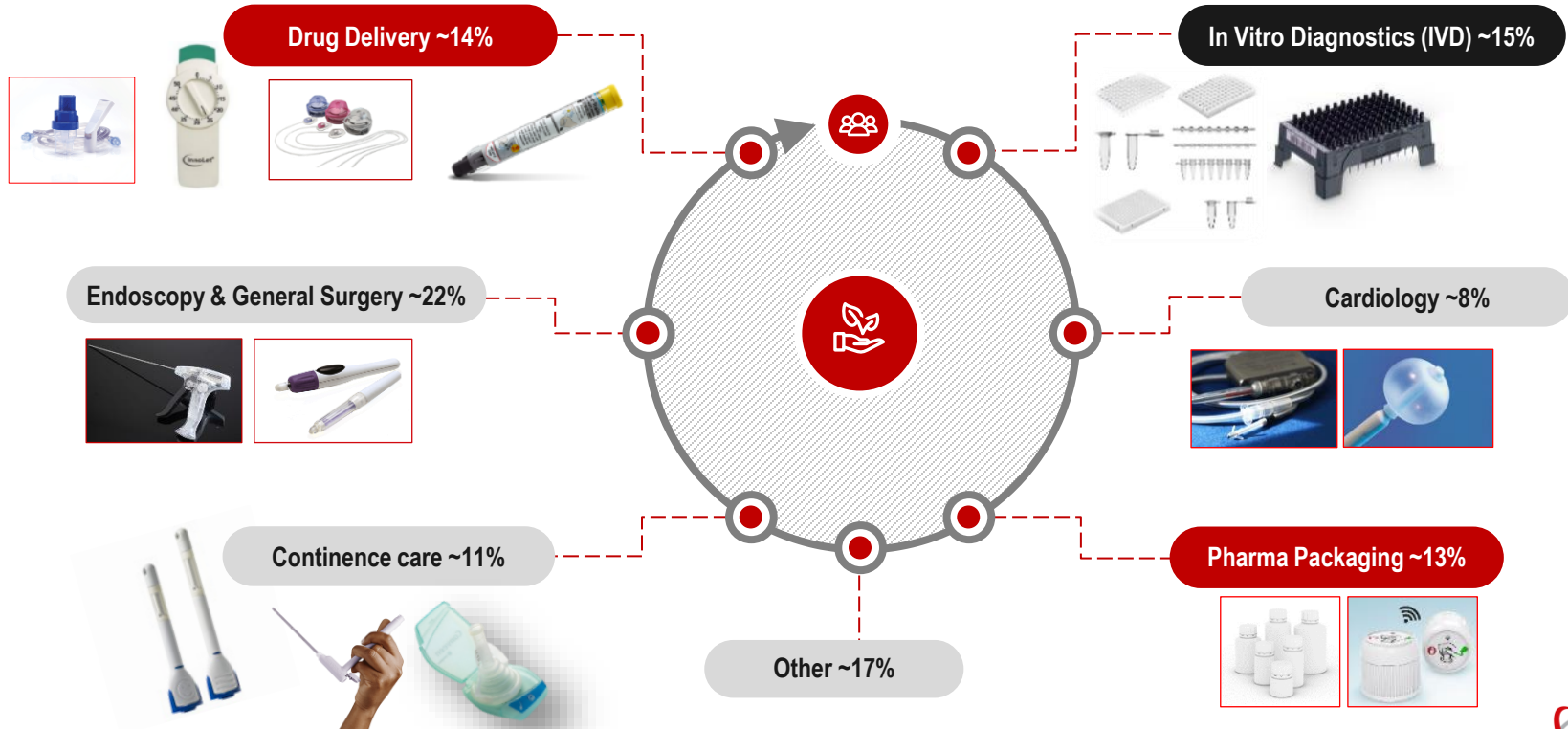
Medical Solutions

Focused product areas

Pharma

Diagnostics

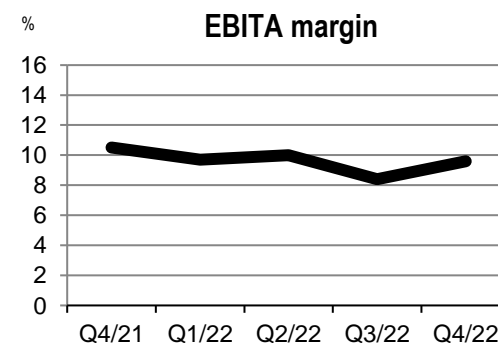
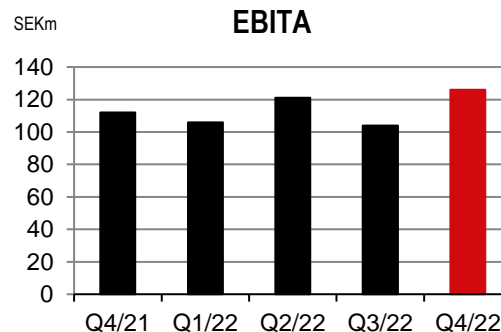
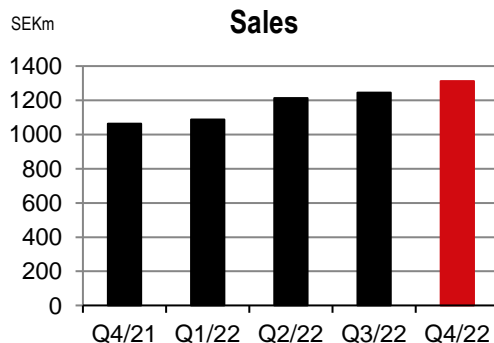
Medical Devices



Medical Solutions – Q4

- 23% increase in sales
 - 9% increase, adjusted for currency
 - Good growth in surgery area
 - IVD volumes were low in the quarter due to pandemic-related inventory adjustments
 - The charging on of higher costs contributed to the increase in sales
- EBITA margin of 9.6% (10.5)
 - Change in the sales mix
 - Cost impact of previous capacity investments

SEKm	Q4		Full year	
	2022	2021	2022	2021
Sales	1,312	1,063	4,859	4,067
Operating profit (EBITA)	126	112	457	457
EBITA margin (%)	9.6	10.5	9.4	11.2
Operating profit (EBIT)	118	104	427	430



Integrated Solutions



407

SALES
SEKm, Q4

25

EBITA
SEKm, Q4

6.1

EBITA MARGIN
%, Q4

Expansion into new market segments

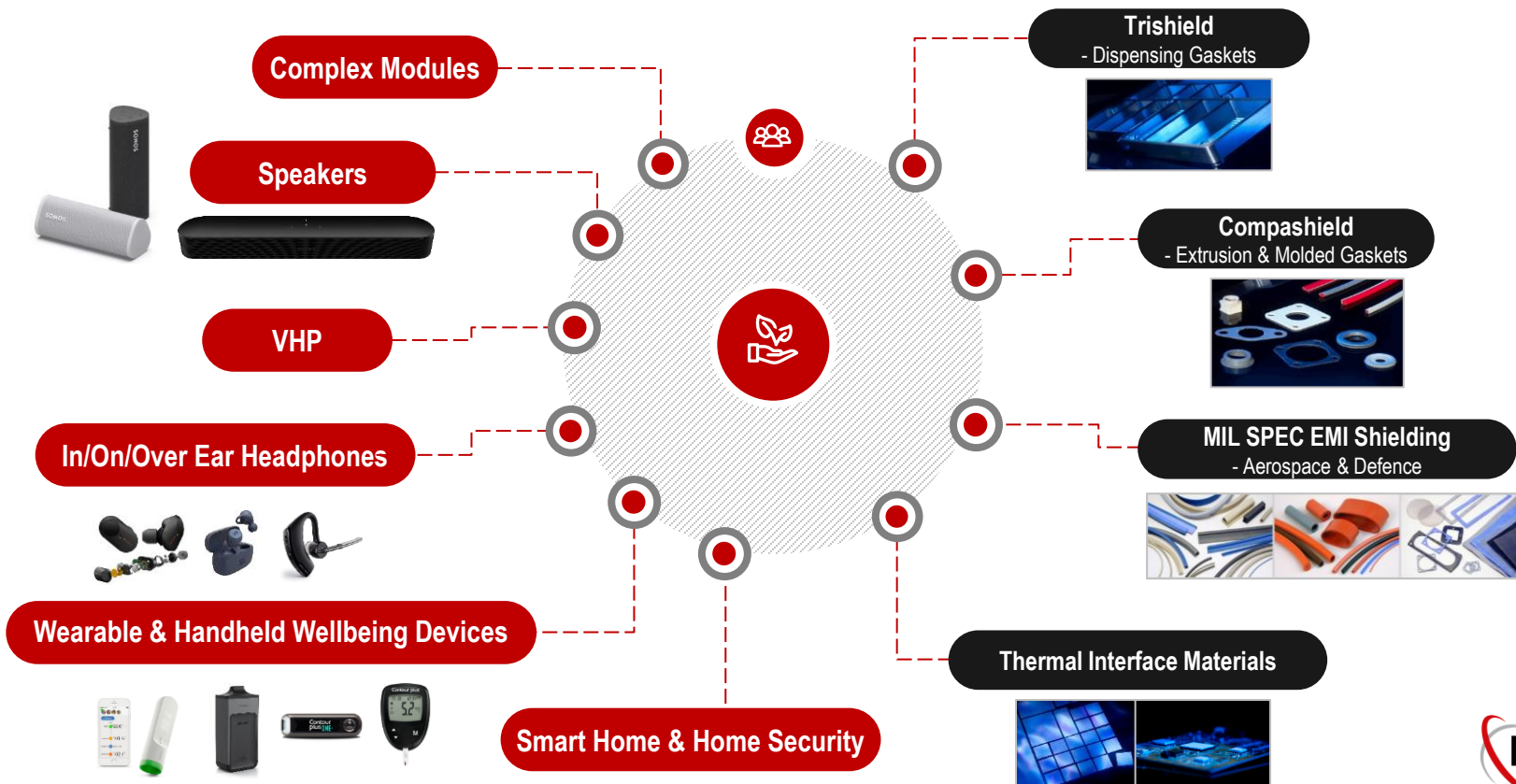


Integrated Solutions

Focused product areas

Consumer Electronics

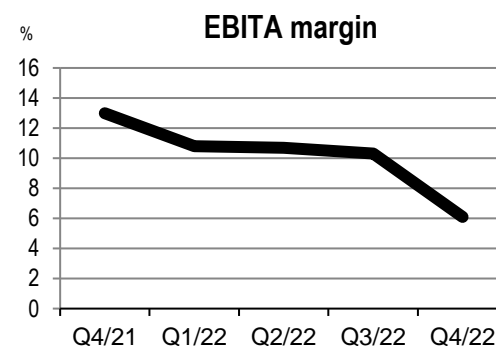
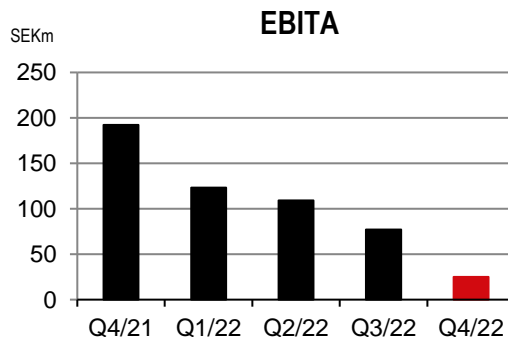
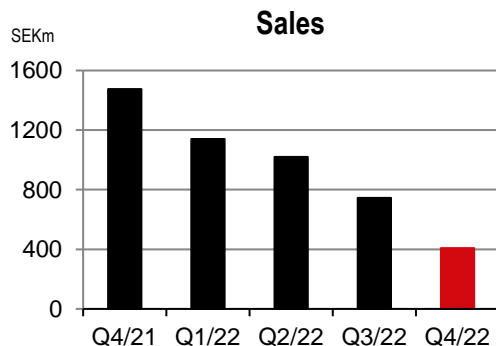
EMC & Thermal



Integrated Solutions – Q4

- 72% decrease in sales
 - Adjusted for currency, this was a decrease of some 78%
 - Licensing due to new regulatory requirements for VHP products in China resulted in sales being halted until 5 December
 - End-customer demand adversely affected by the situation in Eastern Europe
 - Dual-sourcing effects
 - EMC is continuing to perform well
 - VHP volumes are also expected to remain at similar levels in the first quarter
- EBITA margin of 6.1% (13.0)
 - The margin was affected by lower volumes

SEKm	Q4		Full year	
	2022	2021	2022	2021
Sales	407	1,476	3,311	5,226
Operating profit (EBITA)	25	192	334	671
EBITA margin (%)	6.1	13.0	10.1	12.8
Operating profit (EBIT)	25	192	333	670



Industrial Solutions



651

SALES
SEKm, Q4

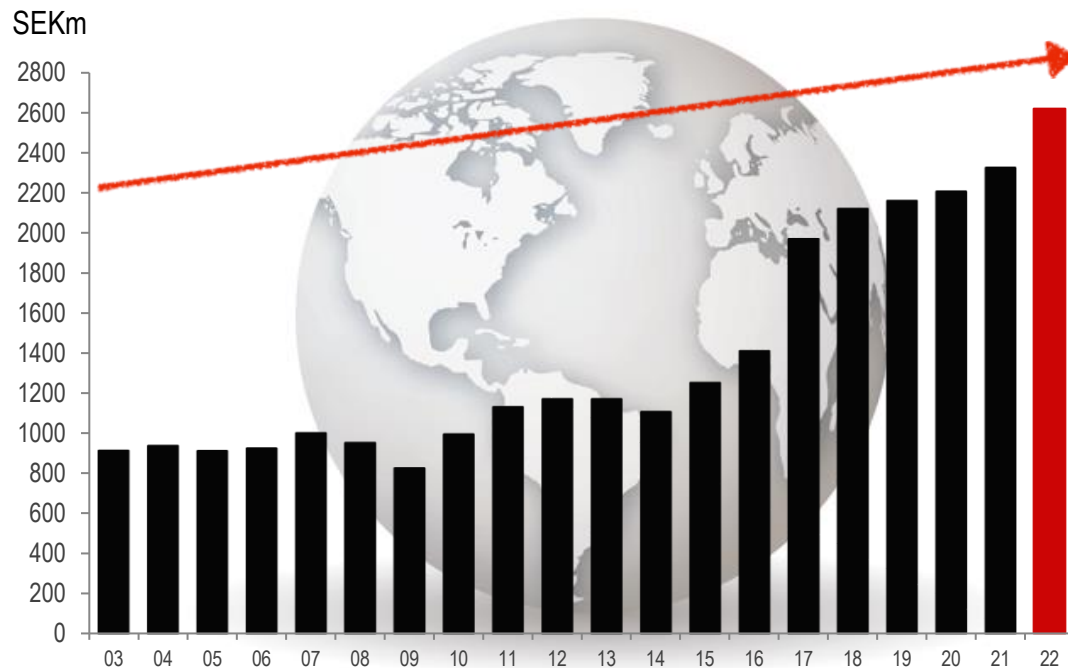
18

EBITA
SEKm, Q4

2.8

EBITA MARGIN
%, Q4

Technological and geographical expansion



Industrial Solutions



General Industry

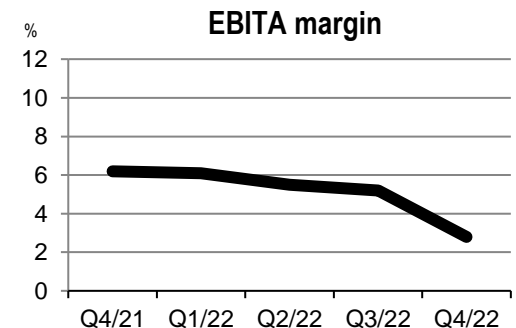
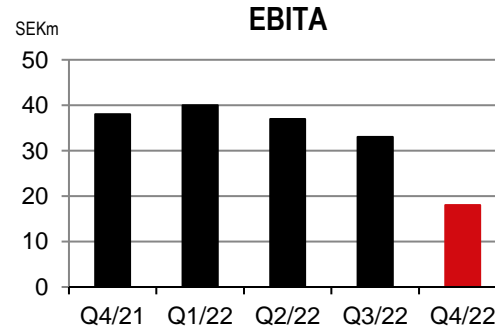
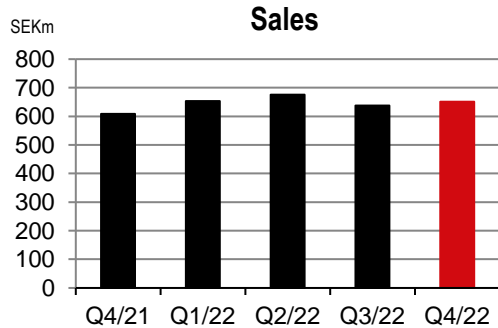
Automotive



Industrial Solutions – Q4

- 7% increase in sales
 - Adjusted for currency, this was a decrease of 2%
 - The charging on of higher costs contributed positively to sales
 - Lower volumes for products in consumer discretionary sector
- EBITA margin of 2.8% (6.2)
 - Fluctuating call-off orders resulting in low operating efficiency, especially at the beginning of the quarter
 - Lower volumes
 - Inflationary effects of labor and energy costs

SEKm	Q4		Full year	
	2022	2021	2022	2021
Sales	651	609	2,618	2,324
Operating profit (EBITA)	18	38	128	208
EBITA margin (%)	2.8	6.2	4.9	9.0
Operating profit (EBIT)	15	36	118	200



Group financial highlights

SEKm	Q4		Full year	
	2022	2021	2022	2021
Net sales	2,364	3,146	10,774	11,610
Operating profit (EBITA)	163	336	908	1,369
Operating profit (EBITA), excl. a non-recurring item last year*	163	336	908	1,319
EBITA margin (%), excl. a non-recurring item last year*	6.9	10.7	8.4	11.4
Profit after financial income and expense	186	433	875	1,401
Profit after tax	146	386	697	1,160
Effective tax (%)	–	–	20.3	17.2
Cash flow after investments, excl. acquisitions and disposals	–188	–87	8	446
Net investments affecting cash flow, excl. acquisitions and disposals	99	205	451	782
Earnings per share (SEK)	0.54	1.43	2.59	4.32
Adjusted earnings per share (SEK)	0.57	1.46	2.70	4.42
Equity/assets ratio (%)	–	–	54	47
Net financial liabilities (–)/net financial assets(+)	–	–	–708	–51
Return on capital employed (%)	–	–	12.8	22.8
Operating profit (EBIT)	152	326	867	1,333
Cash conversion (%)	–	–	1	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

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

Industrial Solutions



- Advanced market positions
- Impact of supply chain disruptions
- Emphasis on sustainable solutions
- Weaker economic conditions

Thank you.



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