

Second quarter

CEO Christer Wahlquist
CFO Per-Ola Holmström

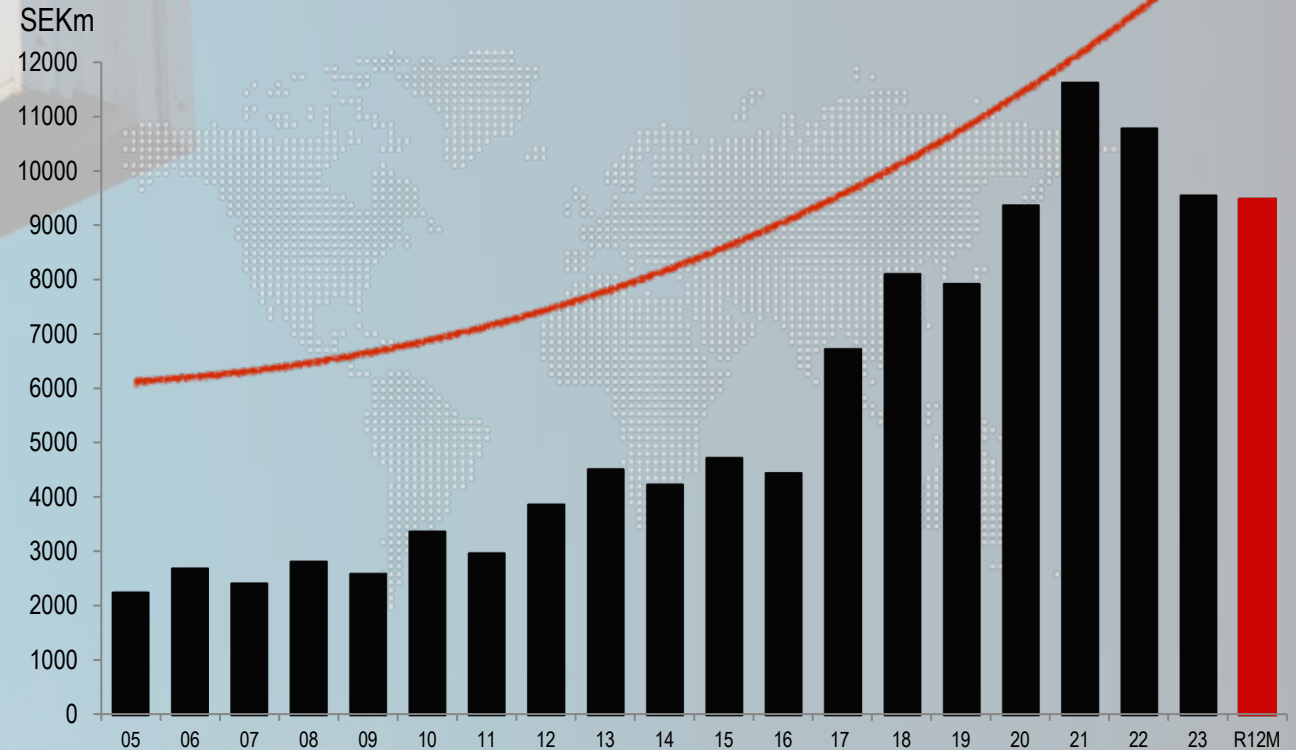
July 18, 2024



Q2 summary – Nolato Group

- Sales totaled SEK 2,439 million (2,478)
 - A decrease of 2% adjusted for currency and acquisitions
 - VHP effects phased out from Q3 2024
- Operating profit (EBITA) rose by 24% to SEK 245 million (198)
- EBITA margin increased to 10.0% (8.0)
 - Improved margins in both business areas
- Very strong cash flow from operating activities, totaling SEK 434 million (240)
 - Improved profit and reduced tied-up working capital
- Strong financial position
 - Net financial liabilities in relation to adjusted EBITDA totaled 0.8 times

A global solutions provider established on three continents



One Group – two 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.

2,439

SALES
SEKm
Q2

245

EBITA
SEKm
Q2

10.0

EBITA MARGIN
%
Q2

Medical Solutions

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

1,365

SALES
SEKm
Q2

149

EBITA
SEKm
Q2

10.9

EBITA MARGIN
%
Q2

Engineered Solutions

Design, development, industrialization and manufacture of advanced components, subsystems and ready-packaged products for a range of industries, including offerings within EMC and thermal solutions.

1,077

SALES
SEKm
Q2

108

EBITA
SEKm
Q2

10.0

EBITA MARGIN
%
Q2

Medical Solutions – sustainable growth and global expansion

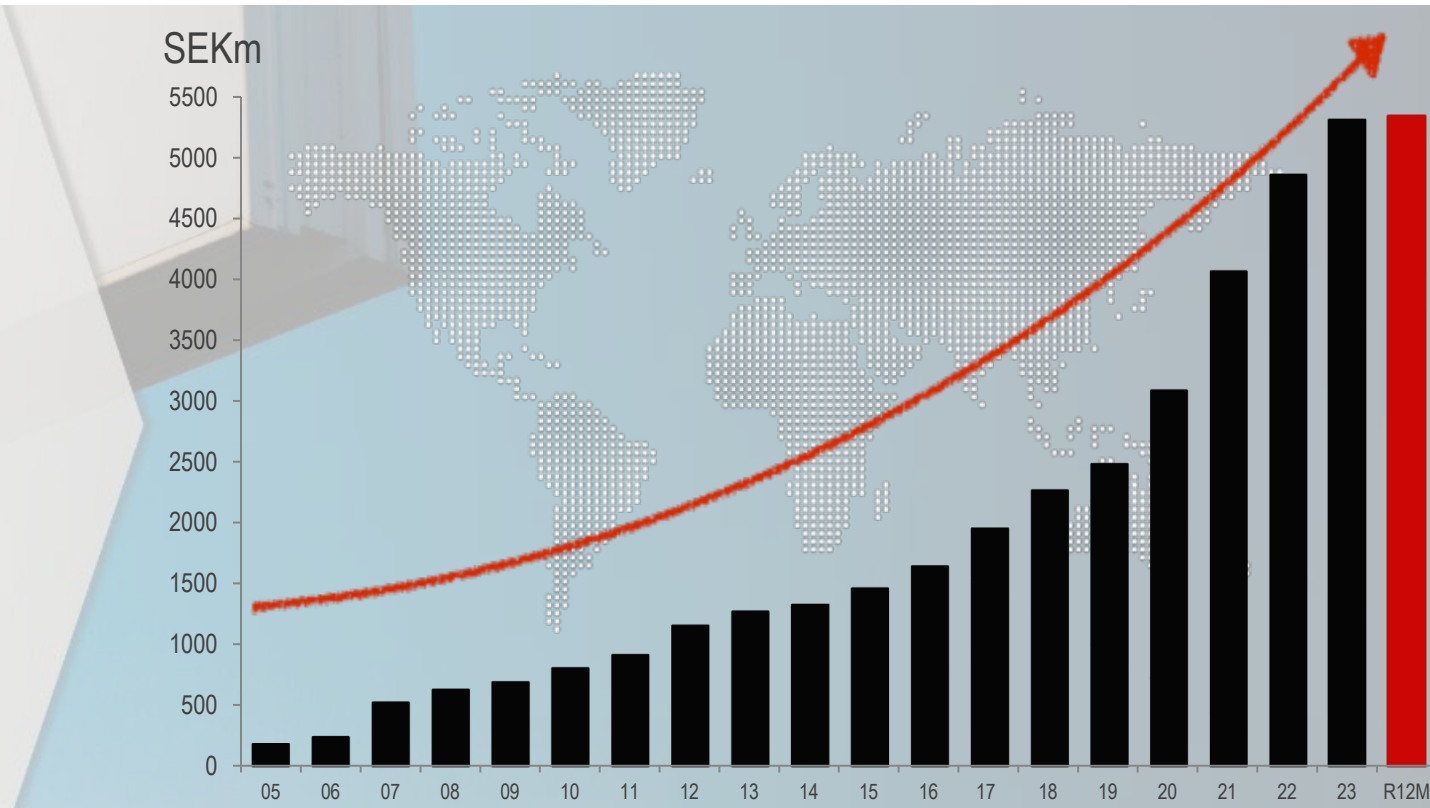


1,365
SALES
SEKm, Q2

149
EBITA-RESULT
SEKm, Q2

56
SHARE OF THE GROUP
%, Q2

10.9
EBITA-MARGIN
%, Q2

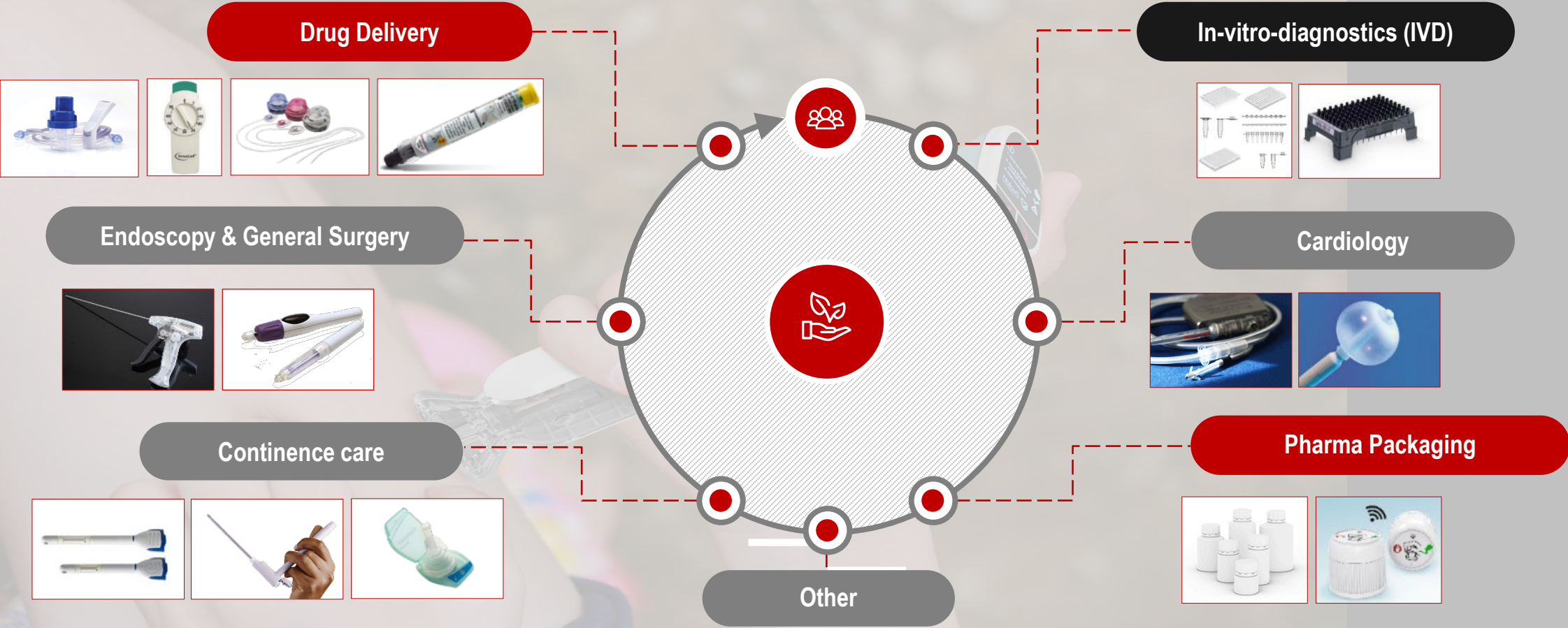


Medical Solutions – focused product areas

Pharma

Diagnostics

Medical Devices

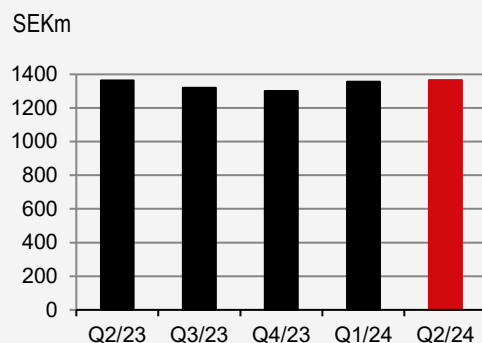


Medical Solutions – Q2

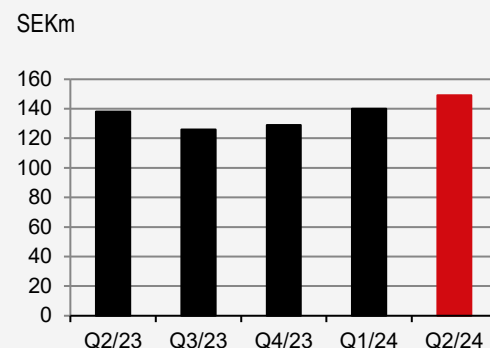
- Sales unchanged
 - 1% decrease, adjusted for currency
 - IVD grew compared with a weak quarter last year
 - Lower volumes in the Other category (customer product recall)
 - Pharmaceutical packaging experienced lower volumes (customer inventory adjustments and geopolitical effects)
- EBITA margin of 10.9% (10.1)
 - Continual focus on improving margin is generating results
 - Strategic price revisions and cost savings

SEKm	Q2		Acc. 6 months	
	2024	2023	2024	2023
Sales	1,365	1,364	2,720	2,688
Operating profit (EBITA)	149	138	289	270
EBITA margin (%)	10.9	10.1	10.6	10.0
Operating profit (EBIT)	141	130	273	254

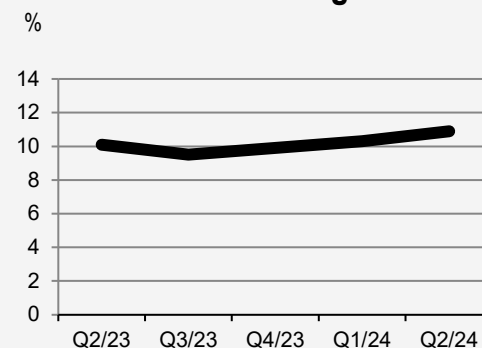
Sales



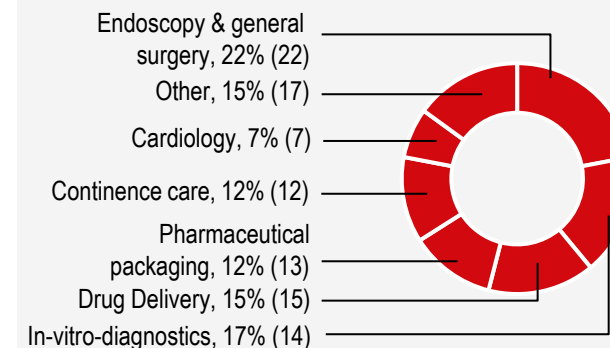
EBITA



EBITA margin



Sales per customer area



Engineered Solutions – advanced technology and high-productivity manufacturing



1,077

SALES
SEKm, Q2

108

EBITA-RESULT
SEKm, Q2

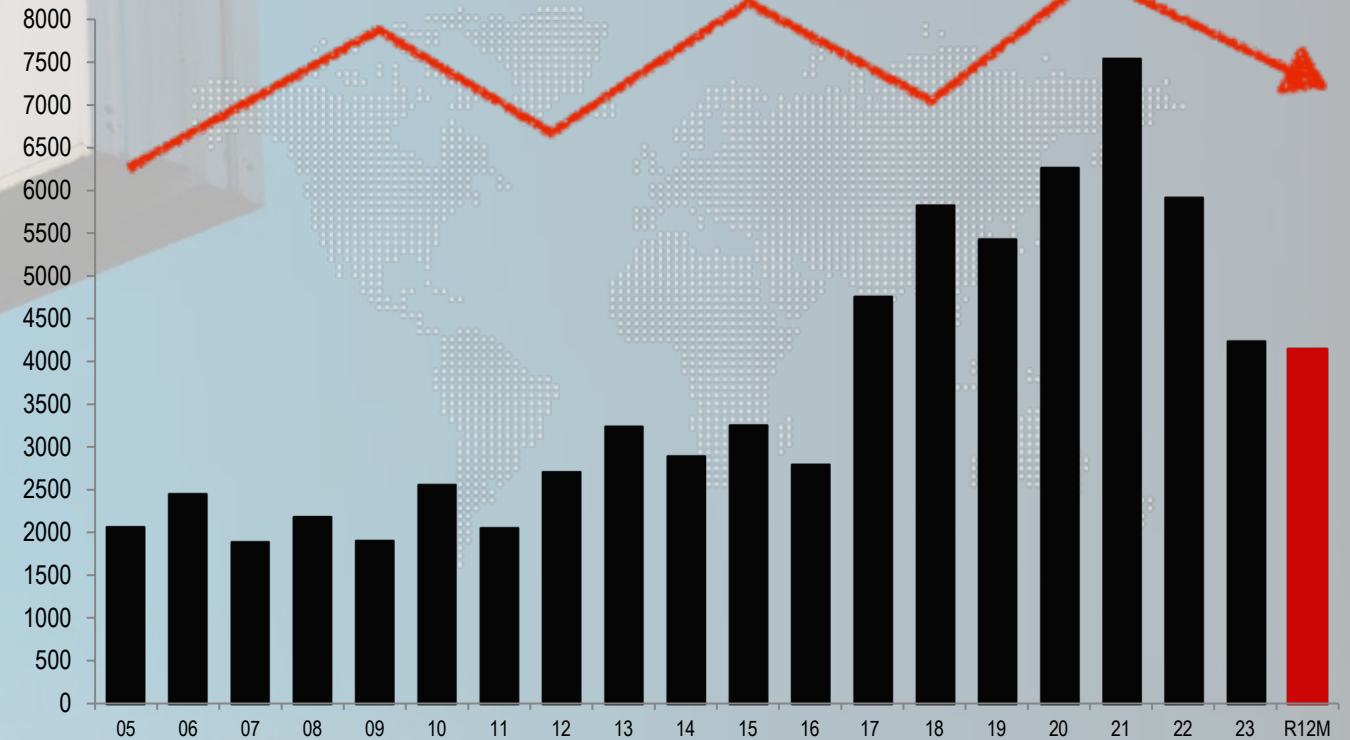
44

SHARE OF THE GROUP
%, Q2

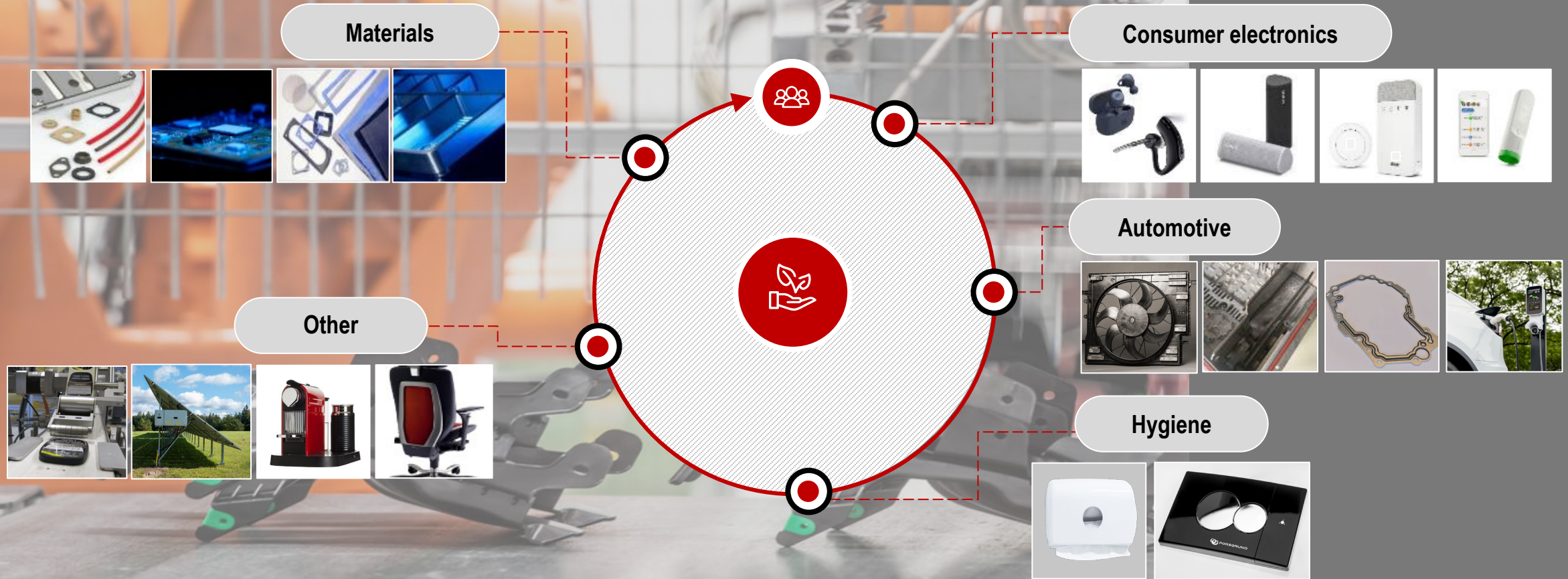
10.0

EBITA-MARGIN
%, Q2

SEKm



Engineered Solutions – focused product areas

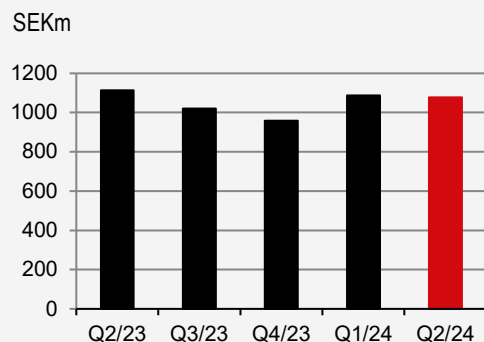


Engineered Solutions – Q2

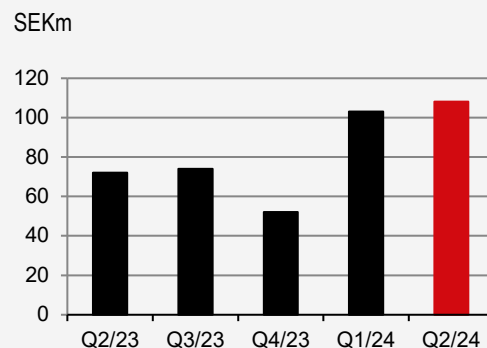
- 3% decrease in sales
 - A decrease of 4% adjusted for currency and acquisitions
 - Volumes in Consumer Electronics declined this quarter too (minimal volumes with a previously significant customer in VHP products)
 - The Automotive area continued to grow, though at a lower rate than in Q1
 - Volumes within the Hygiene area grew compared with a weak quarter last year
 - The Other category showed good growth via recovery within consumer discretionary sector
- EBITA margin of 10.0% (6.5)
 - Favorable product mix
 - Cost adjustments

SEKm	Q2		Acc. 6 months	
	2024	2023	2024	2023
Sales	1,077	1,114	2,164	2,267
Operating profit (EBITA)	108	72	211	140
EBITA margin (%)	10.0	6.5	9.8	6.2
Operating profit (EBIT)	105	68	205	134

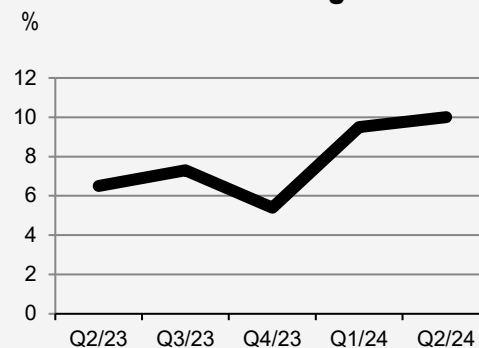
Sales



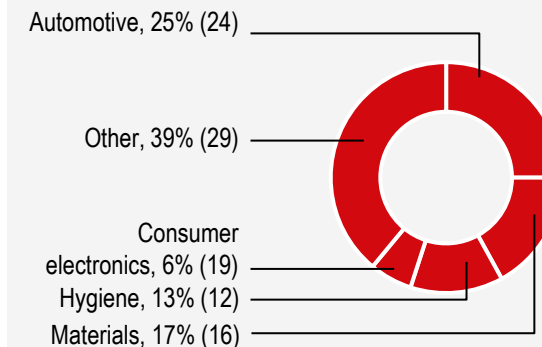
EBITA



EBITA margin



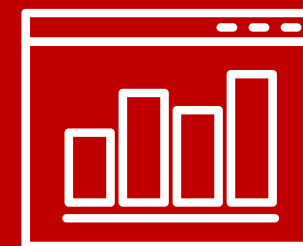
Sales per customer area



SEKm	Q2	Q2	Acc. 6 months		R12M	Full year 2023
	2024	2023	2024	2023		
Net sales	2,439	2,478	4,881	4,954	9,473	9,546
Operating profit (EBITA)*	245	198	483	391	793	701
Adjusted operating profit (EBITA), excl. non-recurring items in 2023	245	198	483	391	853	761
Adjusted EBITA margin (%), excl. non-recurring items in 2023	10.0	8.0	9.9	7.9	9.0	7.3
Profit after financial income and expenses*	215	192	424	365	675	616
Profit after tax* **	169	155	331	291	475	435
Effective tax (%), excl. non-recurring items	–	–	21.9	20.3	20.4	19.4
Cash flow from operating activities	434	240	570	315	1,036	781
Net investments affecting cash flow, excl. acquisitions and disposals	98	106	328	227	526	425
Cash flow after investments, excl. acquisitions and disposals	336	224	244	178	512	446
Earnings per share (SEK)* **	0.63	0.58	1.23	1.08	1.76	1.61
Adjusted earnings per share (SEK) excl. non-recurring items	0.63	0.58	1.23	1.08	2.17	2.02
Equity/assets ratio (%)	–	–	54	52	54	56
Net financial liabilities	–	–	1,107	1,163	1,107	895
Return on capital employed (%)	–	–	9.9	10.7	9.9	9.0
Operating profit (EBIT)*	234	186	461	369	749	657
Debt ratio (times)	–	–	–	–	0.8	0.7
Cash conversion (%)	–	–	–	–	70	65

*Non-recurring costs for concentration of the Chinese business had a SEK –60 million impact on earnings for the full year 2023 and rolling 12 months.

**Non-recurring costs for the impairment of a tax asset in China had a SEK –50 million impact on profit after tax in the full year 2023 and rolling 12 months.



Key performance indicators Group



Current situation

Medical Solutions



- Maintained growth strategy – but temporarily sluggish market activity
- Focus on margin – cost adjustments, pricing strategy and efficiency
- Innovation and sustainability
- Broad customer base with long-standing, close customer relationships
- New, significant customer contract validates overall strategy

Engineered Solutions



- VHP effects phased out from Q3 2024
- Advanced market positions
- Established position in new product areas
- Focus on innovative and sustainable solutions
- Success in automotive area positive for Materials (EMC), but lower volumes in telecom area



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