



Fourth quarter

CEO Christer Wahlquist
CFO Per-Ola Holmström

February 6, 2024

Medical
Solutions



Integrated
Solutions



Industrial
Solutions

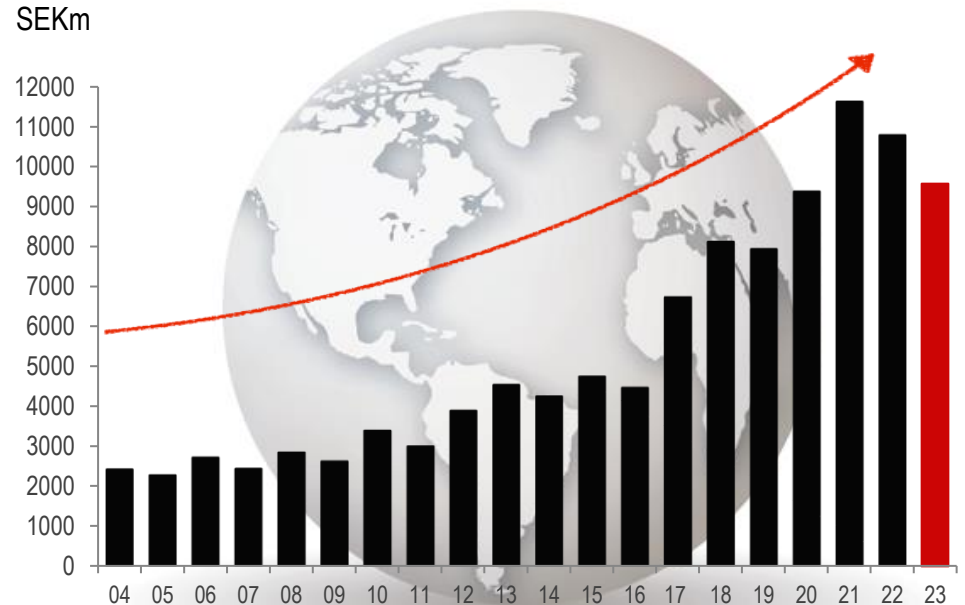


Q4 summary

Group

- Sales totaled SEK 2,252 million (2,364)
 - 6% decrease, adjusted for currency and acquisitions
 - Strong growth for Industrial Solutions, but lower volumes adversely affected other business areas
- Operating profit (EBITA) increased to SEK 177 million (163)
- EBITA margin of 7.9% (6.9)
 - Increased margins for Medical and Industrial Solutions had a positive impact through improved efficiency
- Cash flow after investments rose to SEK 80 million (-188)

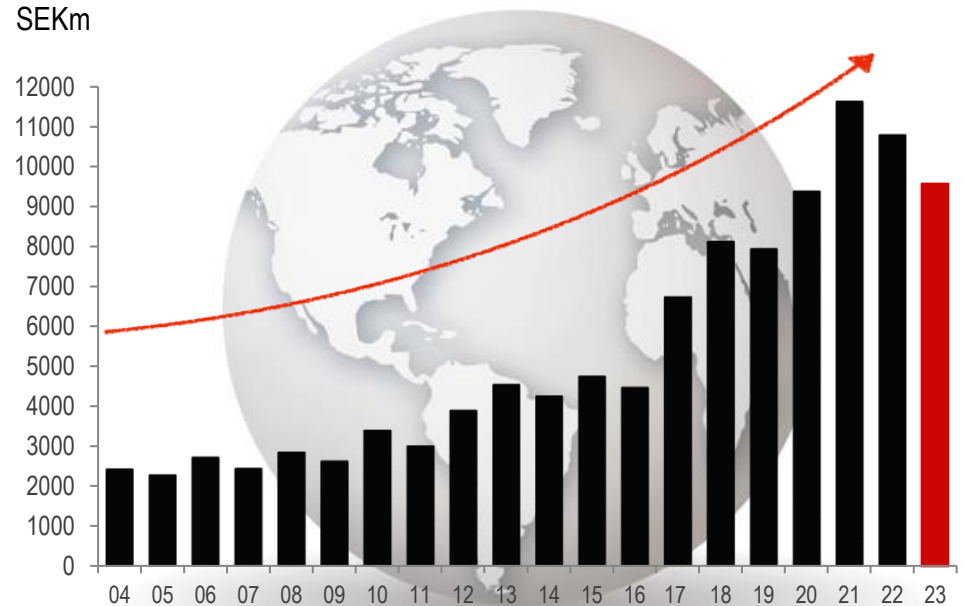
A global solutions provider established on three continents



Full year 2023 in brief

- Sales totaled SEK 9,546 million (10,774)
- EBITA margin of 8.0% (8.4), excluding non-recurring items
- Earnings per share were SEK 2.02 (2.44), excl. non-recurring items
 - SEK 1.61 (2.59), including non-recurring items
- Strong financial position
 - Net financial liabilities of SEK 895 million (708)
 - Equity/assets ratio of 56% (54)
- Board of Directors' dividend proposal
 - Dividend of SEK 1.50 (1.90)
 - Policy > 50% of net profit
 - Current pay-out ratio of 74% (78), excl. non-recurring items

Positioning as a global supplier of sustainable end-to-end solutions



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.

2,252

SALES
SEKm
Q4

177

EBITA
SEKm
Q4

7.9

EBITA MARGIN
%
Q4

Medical Solutions

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

1,300

SALES
SEKm
Q4

129

EBITA
SEKm
Q4

9.9

EBITA MARGIN
%
Q4

Integrated Solutions

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

243

SALES
SEKm
Q4

-1

EBITA
SEKm
Q4

-0.4

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.

716

SALES
SEKm
Q4

53

EBITA
SEKm
Q4

7.4

EBITA MARGIN
%
Q4

Medical Solutions – Sustainable Growth and Global expansion

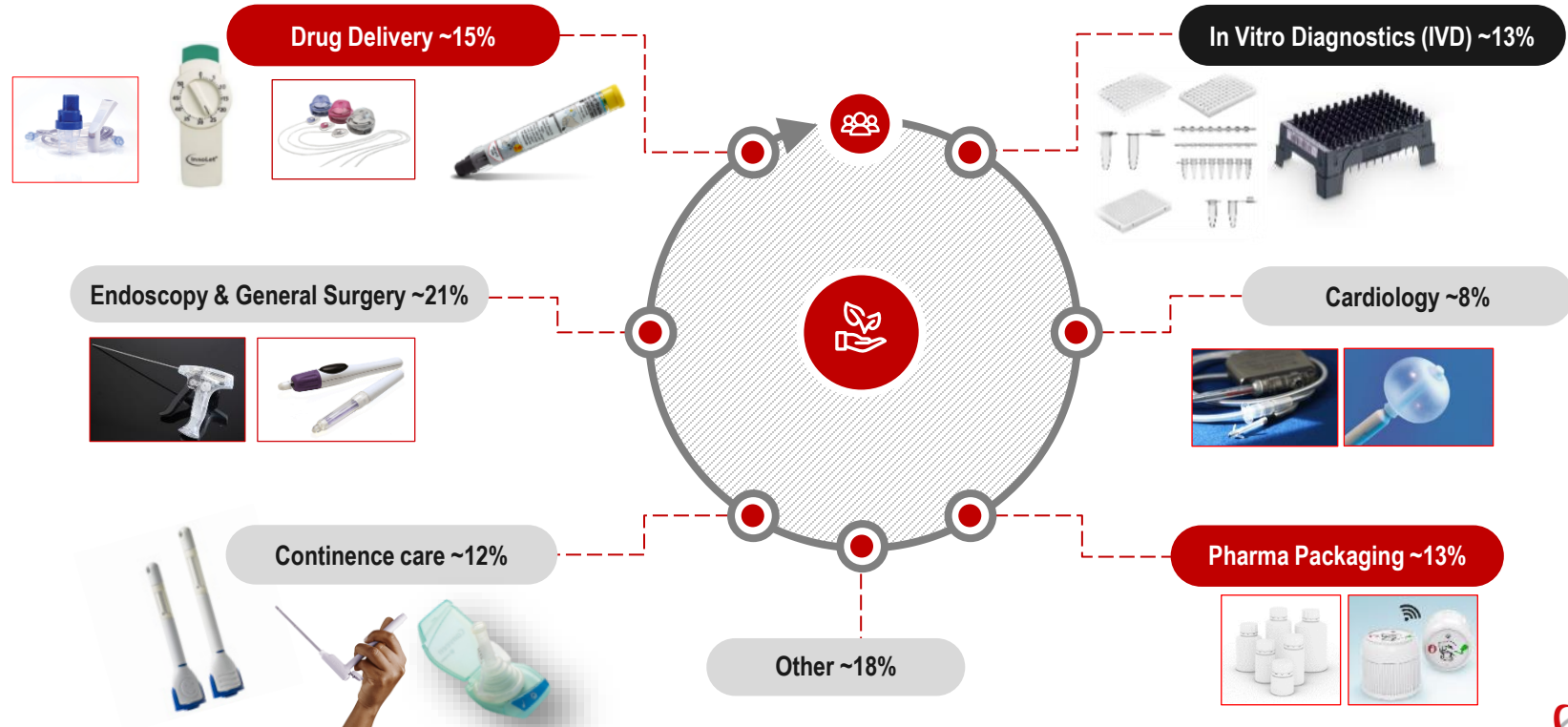


Medical Solutions – Focused product areas

Pharma

Diagnostics

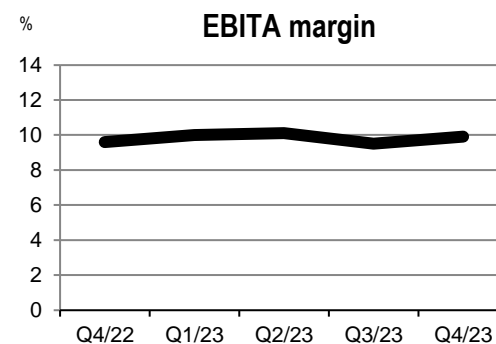
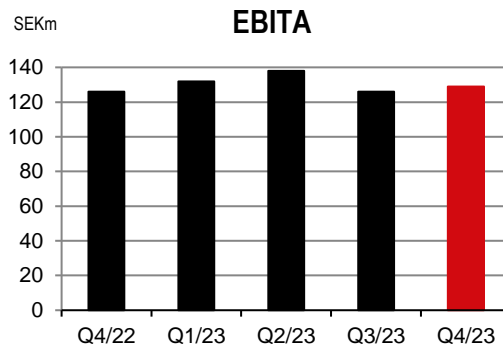
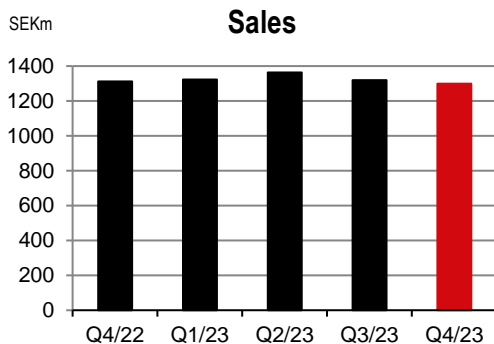
Medical Devices



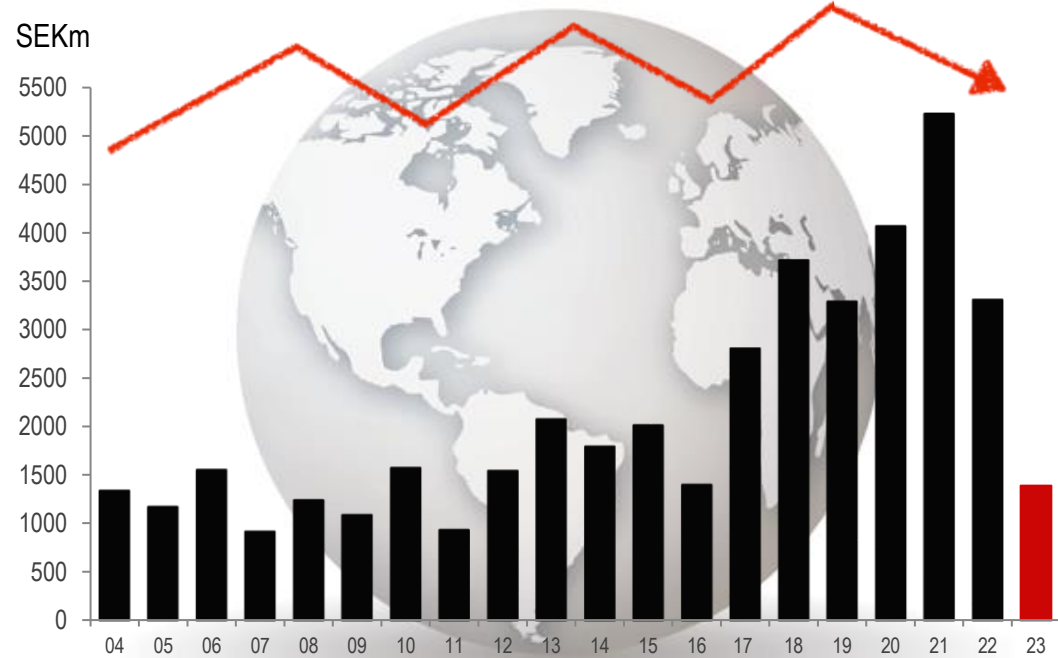
Medical Solutions – Q4

- 1% decrease in sales
 - 2% decrease, adjusted for currency
 - Lower surgery volumes
 - IVD volumes were in line with the previous year
 - Solid demand in other product areas, but some impact from inventory adjustments before year-end
- EBITA margin of 9.9% (9.6)
 - A change in the sales mix, with a lower proportion from surgery

SEKm	Q4		Full year	
	2023	2022	2023	2022
Sales	1,300	1,312	5,308	4,859
Operating profit (EBITA)	129	126	525	457
EBITA margin (%)	9.9	9.6	9.9	9.4
Operating profit (EBIT)	122	118	494	427



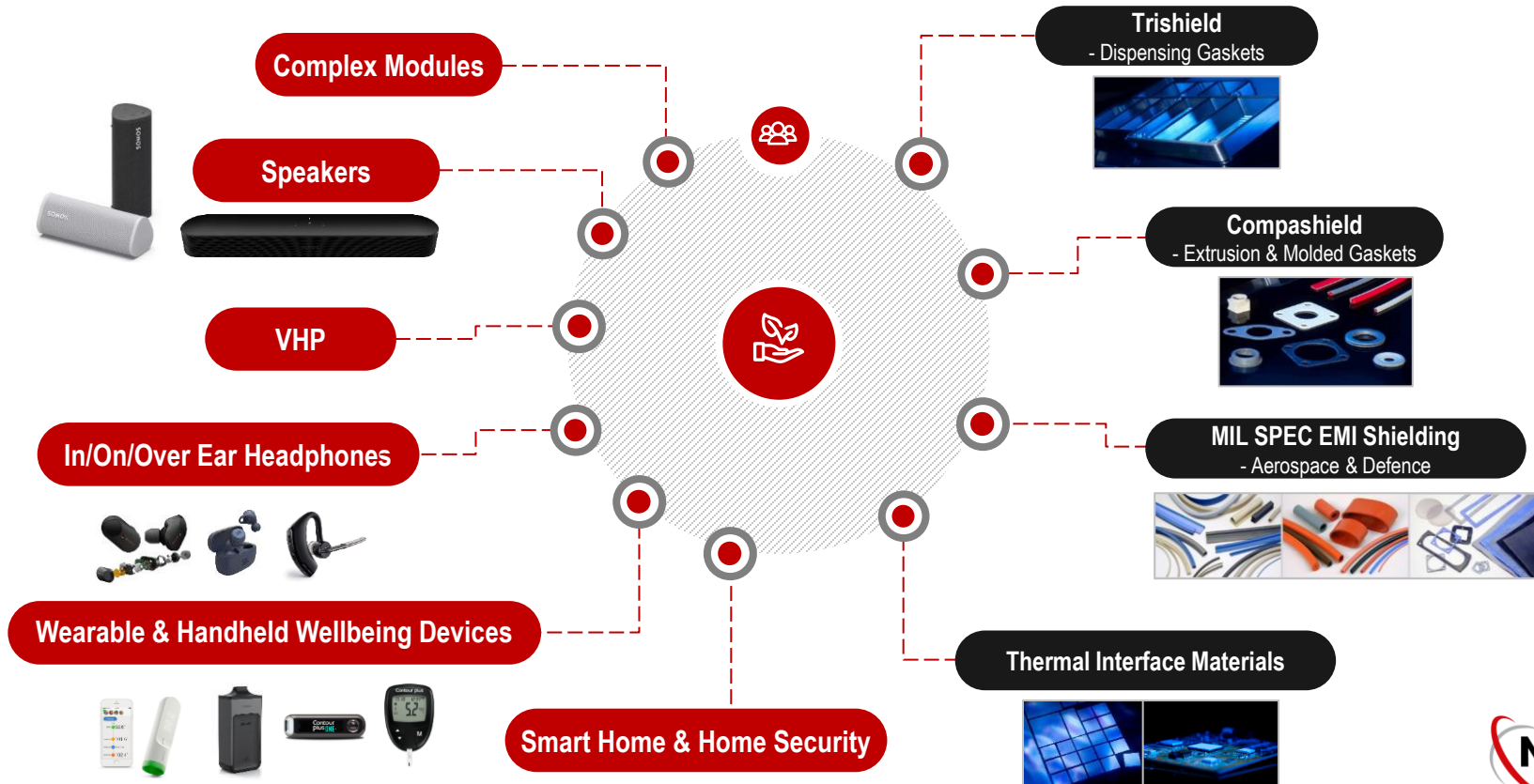
Integrated Solutions – Expansion into new market segments



Integrated Solutions – Focused product areas

Consumer Electronics

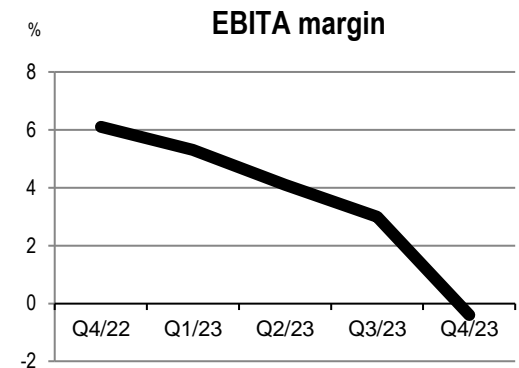
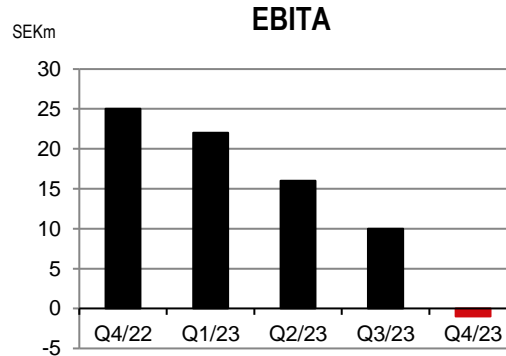
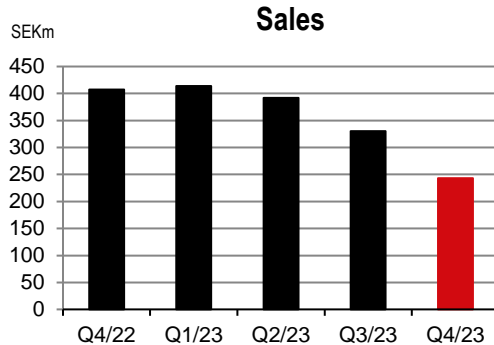
EMC & Thermal



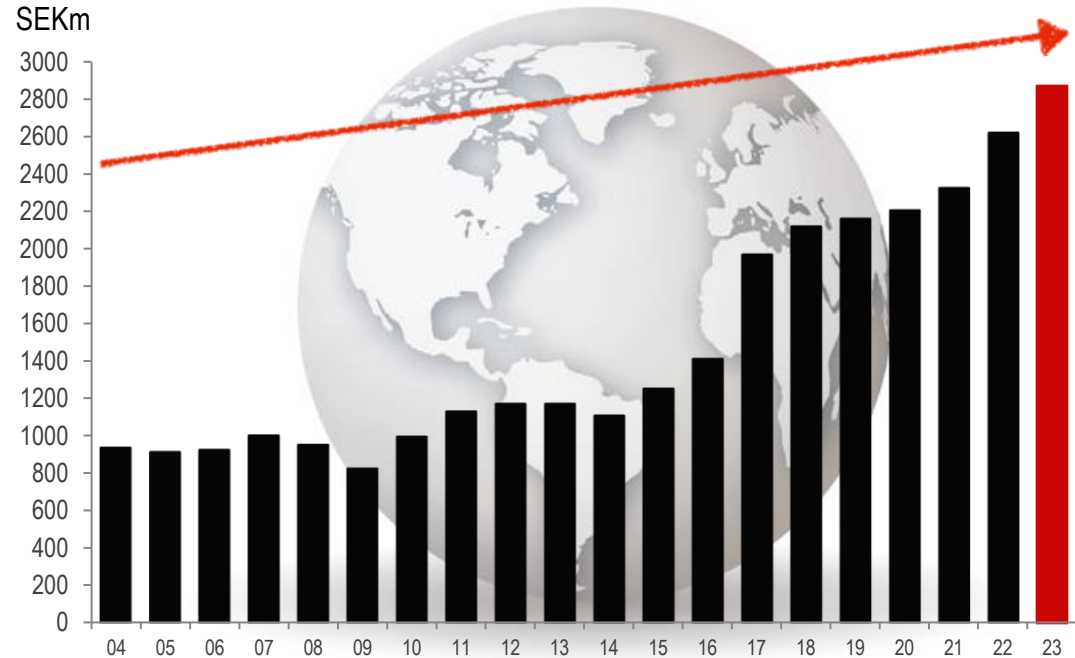
Integrated Solutions – Q4

- 40% decrease in sales
 - A decrease of some 41%, adjusted for currency and acquisitions
 - Low volumes and a change in sourcing strategy at a previously significant customer had a negative impact, as well as lower demand in consumer electronics
 - EMC sales totaled SEK 159 million (165)
 - The automotive area increased significantly, while telecom had lower volumes
- EBITA margin of -0.4% (6.1)
 - Cost adjustments in the Chinese business are going to plan
 - Lower volumes in both consumer electronics and EMC are offsetting the positive impact on profit

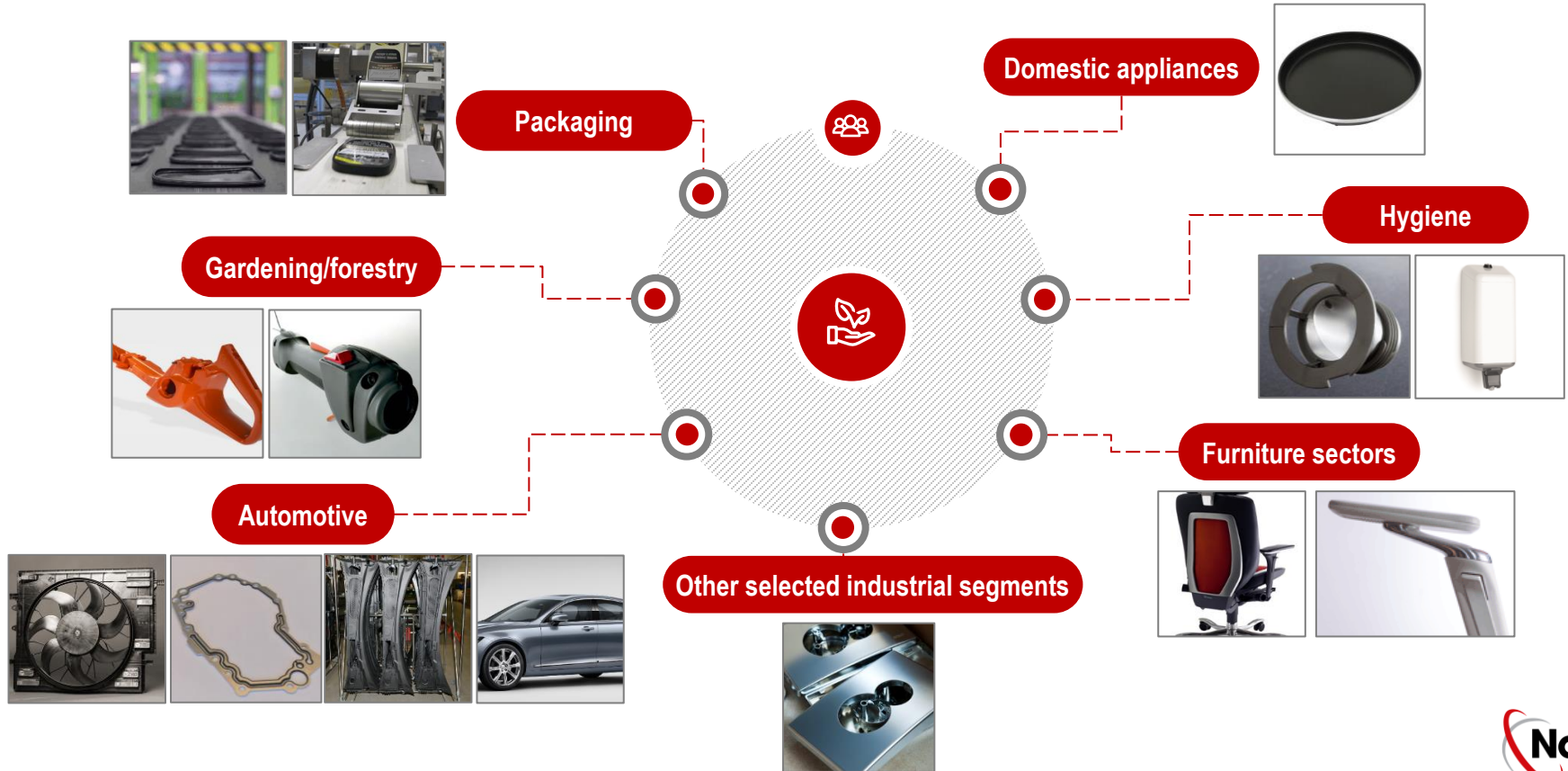
SEKm	Q4		Full year	
	2023	2022	2023	2022
Sales	243	407	1,379	3,311
Operating profit (EBITA)	-1	25	47	334
EBITA margin (%)	-0.4	6.1	3.4	10.1
Operating profit (EBIT)	-2	25	45	333



Industrial Solutions – Technological and geographical expansion



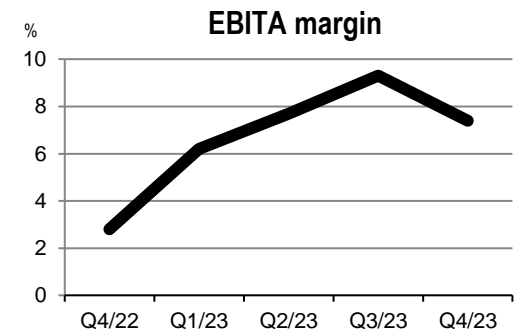
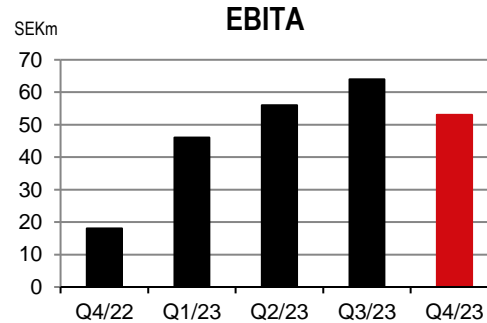
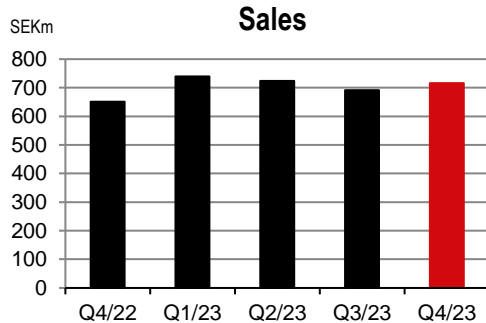
Industrial Solutions – Focused product areas



Industrial Solutions – Q4

- 10% increase in sales
 - 7% increase, adjusted for currency
 - Strong demand in automotive, as well as increased volumes in hygiene
 - Demand for products in consumer discretionary sector slightly lower due to weak economy
- EBITA margin of 7.4% (2.8)
 - Less disruption in the supply chain for automotive meant more efficient production
 - Higher volumes having a positive impact

SEKm	Q4		Full year	
	2023	2022	2023	2022
Sales	716	651	2,871	2,618
Operating profit (EBITA)	53	18	219	128
EBITA margin (%)	7.4	2.8	7.6	4.9
Operating profit (EBIT)	49	15	208	118



Group financial highlights

SEKm	Q4		Full year	
	2023	2022	2023	2022
Net sales	2,252	2,364	9,546	10,774
Operating profit (EBITA)*	177	163	701	908
Operating profit (EBITA), excl. non-recurring items in 2023	177	163	761	908
EBITA margin (%), excl. non-recurring items in 2023	7.9	6.9	8.0	8.4
Profit after financial income and expenses*)	149	186	616	875
Profit after tax***)	75	146	435	697
Effective tax (%), excl. non-recurring items	–	–	19.4	21.3
Cash flow after investments, excl. acquisitions and disposals	80	–188	446	8
Net investments affecting cash flow, excl. acquisitions and disposals.	106	99	425	451
Earnings per share (SEK)**)	0.28	0.54	1.61	2.59
Earnings per share (SEK) excl. non-recurring items	0.46	0.39	2.02	2.44
Adjusted earnings per share (SEK)**)	0.31	0.57	1.74	2.70
Equity/assets ratio (%)	–	–	56	54
Net financial liabilities (-)/net financial assets(+)	–	–	-895	-708
Return on capital employed (%)	–	–	9.0	12.8
Operating profit (EBIT)*	165	152	657	867
Cash conversion (%)	–	–	65	1

*) Non-recurring costs for concentration of the Chinese business had a SEK –60 million impact on earnings for the full year 2023.

**) Non-recurring costs for the impairment of a tax asset in China had a SEK –50 million impact on profit after tax in Q4 2023 and the full year 2023.



Change in Group structure

- We have decided to merge Integrated Solutions and Industrial Solutions to create a new Engineered Solutions business area
- The merger provides a global offering for major new customers and our existing customer base
- Global Technical Design Center with extended offering including electronic expertise, virtual design etc.



Current situation

Medical Solutions



- Maintained growth strategy
- Focus on margin – cost adjustments, pricing strategy and efficiency
- Innovation and sustainability
- Broad customer base with longstanding, close customer relationships

Engineered Solutions



- Advanced market positions
- Established position in new product areas
- Focus on innovative and sustainable solutions
- Success in automotive area positive for EMC, but lower volumes in telecom area
- Continued lower demand in consumer electronics and consumer discretionary sector

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.