

# Nolato Capital Market Day

Clarion Hotel Copenhagen Airport

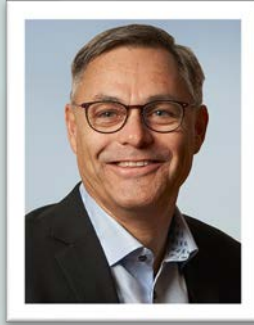
June 1, 2022



# Presentations will be made by:



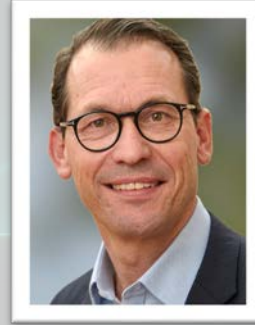
**Christer Wahlquist**  
President & CEO



**Per-Ola Holmström**  
Executive vice  
President & CFO



**Johan Iveberg**  
President  
Medical Solutions



**Glenn Svedberg**  
Director of  
Sustainable Affairs



**Anders Ericsson**  
Director of EMC  
Integrated Solutions



**Patric Mattsson**  
Director of  
Marketing & Sales  
Integrated Solutions

# Agenda

12:00 Mingle buffet (lunch)

13:00 Nolato in brief – Christer Wahlquist

Our journey so far and current position, strategic partner  
“group-wide” and overall strategy

13:30 Deep dive in Nolato

- Medical Solutions – Johan Iveberg
- Integrated Solutions – EMC – Anders Ericsson
- Integrated Solutions – Consumer Electronics – Patric Mattsson

14:45 Coffee break

15:15 ESG – Glenn Svedberg

15:45 Nolato Group – Per-Ola Holmström

Financial review of Group, incl. capex, working capital, net debt

16:00 M & A

16:05 Summary of the day – Christer Wahlquist

16:15 Q & A

16:45 End of day

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*The agenda will focus on the next step of the Group's growth opportunities from a global perspective.*

*There will also be a detailed presentation of selected aspects of the business areas' operations.*

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# The Nolato Group in brief

Flexible and effective development and production of polymer product systems

## HISTORY

- Established in 1938 in Torekov, Sweden
- Listed on the stock exchange in 1984

## BUSINESS AREAS

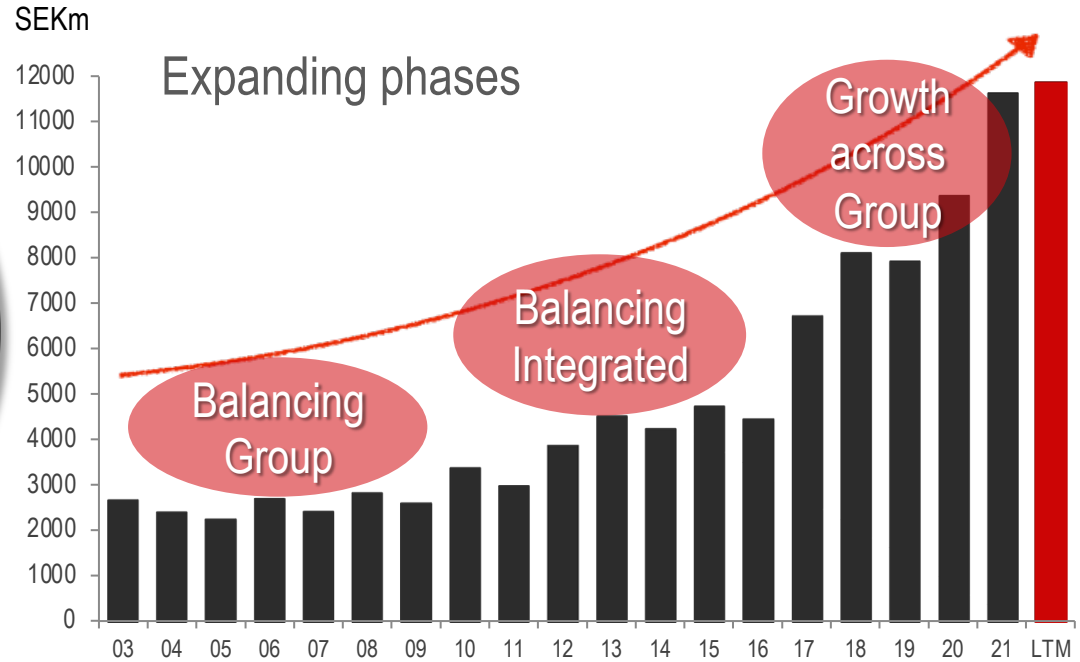
- Medical Solutions  
35% of net sales
- Integrated Solutions  
45% of net sales
- Industrial Solutions  
20% of net sales

## KEY RATIOS 2021

- Net sales:  
SEK 11,610 M
- Operating profit (EBITA):  
SEK 1,369 m
- EBITA margin 11,8%
- No. of employees:  
8,669

Nolato aims to be the customer's first choice of partner, in business and in sustainable development

# Global expansion

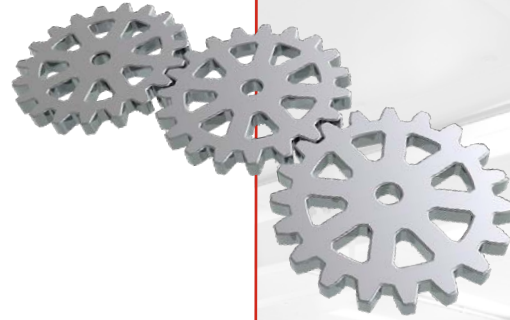


# Nolatos business concept

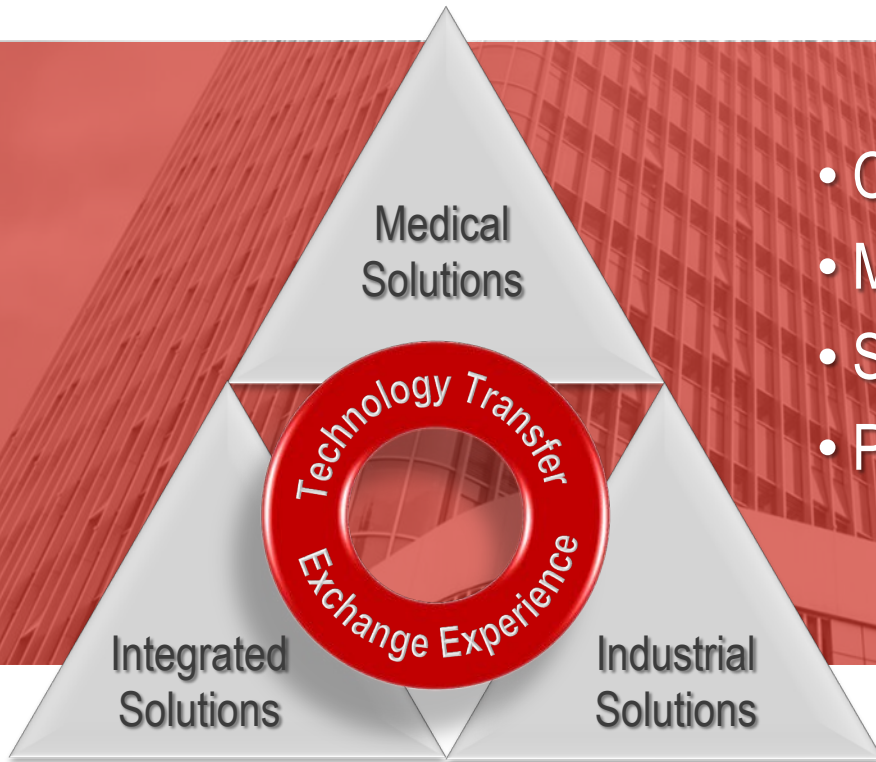
- High-tech developer
- Manufacturer of polymer product systems
- In specific market areas

Nolato is a global, advanced high-tech solutions provider and manufacturer of polymer products and systems for leading customers in specific market areas.

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



# Technology platform creates competitive advantages



- Corporate responsibility
- Materials technology
- Solution-oriented development partner
- Production technology

# Strategic acquisition and expansions

Building a global footprint

Acquisitions

Expansions

## Nolato - North America

2010  
Baldwin

2020  
Querétaro

2019  
Andover

2020  
Bethel

2020  
Royalton

2020  
San Antonio

2020  
Tucson



## Nolato - Europe

2012  
Newcastle

2020  
Sligo

2006  
Hörby

2006  
Lomma

2007  
Trollhättan

2016  
Stargard

2016  
Degersheim

2000  
Mosonmagyaróvár

2011  
Negoiești



## Nolato - Asia

2018  
Suzhou

2018  
Shenzhen

2020  
Dongguan

2014  
Penang





# Nolato – Our direction & strategy

## Positioning towards a global solutions provider

### YESTERDAY

Mobile phone sector, industry, small medtech companies.

Supplier.

Leading position in Sweden. Position in Asia and Central Europe progressing. Robust internal responsible business conduct.

### PRESENT

A well-balanced group: Medical Solutions, Integrated Solutions and Industrial Solutions.

Solutions provider/partner for customers/cooperation partner.

Strong presence on the three continents of Europe, Asia and North America. Green initiatives for customers.

### GOING FROWARD

Global end-to-end provider of sustainable solutions for the medical and industrial sectors, as well as of integrated solutions and EMC.

Sharper focus on close partnerships. Expanding value chain adding new materials and services. Intensified development of the medical business.

End-to-end solutions with sustainability at our heart. Aiming for a carbon-neutral business focus.



# Business environment

## Mega trends benefits Nolato

Nolato and our customers are subject to strong global trends and drivers. In concert with our customers and business partners, we turn trends and challenges into new business opportunities to boost the competitiveness of both our customers and Nolato.

### MACRO

- Globalisation but Geopolitical tension
- Aging population
- Digitalization
- Shorter product life cycle
- Corporate responsibility

### OUR CUSTOMERS

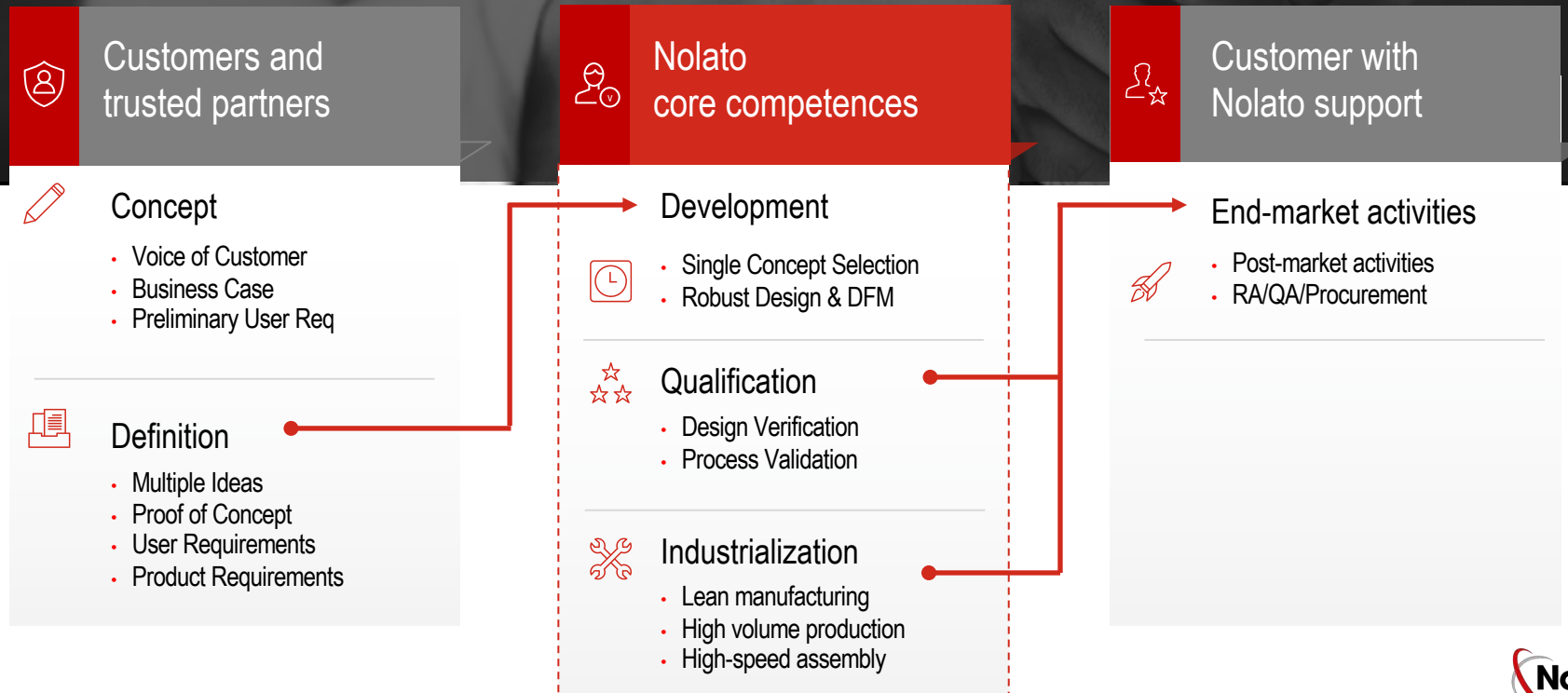
- Focus on core activities
- Regionalization with simplified supply chain
- "Outsourcing"
- Time to market
- Differentiation
- Competitiveness
- Corporate responsibility

### NOLATO

- Early participation / partnership
- Excellent global footprint supporting simplified supply chain
- "Multi-site" offer
- Project management
- "Pre-engineering / simulation
- Shorter lead times
- Innovation
- Design
- Productivity
- Quality
- Corporate responsibility

# Nolato – a Full Solutions Provider

From components to manufacturing services and end-to-end solutions



# Strategies and key factors

- in achieving our vision

VISION

*“Nolato aims to be the customer’s first choice of partner, in business and in sustainable development”*

- We deliver what we promise
- Long term approach and honest relationships with our customers
- Constantly looking for new ways of always exceeding customer expectations

Broad customer offering

Expertise

Local yet global presence

High productivity

Responsible business conduct

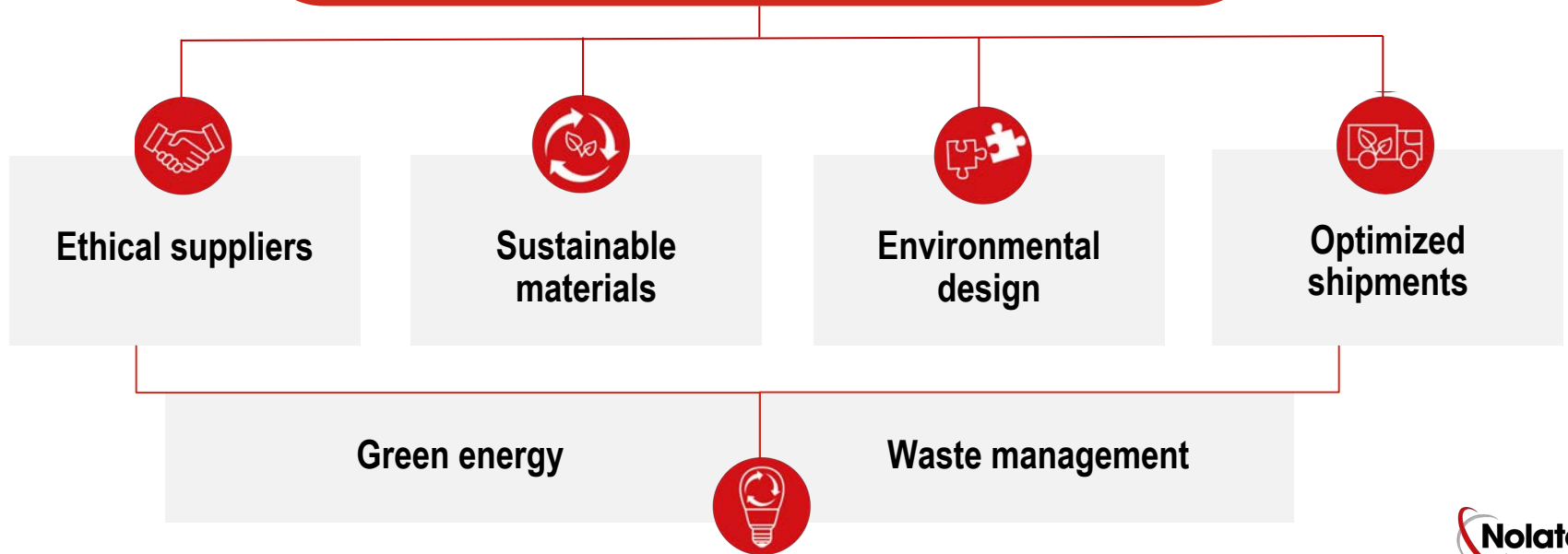
Long-term customer relationships

Solid finances



# A holistic approach

Plastic is great material  
- when you think about sustainability at every stage



# And our journey continues...our strategy and direction



Expanding value chain adding new materials and services to existing customers



Intensified development of Medical Solutions – incl. acquisitions

## GEOGRAPHIC POSITIONING



Improving profitability within Medical Solutions and Industrial Solutions continuing the measures already initiated



Widening customer base within Integrated Solutions

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# Medical Solutions

Presenter: Johan Iveberg

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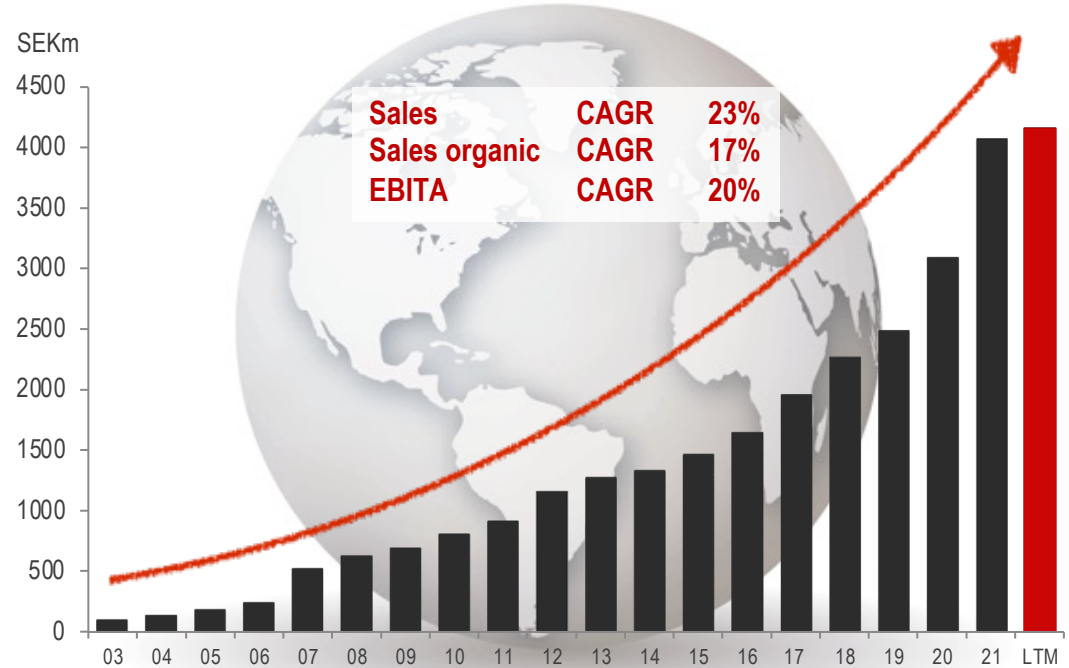
Medical Solutions  
partner for life





## Sustainable Growth and Global Expansion

Global Market growth approx. 3-5 % (value)



# Medical Solutions

## 4,149

SALES SEKm  
LTM (Q1 2022)

## 442

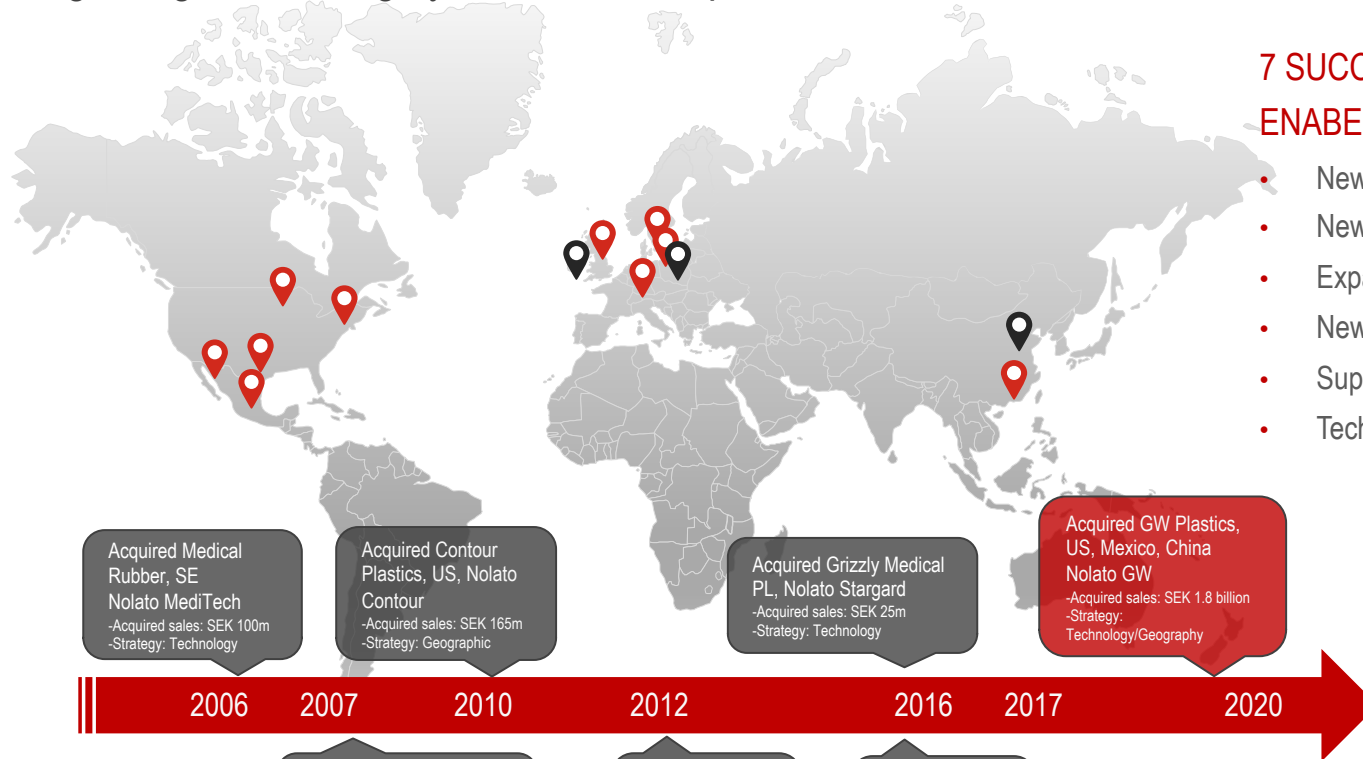
EBITA SEKm  
LTM (Q1 2022)

## 10.7

EBITA MARGIN %  
LTM (Q1 2022)

# Medical Solutions

Organic growth & Highly successful acquisitions



## 7 SUCCESSFUL ACQUISITIONS - ENABLING ORGANIC GROWTH

- New geography
- New technologies
- Expanded customer base
- New markets segment
- Supporting Global Customers
- Technology transfer

# Medical Solutions in brief

Leading developer and manufacturer of polymer products and systems for medical technology and pharmaceuticals customers



## CURRENT POSITION

- Growth with profitability
- Strong position with leading global customers
- NPD and World Class manufacturing
- Global presence

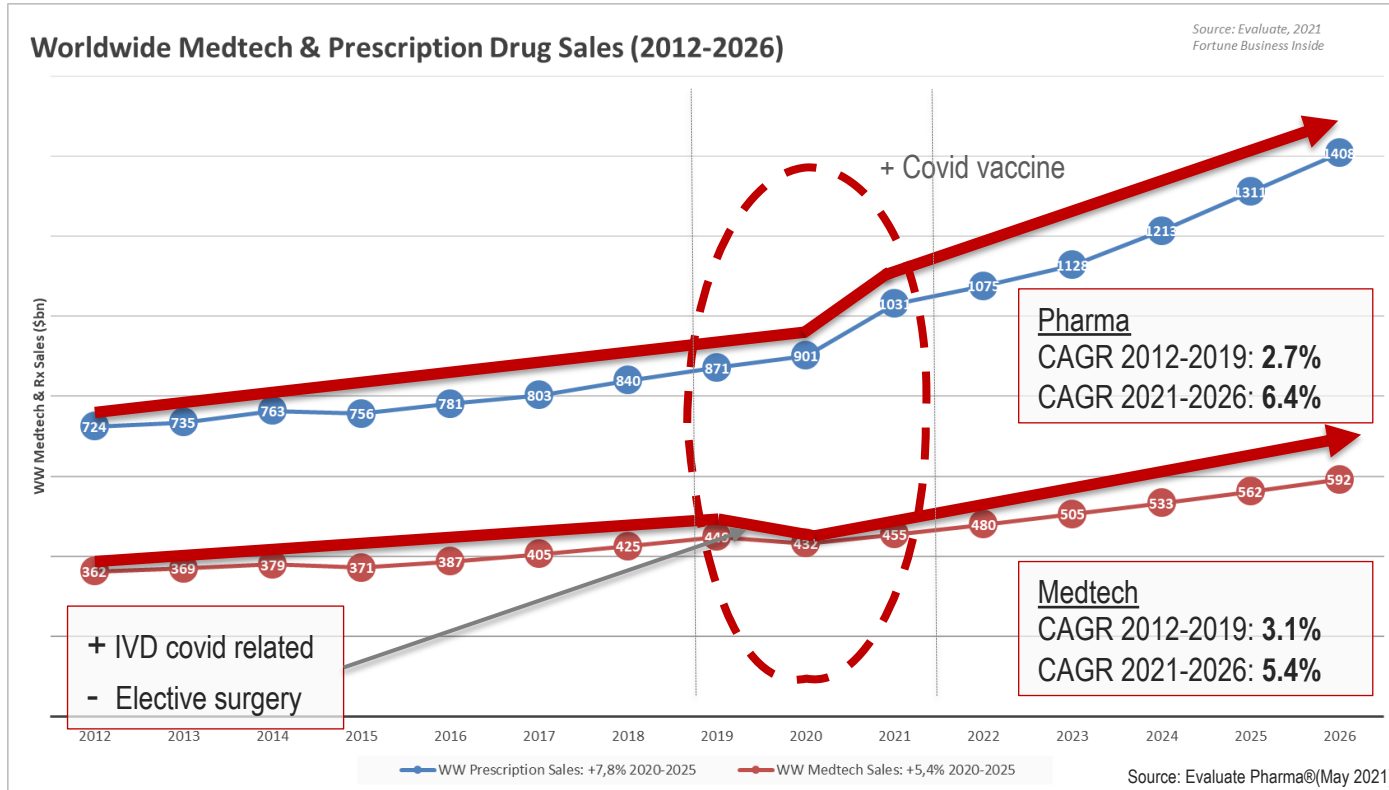
## CUSTOMERS

Major pharmaceutical and medical technology companies



# Market size

Total Pharma & Medtech market size 2020 approx. \$1350bn



## GROWTH DRIVERS

- Globalization
- Chronic diseases
- Aging population
- Lifestyle
- New therapies
- Home care
- Pandemics

## NEGATIVE FACTORS

- Generic drugs
- Increased cost for health care

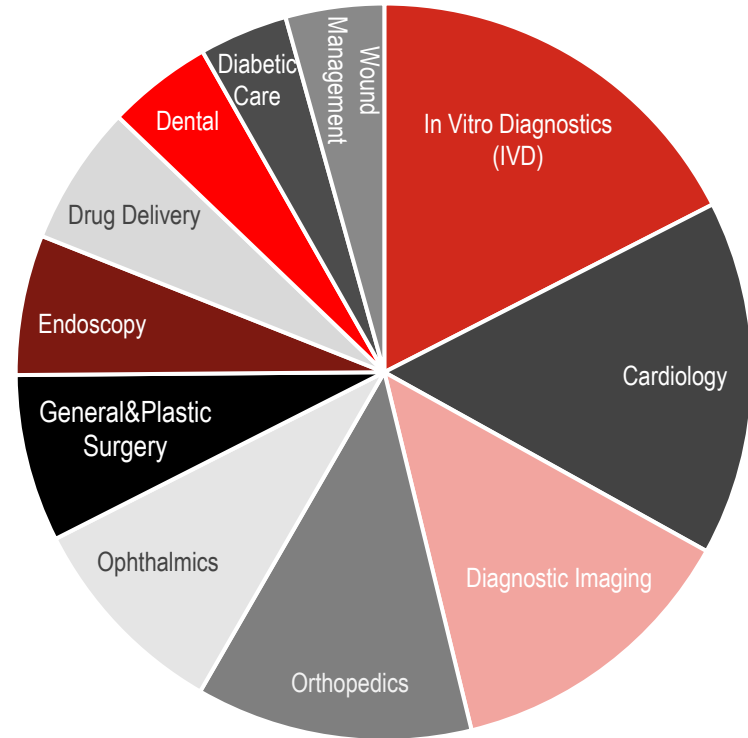
# Medical Solutions – a stable growing market

## MARKET - Global

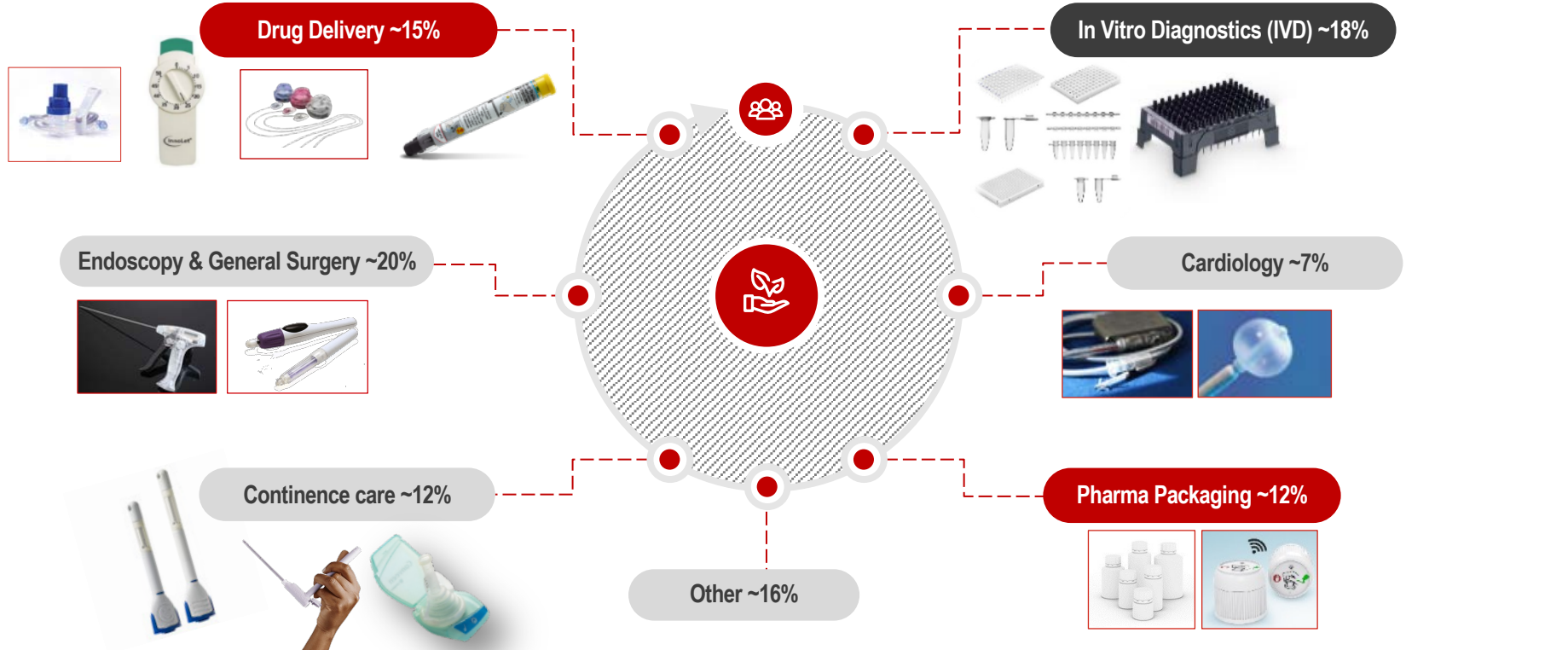
- Total Pharma & Medtech market size is \$1350bn
- Medical Device market \$450bn
- Addressable market spend \$35-45bn
- Estimated growth rate 3-5%

## TRENDS

- Market consolidation, driven by demands for lower healthcare costs ⇒ Global Suppliers
- Long product lifecycles and stable demand
- Increased focus on home care
- Long-term potential for growth
  - Diabetes, drug delivery devices, IVD and cardiology
- Increase demand for Integrated Medical Device Solutions
- Use of biotech technology continues to rise
- Orphan drugs sector is rapidly growing



# Medical Solutions – products areas



# Pharma

Offering integrated solutions from early-stage development of drug delivery systems to industrialization and full-scale manufacturing.



## CUSTOMER EXAMPLES



# Diagnostics

Providing an extensive range of consumables and reusable labware for clinical, chemical, forensic, research and industrial testing laboratories.



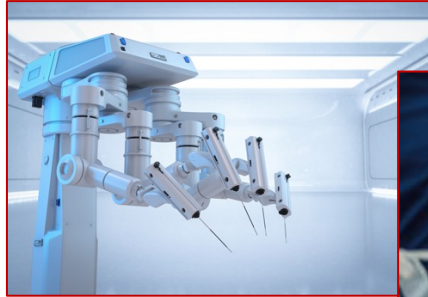
## CUSTOMER EXAMPLES





# Medical Device

Development and manufacturing of complex product systems and components based on advanced polymer technology and automation.



## CUSTOMER EXAMPLES

*Johnson & Johnson*

Boston  
Scientific

 Medtronic

 Abbott

*Baxter*

 Coloplast

# Medical Solutions Offer



## END-TO-END OFFERING

We work in close partnership with leading Medtech and Pharma customers with New Product Development (NPD) projects and volume production of polymer-based product solutions.



## MANUFACTURING SERVICES

We can insource/transfer production from our customers giving them possibility to concentrate on core business.



## PLATFORM PRODUCTS

We offer platform products of our own design in areas where there are no competitions with our customers, e.g. pharmaceutical packaging, breathing bags, laboratory diagnostic supplies, sharps containers and catheter balloons.

# Production & Automation technologies for any need

## Injection molding



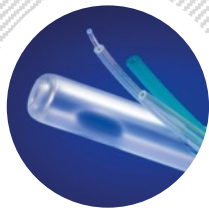
- > Plastic, silicone and TPE molding
- > Ceramic Injection molding (CIM)
- > High cavitation, multi-shot and micro-molding

## Blow molding



- > Injection blow molding

## Extrusion



- > Thin wall, radio-paque, co-extrusion
- > Balloon tubing

## Dip molding



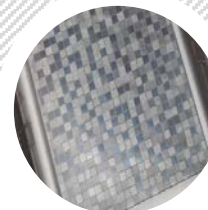
- > Synthetic rubber latex dip molding
- > Natural rubber latex dip molding

## Assembly & Automation



- > Assembly techn.
  - Glue, screw, pressfit
  - USW, Laser weld.
  - Laser bonding
- > Vision inspection
- > Testing
- > Packaging

## Decoration

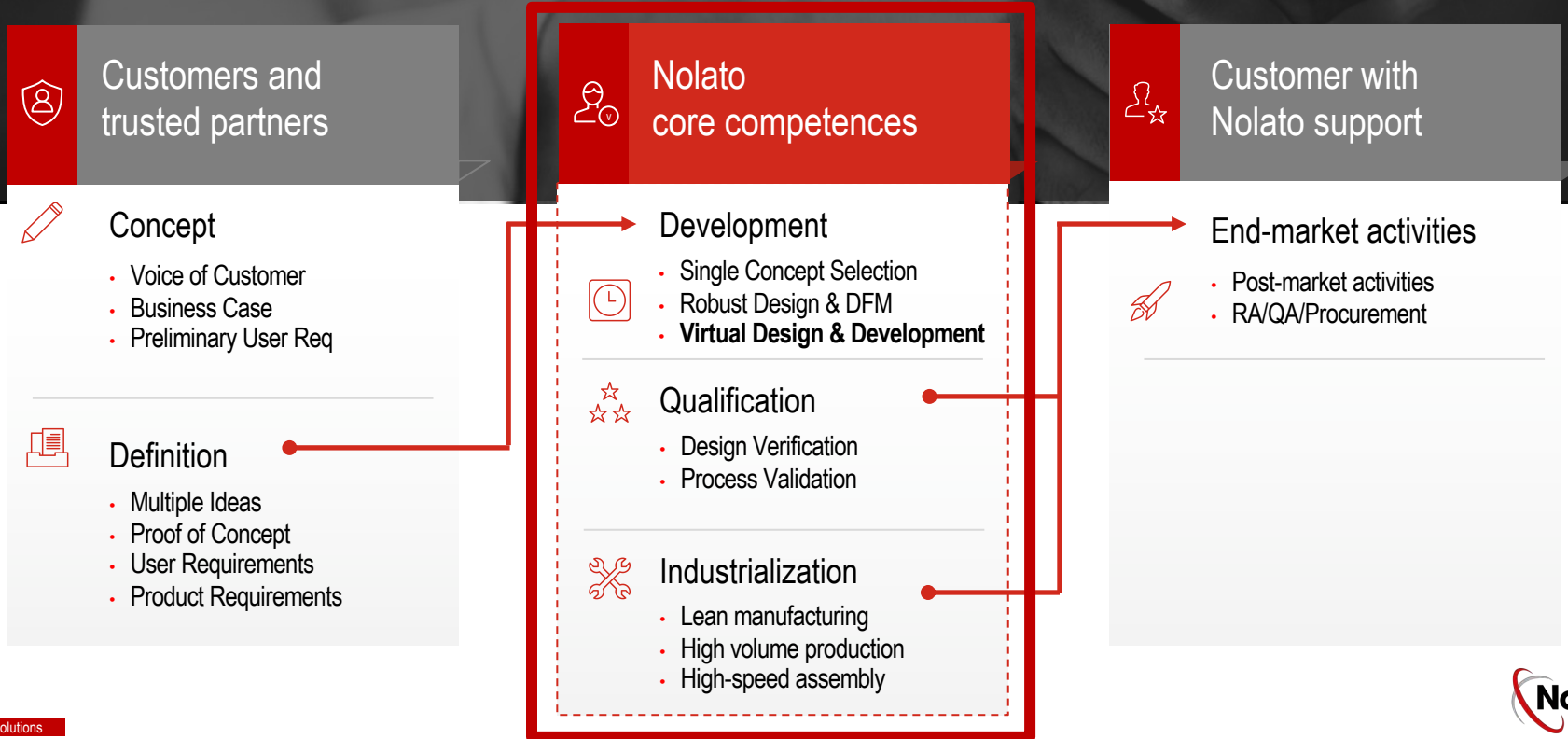


- > Printing
- > Surface effects
- > In-mold decoration
- > Painting



# End to End offering

*From idea to reality & full-scale production*



# Virtual design and development

Nolato unique services using state of the art digitalization tools, providing:

VIRTUAL  
DESIGN



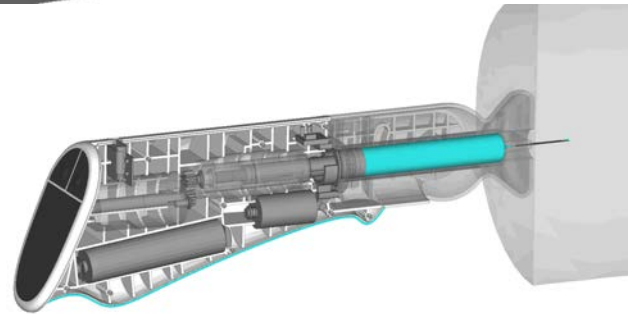
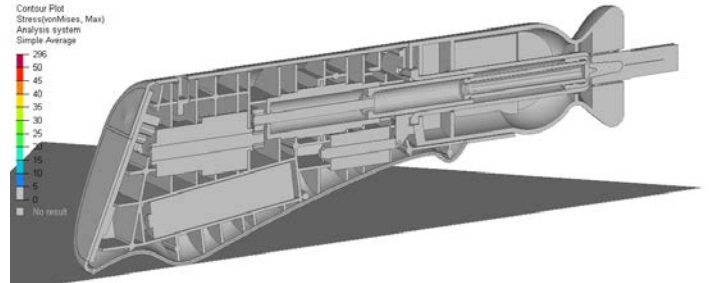
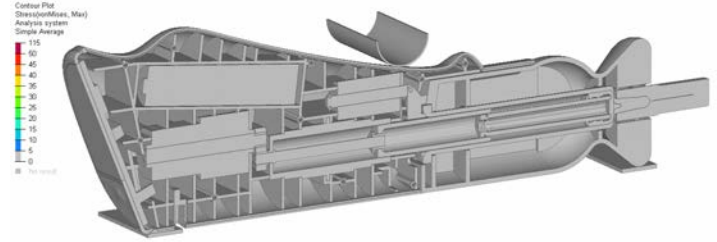
VIRTUAL  
MOLDING



VIRTUAL  
TESTING

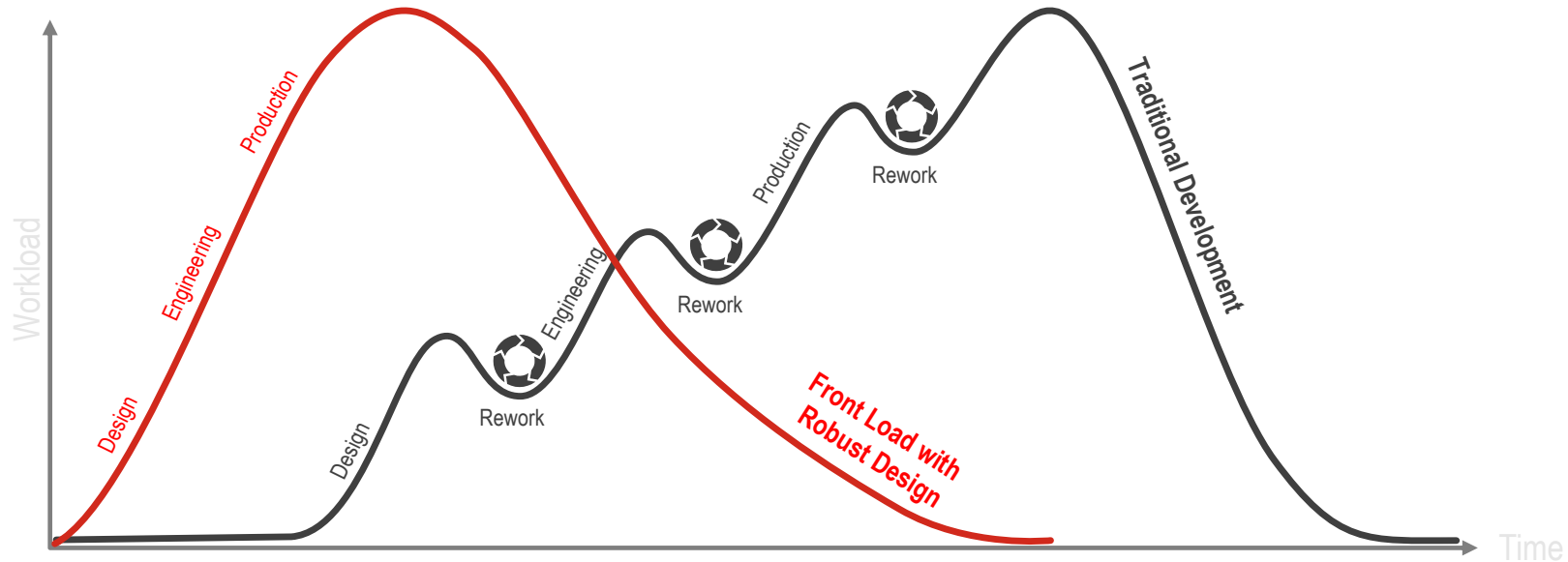


VIRTUAL  
ASSEMBLY



# Virtual design and development

Nolato unique services using state of the art digitalization tools



**Elimination of Rework by Digitalization and Robust Design**



# Why Nolato Virtual Design & Development?



Early elimination of key design risks



Early assessment of manufacturing requirements



Creation of in-depth knowledge about design



Shorter Time to Market



Environmentally friendly designs



Cost-effective execution





# A world of opportunities **Medical Solutions 2022**

We offer advanced solutions to our customers with a true global footprint



More than  
**60**  
Years of Medical Experience



**20**  
Production sites  
worldwide



**900+**  
Molding Machines  
Injection & blow molding



**100**  
Assembly Lines



**3 TDC's**  
Technical Design Centers



**3**  
Mold Shops



Employees  
**2600+**



Sales  
**400M**



**150.000 m<sup>2</sup>**  
Area for production

# And our journey continues...our strategy and direction

- Offer complete Solution to Global Pharma and Medtech companies
- Widening business with existing Pharma and Medtech partners (SOW)
- Improving profitability - continuing the measures already initiated
- Complete Solution incl. embedded electronics, contract manufacturing and possible drug handling

## GEOGRAPHIC POSITION



- Focused Strategic Segments
  - Drug delivery Devices (Pharma)
  - Diagnostics
  - Complex Medical Devices & Contract Manufacturing
- Continued Geographical Expansion including acquisitions
  - North America
  - Europe
  - Asia



# Integrated Solutions

Presenter: Christer Wahlquist



# Integrated Solutions



5,321

SALES SEKm  
LTM (Q1 2022)

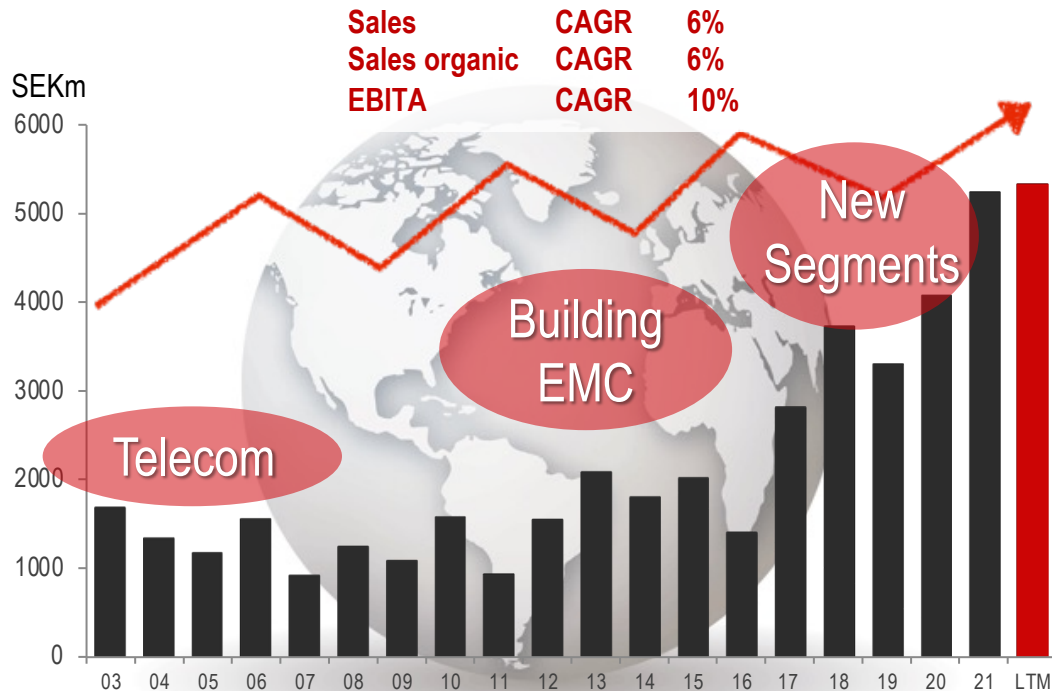
669

EBITA SEKm  
LTM (Q1 2022)

12.5

EBITA MARGIN %  
LTM (Q1 2022)

## Expansion into new market segments



# Integrated Solutions

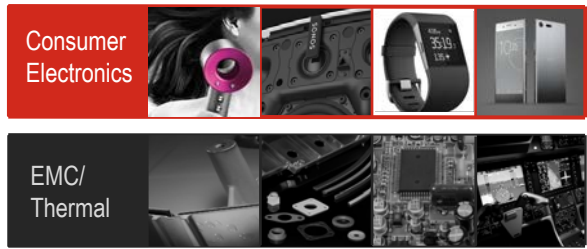
Development partner and supplier of integrated, often connected solutions as subsystems or finished products for consumer electronics and manufactures shielding and heat dissipation products and systems for electronics



## CURRENT POSITION

- Strong position with selected customers
- Unique expertise in technology and cosmetics
- Qualified project management

## CUSTOMERS



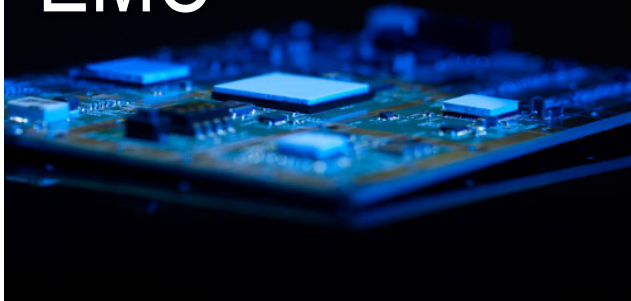


# Integrated Solutions

EMC

Presenter: Anders Ericsson

# EMC



## 587

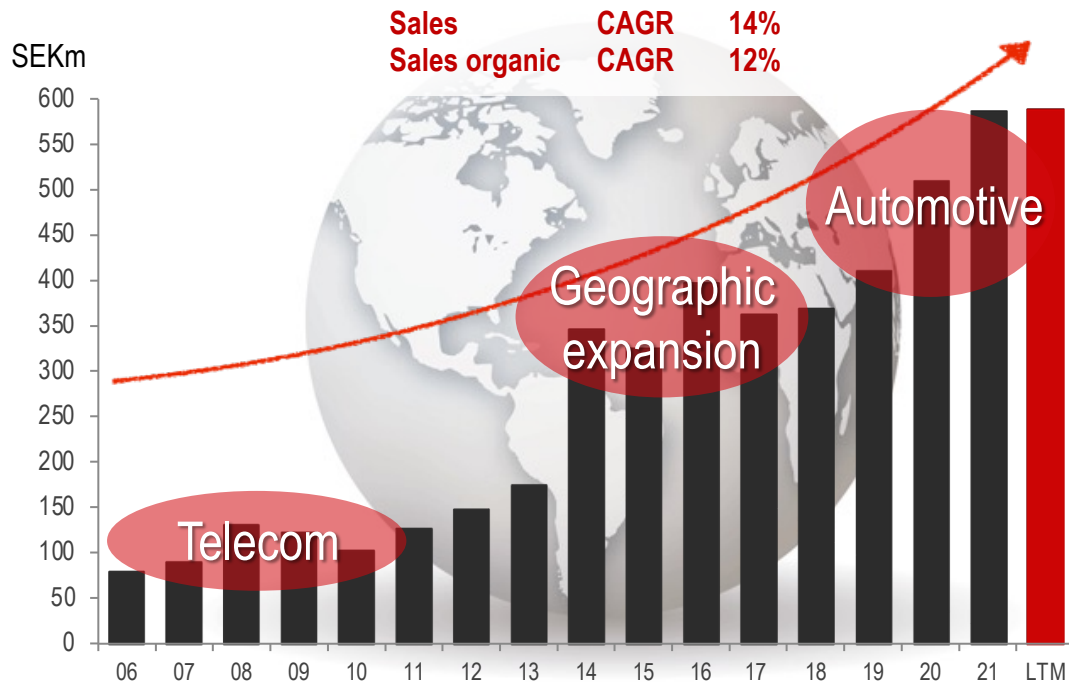
SALES SEKm  
LTM (Q1 2022)

## 25%

Automotive Share  
LTM (Q1, 2022)

### Premium margin

## Expansion into new market segments



# EMC Introduction



- **EMI** - Electromagnetic interference. EMI is disturbance that affects an electrical circuit due to either electromagnetic induction emitted from an external or internal source.
- EMI disturbs radio signals (RFI).
- **EMC** – Electro Magnetic Compatibility. EMC is the control of EMI so that unwanted effects are prevented.
- Nolato develops EMI-shielding solutions using electrically conductive silicon rubber in order to achieve EMC.
- Seven worldwide patent within EMI.



# Brands & Technology

Nolato has a long successful history of driving innovation and developing material, processes and equipment for silicone-based applications

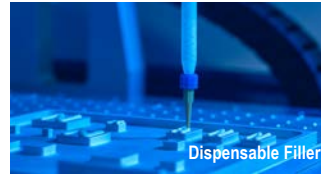
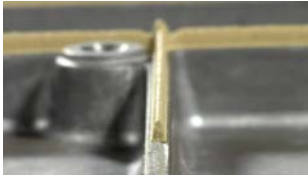
**TRISHIELD®**

**COMPASHIELD®**

**COMPASHIELD®**  
SMT PAD

**COMPATHERM®**

**JABAR®**



FIP Dispensing Gasket

Extrusion & Molded  
Gasket/Sealing

Surface-Mount Type EMI  
Grounding pad

Thermal Pad/Thermal Filler

Aerospace & Defense

# EMC – Global expansion

**US Production** (New Jersey, US)



Aerospace/Defense/Security

- Extruding
- Molding
- Cutting(both die and waterjet)

ISO9001
ISO14001
MIL 83528
2019



**R&D Center, Production**  
(Hallsberg, SE)



- FIP Dispensing
- Injection Molding
- Extrusion
- SMT Pad production

IATF16949
ISO9001
ISO14001
1985

**APAC Production 1** (Beijing, CN)



- Thermal Interface Material
- Injection Molding
- Extrusion

IATF16949
ISO9001
ISO14001
2011

**EU Production**  
(Mosonmagyaróvár, HU)



- FIP Dispensing
- Splicing
- Injection Molding

IATF16949
ISO9001
ISO14001
2018

**SEA Production** (Penang, MY)



Nolato (Malaysia) Sdn. Bhd.  
Plot 346, Leong Perindustrian Bait Mewah 21  
Penang Science Park 14100

- FIP Dispensing
- Injection Molding
- Splicing
- Die-cutting

IATF16949
ISO9001
ISO14001
2016

**SEA Production 2** (Suzhou, CN)



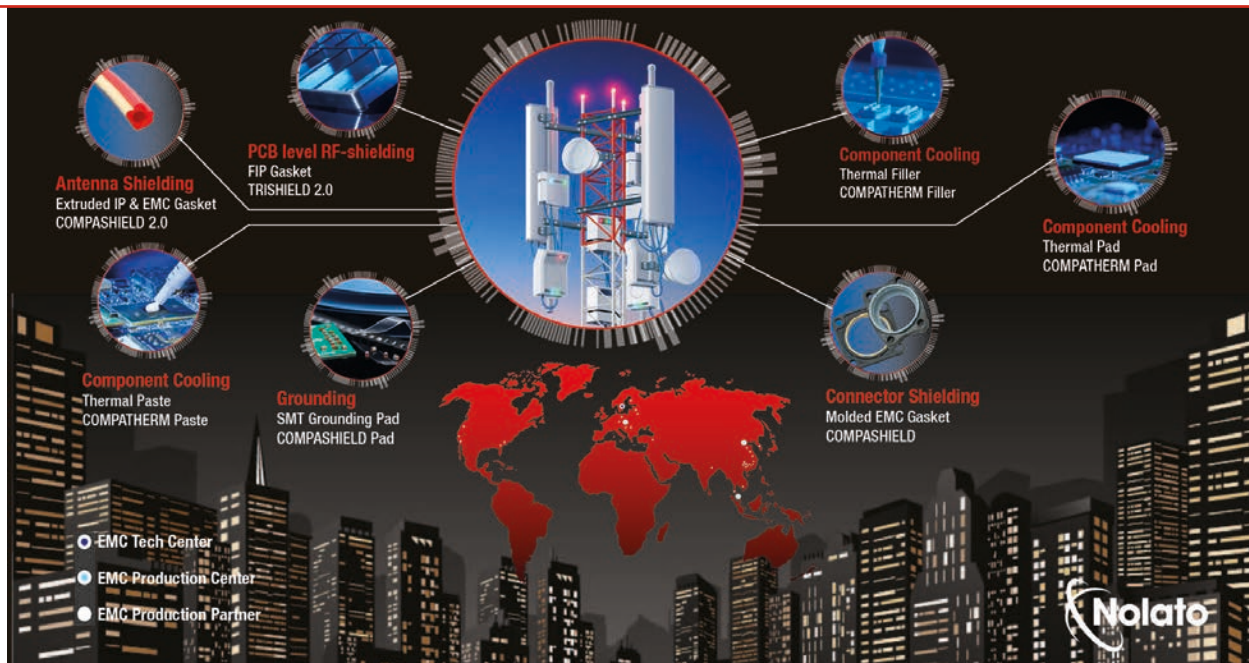
- Injection molding
- FIP Dispensing
- SMT Pad production

IATF16949
ISO9001
ISO14001
2020

- Production/Technology
- Sales



# Telecom



TRISHIELD®

COMPASHIELD®

COMPATHERM®

COMPASHIELD  
SMT PAD

# Telecom

## 5G Radio – Street Macro

### 5G Radio – Street Macro

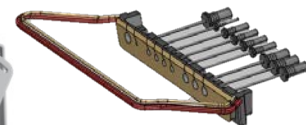
Radio products for this layer are typically located below the roof top levels in city environments.

#### CUSTOMER CHALLENGE

Earlier it took long time to connect all the different cables like power and optical cables.

#### NOLATO SOLUTION

Nolato developed a cable gland for both IP&EMC protection, -in the same gasket.



# Telecom

## 5G Radio links – Ultra wideband transceiver

### Ultra wideband transceiver

The demand for next generation connectivity continues to grow.

#### CUSTOMER CHALLENGE

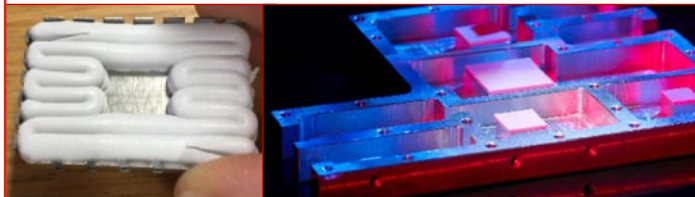
Due to frequency coverage is extremely high, the requirement of heat dissipation on key chipset is critical for the equipment.

#### NOLATO SOLUTION

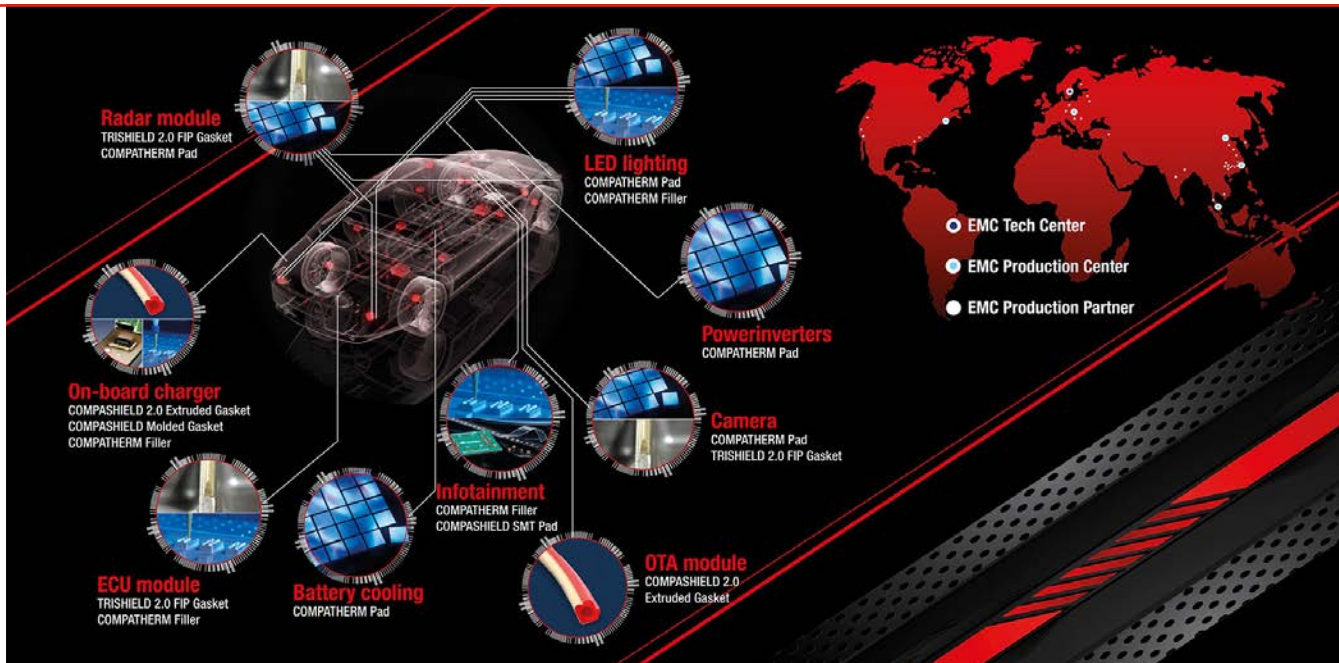
Nolato developed a solution with filler dispensed on a metal can for easy assembly directly on the heatsink as a complete solution, which provides secured function of the solution meanwhile simplified the process at customer end.



# NOKIA



# Automotive



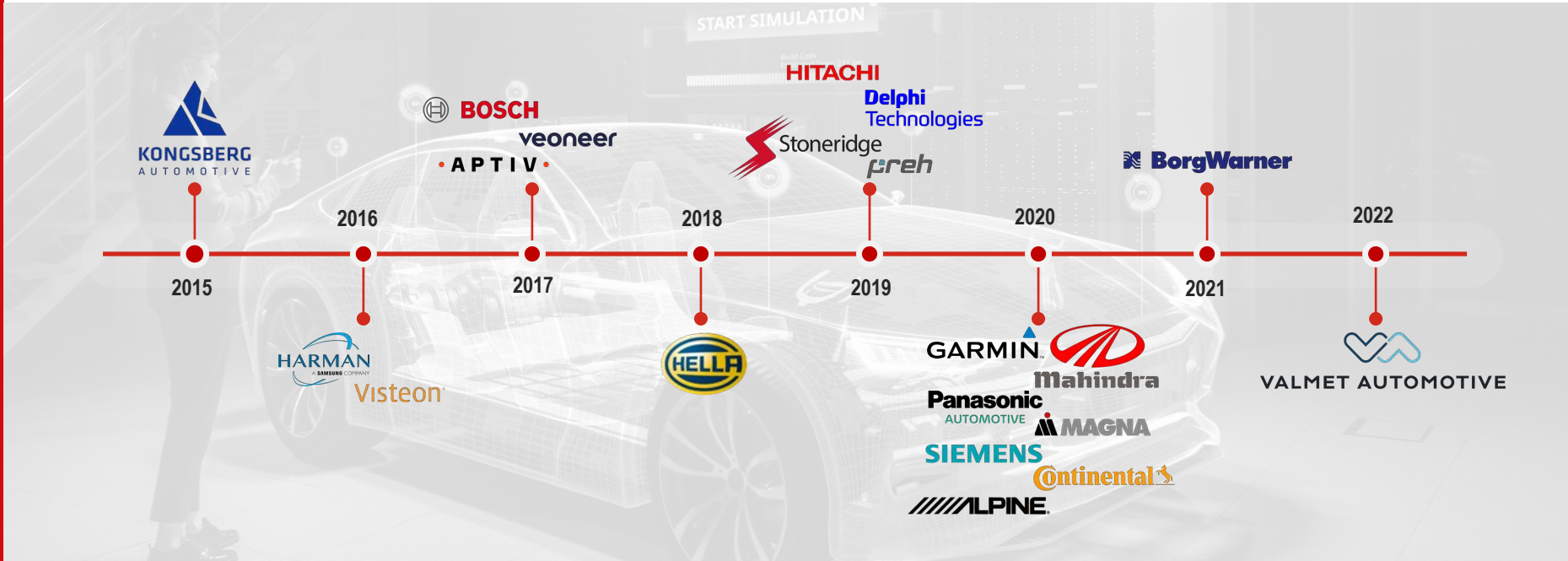
TRISHIELD®

COMPASHIELD®

COMPATHERM®

COMPASHIELD  
SMT PAD

# The increasing demand within connected vehicles





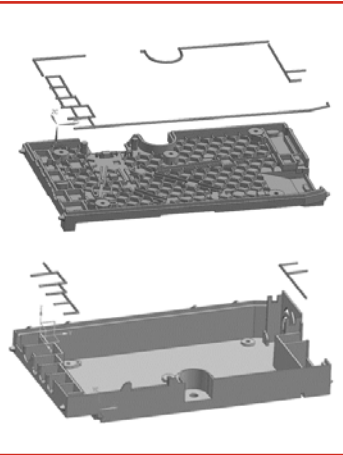


Trishield 8800

# Automotive

Application: Infotainment system

OEM: Volvo



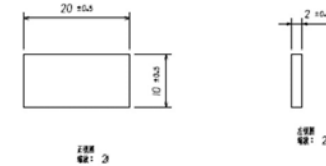


Nolato 9434 Thermal Pad 3w/ m.k.

# Automotive

Application: Telematic Box - Thermal Management

OEM: Geely Lotus





Nolato 9434 Thermal Pad 3w/ m.k.

# Automotive

Application: NTG7 Infotainment Head Unit

OEM: Daimler



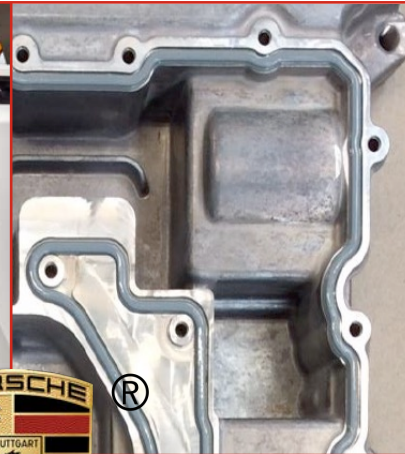


Trishield 8520 - UL94 V0 - IP FIP Gasket

# Automotive

Application: DC/DC Converter Porsche Taycan Electrical Car

OEM: Porsche



PORSCHE

# ADAS (Advanced Driver Assistance System)

C  
A  
S  
E  
  
1



• **APTIV** •

**COMPATHERM**  
PAD

Thermal Pad 9440  
- 4W/m.k.



**APTIV via Beyonics**  
Application:  
SRR5 Radar Heatsink

C  
A  
S  
E  
  
2



**COMPATHERM**

Thermal Gap 2 Part  
Filler - 9344 - 4W/m.k



**flex**



**NIO**

**Nio Inc**  
Application:  
ADAS Controller

C  
A  
S  
E  
  
3



**HUAWEI**



1<sup>st</sup> EV Car  
by Huawei



**COMPATHERM**

Thermal 2 Part Gap  
Filler - 9344 - 4W/ m.k.

**Suzhou Menghui Technologies**  
Application:  
Radar Heatsink for SF5

C  
A  
S  
E  
  
4



**Visteon**



**Great Wall**



**COMPATHERM**  
PAD

Thermal Pad  
9480 - 8W/ m.k.



**Visteon Automotive Shanghai**  
Application:  
T-Box Management

# Our next segment

Renewable energy



## SMART SOLUTION IoT

Compashield 2.0 provides IP and EMI shielding. Converts DC power into AC power and feeds electricity into the power grid.

# And our journey continues...our strategy and direction

## STRATEGY – AUTOMOTIVE

- Generate growth amongst global customers with the existing product portfolio.
- Grow Trishield dispensing footprint outside China.

## STRATEGY – RENEWABLE

- Transfer Nolato's knowledge and product portfolio into new market segments.

## GEOGRAPHIC POSITION



## STRATEGY – TELECOM

- Grow existing customers with new products in close customer collaboration.
- Expansion with new customers in O-Ran, small cell market.



# Integrated Solutions

Consumer Electronics

Presenter: Patric Mattsson





# Consumer Electronics

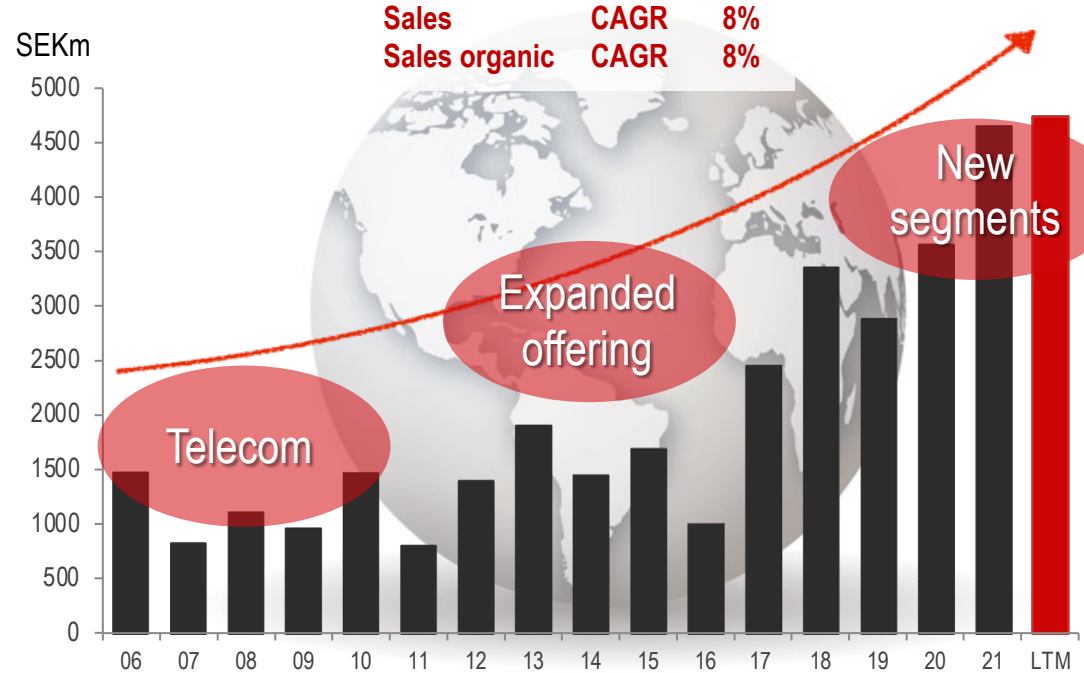
4,734

SALES SEKm  
LTM (Q1 2022)

89%

Of business area SALES  
Integrated Solutions  
LTM (Q1 2022)

## Growing the identified segments



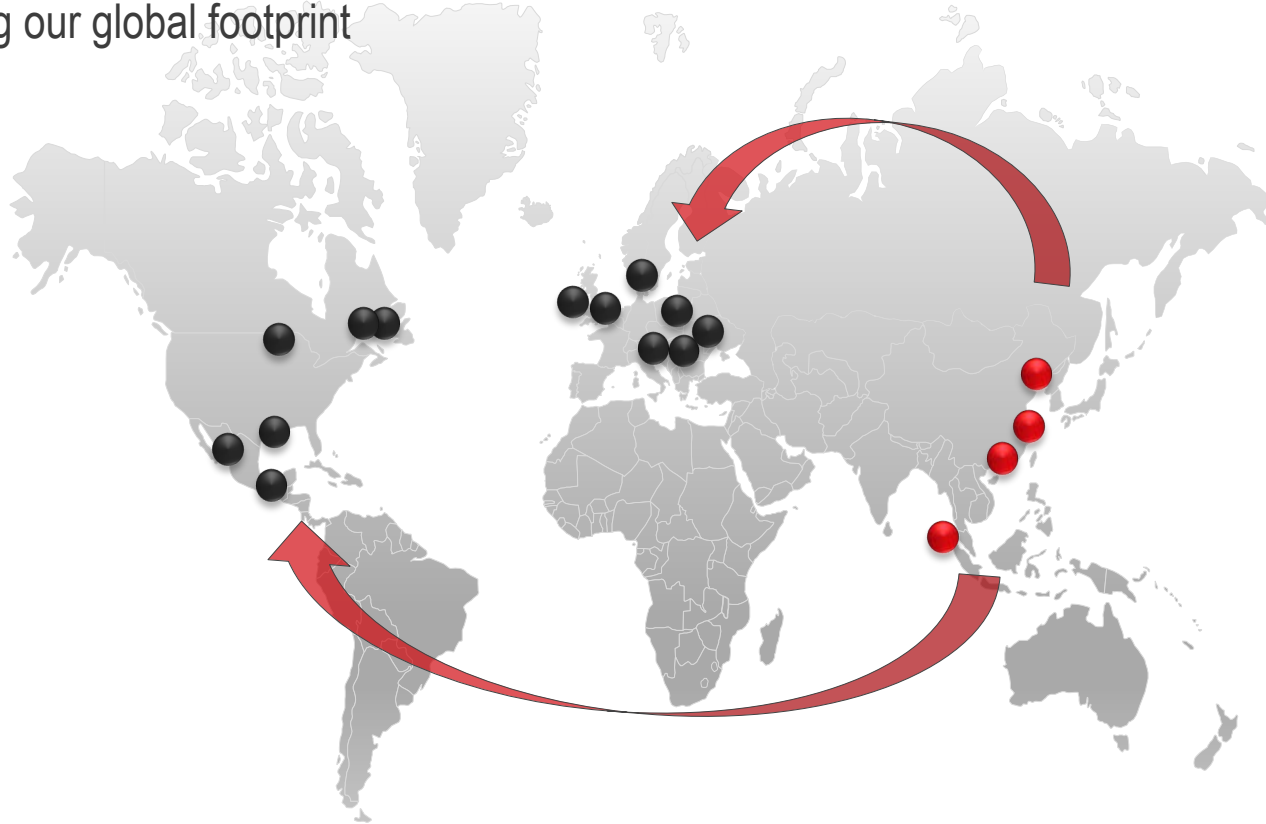
# Consumer Electronics

“Development partner, differentiation provider and supplier of mechanical modules and finished box-packed consumer electronic products with substantial cosmetic content.”



# One Nolato

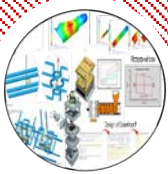
Utilizing our global footprint



# Our wide offering

Production & Automation technologies for any need – from development to full end-to-end solutions

## Product development



- > Development
- > Analysis

## Tools



- > In-house tool manufacturing

## Injection Molding



- > Plastic/rubber parts manufacturing

## Metal Stamping



- > Metal parts manufacturing

## Various differentiators



- > Painting
- > Printing
- > Seals
- > Adhesive
- > Ceramics
- > Fabric wrapping etc...

## Assembly & Testing



- > Semi/fully automated
- > Complex – Incl. batteries, PCBAs and firmware uploading

## Box building



- > Full box build including packaging

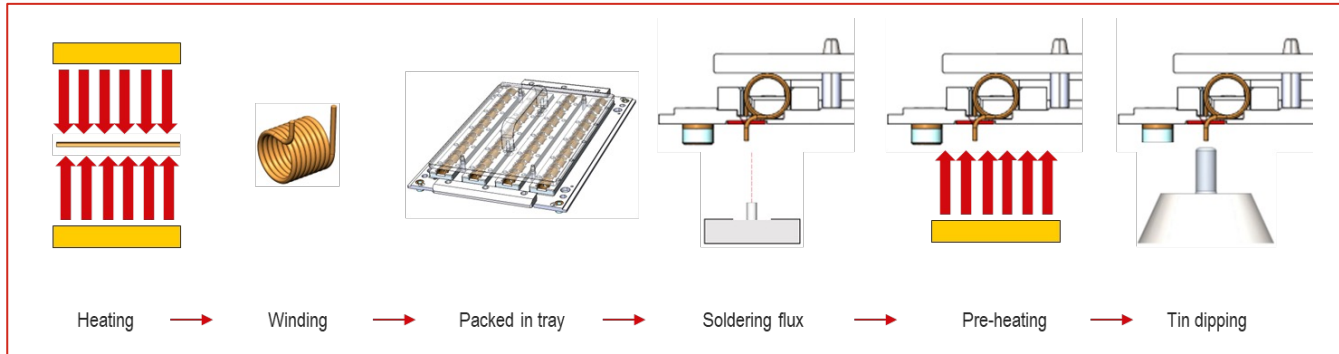
## Shipping



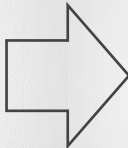
- > End market distribution
- > Global reach

**Nolato**  
– Leading Full Solutions  
Provider

# In-sourcing, in our genes

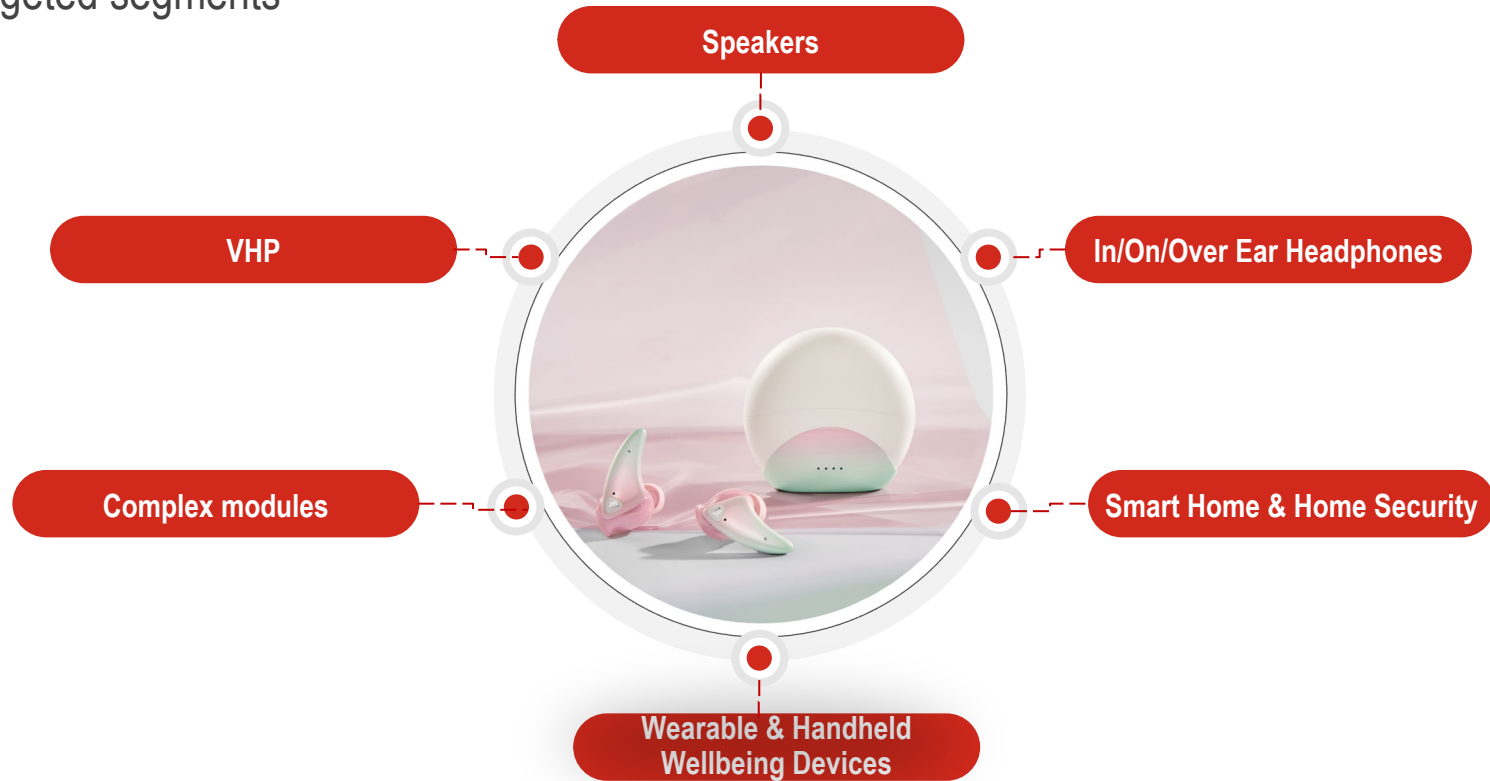


# Nolato reverse thinking – box build



# Consumer Electronics

Targeted segments



# Segment - Speakers



CUSTOMER EXAMPLE  
Sonos



# Segment - Sonos: How we did it!



# Segment – In/On/Over Ear Headphones Rött krön: Why we did it!



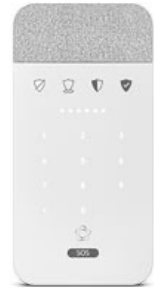


# Segment - In/On/Over Ear Headphones



CUSTOMER EXAMPLE  
Jabra

# Segment - Smart Home & Home Security

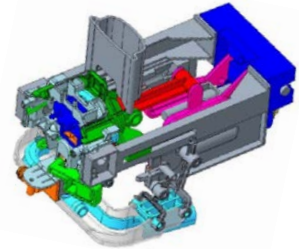


CUSTOMER EXAMPLE  
Verisure

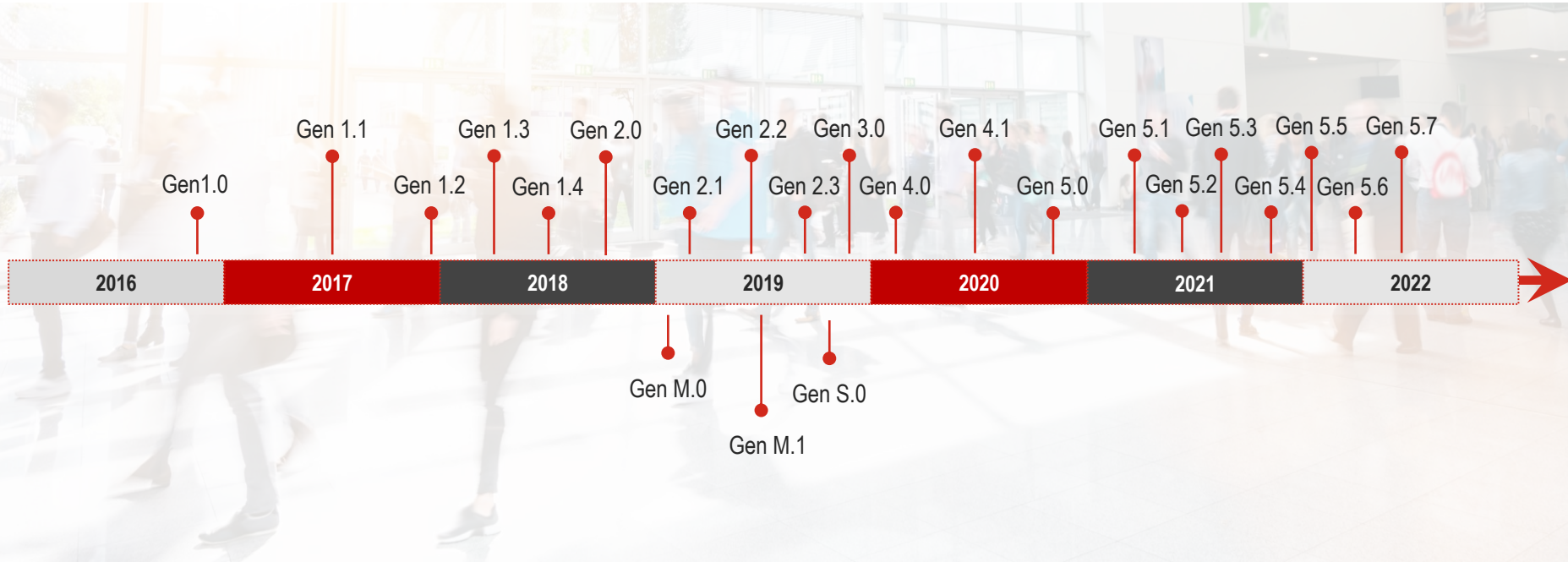
# Segment – Wearable & Handheld Wellbeing Devices



# Segments — Complex modules





# Segment - VHP






# And our journey continues...our strategy and direction

 Broadening business - in dual sourcing process - with existing VHP Customer

 Focus on balanced growth across our six identified segments

## GEOGRAPHIC POSITION



 Utilize our global network – One Nolato

 Expand our process offering further – Insourcing

# Agenda

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“group-wide” and overall strategy

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*There will also be a detailed presentation of selected aspects of the business areas' operations.*

---



# Nolato Group

ESG

Presenter: Glenn Svedberg

# Sustainable Development

by Nolato

## BACKGROUND

- PART OF OUR DNA
- History
- Infused in our way of working & company culture
- Solid ground
- Integrated in business offering

## OBJECTIVE & RESULT

- Linked to UN 2030 SDG's
- Main objectives
- Achievements until now
- Signing up for SBTi
- Added long horizon
- Ambitious targets

## ROUTES & EXAMPLES

- Design for Environment
- Current focus area – Materials
- Three parallel routes
  - Biobased
  - Massbalanced
  - Recycled

Nolato aims to be the customer's first choice of partner, in business and in sustainable development

# Nolato roots

## The start



BERNH. JORLÉN



SVEN BOSTRÖM

- **1938** Bernhard Jorlén and his colleague Sven Boström established “Nordiska Latexfabriken i Torekov” located in the heart of Torekov, a small town in the south of Sweden.
- It was **hard to source material** at the time as world war two started and they **bought back the rubber boots they once sold** to the local farmers. Through **chemical recycling they could reuse the material and manufacture other products** – by that **circular economy** is in the DNA of Nolato all since the start.

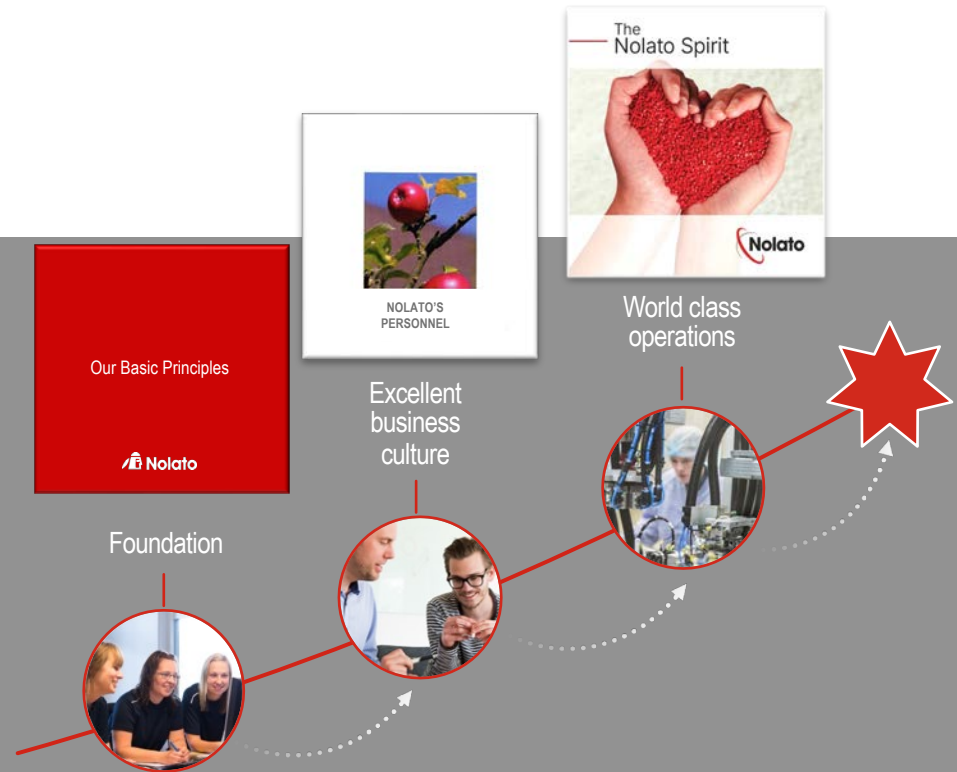
### RUBBER BOOTS



# The Nolato Spirit

Early 80's the first booklet, "Nolato's basic principles" was written that evolved to "Nolato's Personnel", into today's "The Nolato Spirit".

Already at that time, and unusual for a small non-listed company, Sustainability was an important subject. Management & Board of Directors understood that we are a small part of a larger picture that the company can contribute to.



# Corporate responsibility



Nolato has a long tradition of responsible business conduct. It's part of our company's spirit to be a good employer and corporate citizen, and to take responsibility for what we do and always apply sound business ethics.



We believe that a future-oriented, responsible approach is not only necessary from a sustainability perspective, but also creates opportunities and business benefits. Especially when combined with our strong focus on efficiency and professionalism.



**Christer Wahlquist**

President and CEO

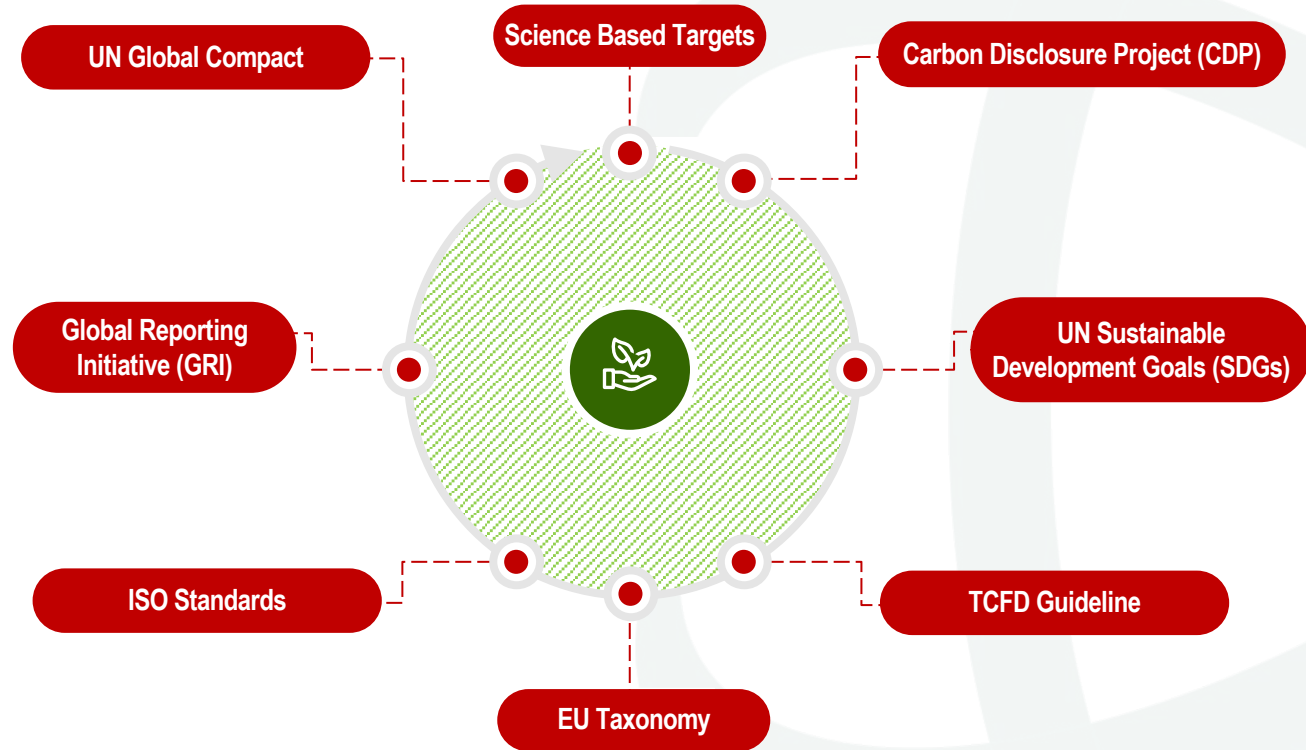
More about our core business principles, values, mission, vision, code of conduct:



**THE NOLATO SPIRIT**

# A solid base for governance

- in accordance with international legislation, initiatives and standards



Nolato has been participating in the CDP's reporting of greenhouse gas emissions since 2015. In the CDP's 2020 survey of climate issues, Nolato received a C ranking (2019: C), where an A ranking is the highest and D is the lowest. C is in the line with Europe's regional average.

#### WE SUPPORT



In 2009, Nolato joined the UN's Global Compact initiative for responsible business, thereby committing to adhere to its ten principles in the areas of human rights, working conditions, the environment and anti-corruption.



The Task Force on Climate-related Financial Disclosures (TCFD) is the financial sector's call-to-arms for the climate. It outlines how companies should manage their climate-related data, including risks and opportunities.





# 2021 Annual Report including the Sustainability report

- Sustainability Report now fully integrated with the Annual Report
- 28 manufacturing sites were included in the reporting scheme
- In total, >11,000 performance indicators and measuring points were reported internally through a digital cloud-based platform



# Sustainable Development

## by Nolato

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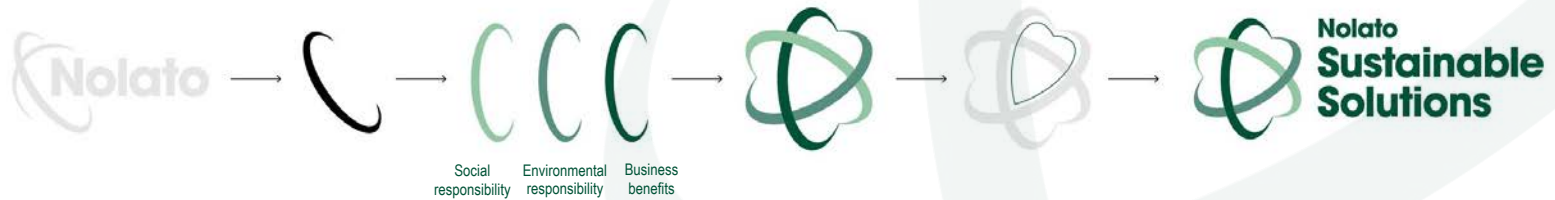
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Nolato aims to be the customer's first choice of partner, in business and in sustainable development

# Nolato's focal areas & goals for sustainable development

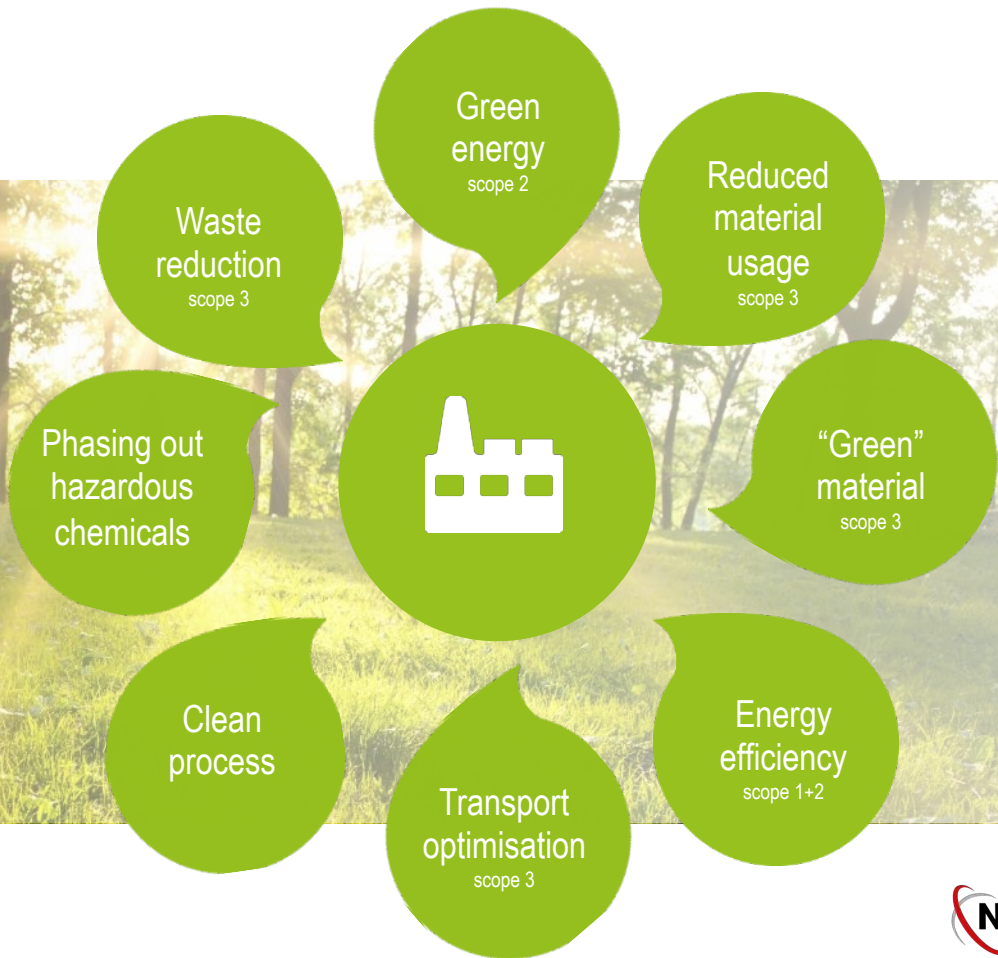


# Creating value. For our only world

Towards a Sustainable Future – Jointly with Responsible Customers – Linked to UN 2030

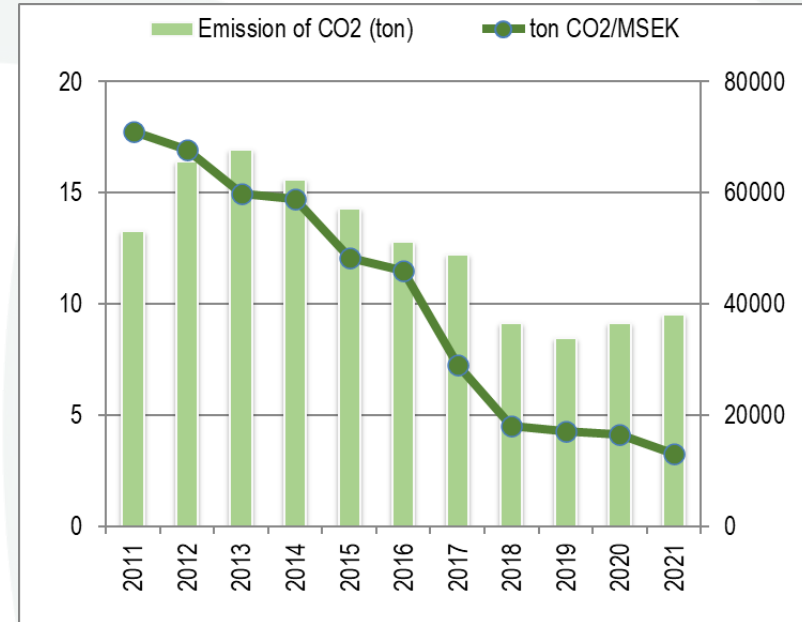
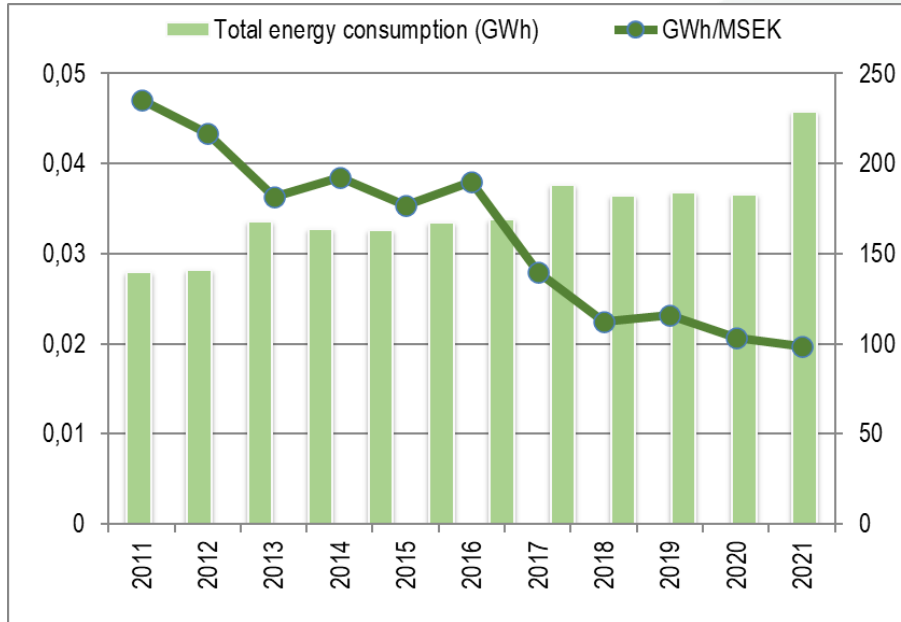


# Environmental spirit



# Making a difference for the climate

## Reducing our footprint – cutting emissions



# Science Based Targets (SBTs)



The Science Based Targets Initiative (SBTi) is a partnership with the aim to reduce the carbon footprint of corporations.



All is based on the Paris agreement and limiting global warming well below 2°C



Nolato will apply and is committed to meet those targets of reduced CO<sub>2</sub>-emissions by 2030 and to become Net Zero by 2050



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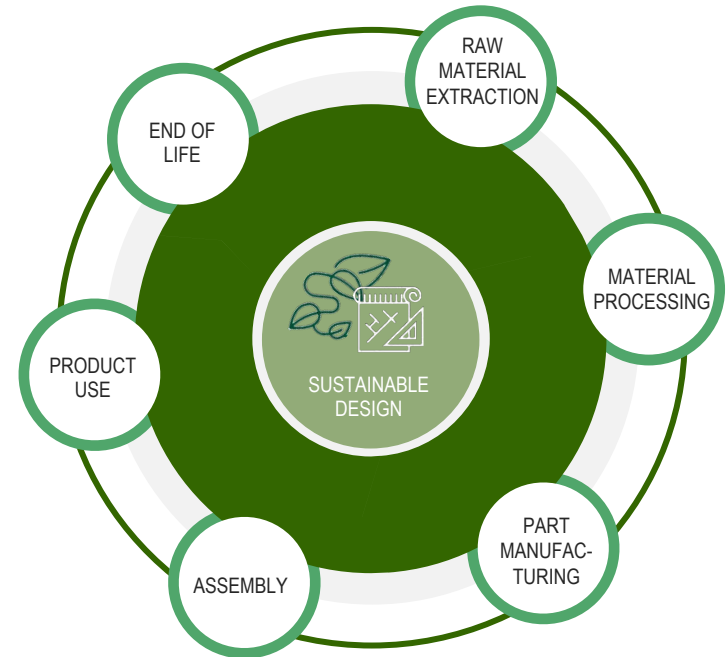
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# Design for Environment

- Early involvement in customer projects:
  - Create Sustainable Solutions
- Replace metal & glass with plastics
- Virtual prototyping:
  - Simulation – Optimize design – Improve function
- Lightweight
- CO<sub>2</sub>-footprint throughout the whole lifecycle
- Material selection, optimal plastic grade
- Switch from fossil to recycled or biobased feedstock
- Mono material – avoid composites for recyclability
- Assembly that can be dismantled for Circular Economy and Recyclability



# Sustainability assessment of new projects

Aiming for greener products

LIFESPAN

Short life/Single use



END OF LIFE

Poor systems for recycling



RAW MATERIAL

Fossil-based



Long life/Designed for recycling



Efficient systems for recycling/reuse



Bio-based/Recycled



# Three paths to replace fossil polymers

Current available options

BIOBASED RESIN



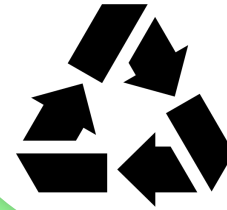
based on biomass, for  
ex. sugarcane residuals

MASS BALANCED  
RESIN



drop-in solution,  
various feedstock, for  
ex. used cooking oil (UCO),  
pine tree oil, rapeseed oil,  
etc.

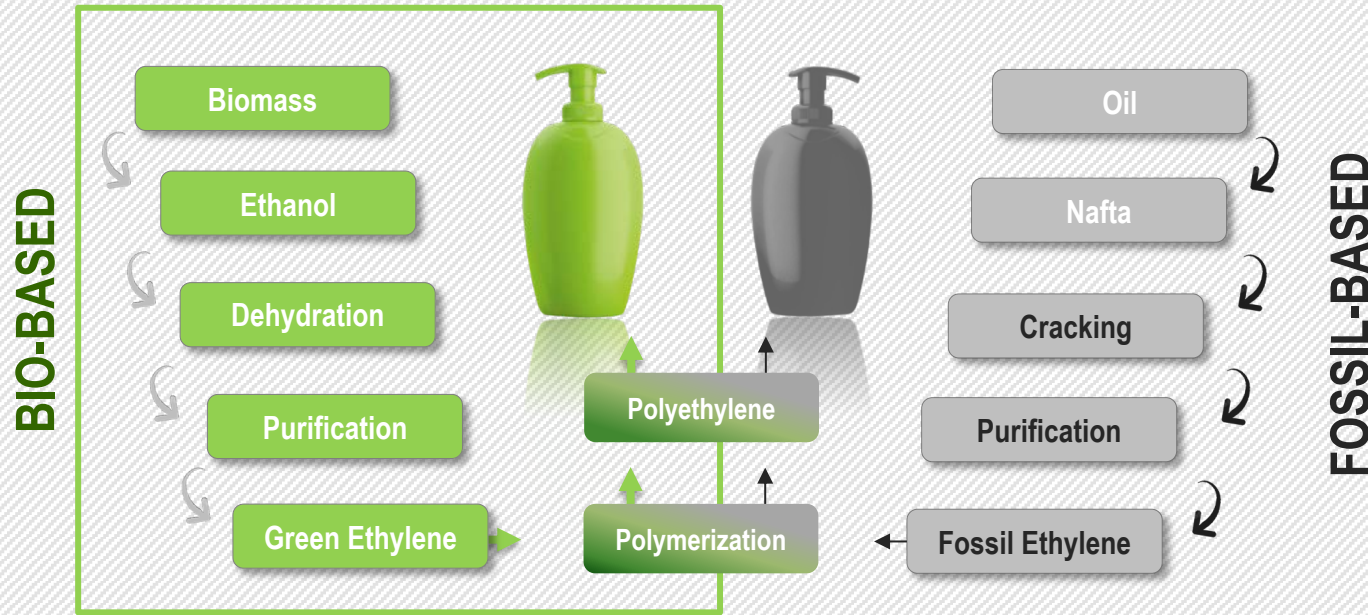
RECYCLED RESIN



mechanically or chemically  
recycled



# #1 Routes for the manufacture of Polyethylene





# #1 Bio-based Polyethylene Cycle



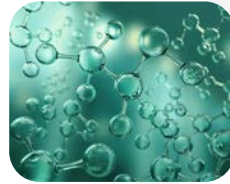
## Biomass

Biomass  
metabolizes CO<sub>2</sub> to  
produce sucrose



## Ethanol CH<sub>3</sub> - CH<sub>2</sub>OH

At the mill, sugar juice  
and molasses are  
fermented and then  
distilled to produce  
ethanol



## Ethylene CH<sub>2</sub> = CH<sub>2</sub>

Through the process of  
dehydration, ethanol is  
transformed into ethylene



## Green PE CH<sub>2</sub> = CH<sub>2</sub>

Ethylene is polymerized in  
polyethylene in shared  
polymerization units



## Final Products

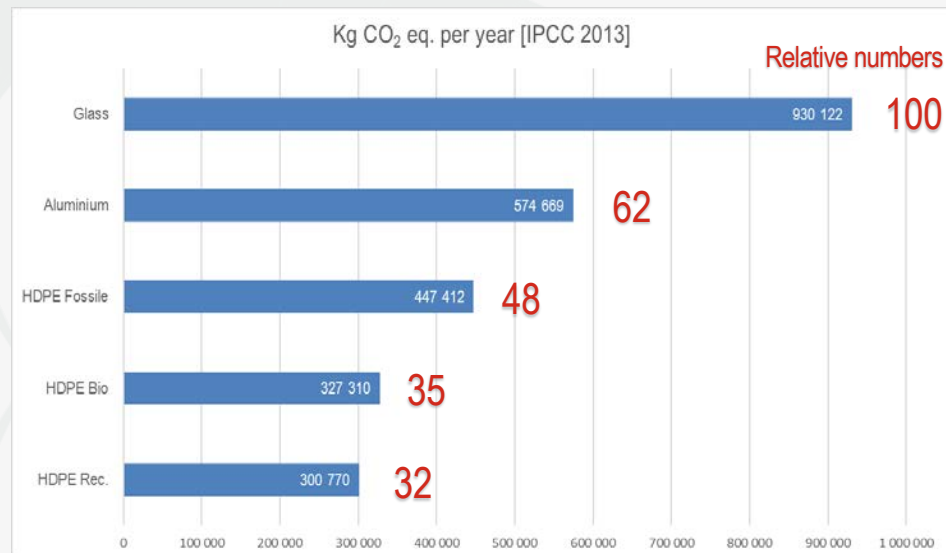
Green Polyethylene is  
transformed into final  
products by the same  
processes and machinery  
of fossil PE



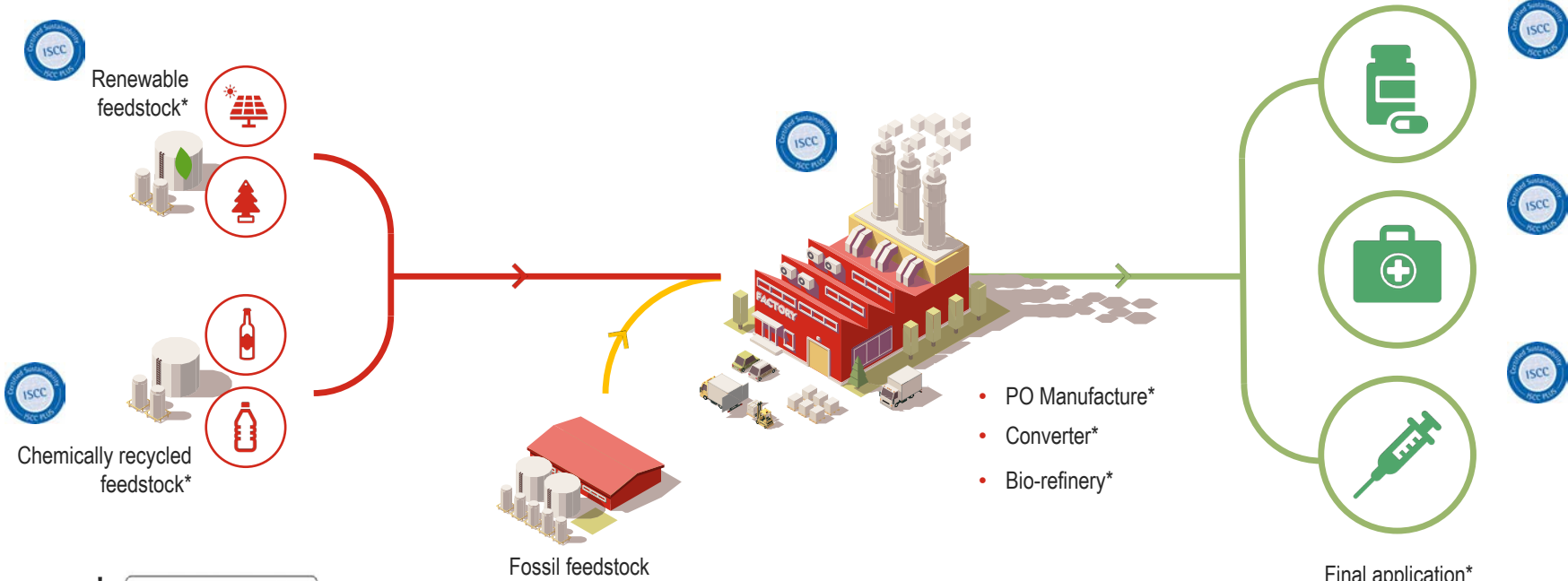
## Recycling

Green PE is recyclable in  
the same chain  
established for fossil PE

# #1 Example - Pharma Packaging & CO<sub>2</sub>e footprint



# #2: Mass balanced resin materials





# Example #2 – Mass balanced material

Application: Medical - “Urology segment”



## Summary

- ✓ In this part a 100% mass balanced blend material is evaluated
- ✓ Same quality / grade – regulatory compliance
- ✓ Drop-in solution, fast time-to-market

*Components for catheters*







# #3 Recycled plastic materials

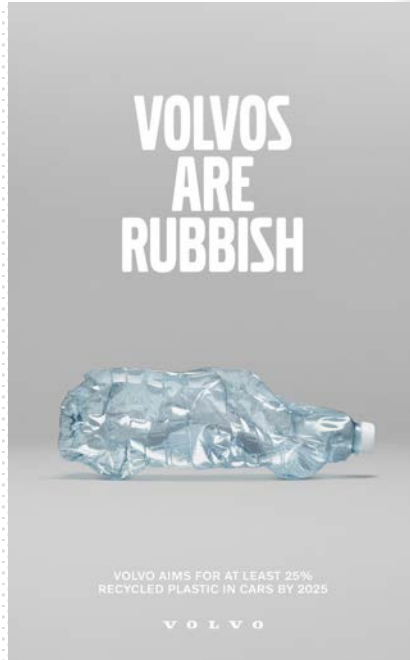
## Mechanical and Chemical recycling

- Recycled plastic materials reduces the CO<sub>2</sub> footprint & Contributes to a Circular Economy
- This is the best option from a resource and CO<sub>2</sub> point of view
- Mechanical recycling is mainly used for general applications
  - Automotive sector is most progressive so far
- Chemical recycling is an option where clean material is needed, such as in Medical:
  - Same as for mass balanced grades applies, i.e., specs remain the same and Pharma compliance maintained
  - No large capacity available, still in small scale operation, but move quickly, for example Total in France, 200,000 tons



# Example #3 - Recycled materials

Automotive component “Support battery cover“



## Results – Status

- ✓ In this part a 70 % recycled blended material is used
- ✓ For our largest Automotive client, we have an aggregated 21% recycled content today
- ✓ As example Volvo Cars have an objective to reach 25% recycled plastics for 2025

Part used to protect the charging pole of the battery



# And our journey continues...our strategy and direction



Innovative sustainable solutions, making customers more competitive.

Early involvement – virtual prototyping – material selection.



Optimized resource use and replacing other materials.

Renewable materials premium prices > drives revenue.

## SUSTAINABLE DEVELOPMENT



Reduced environmental footprint.  
Declining carbon emissions.  
Increase "own" produced energy.  
SBTi Net Zero commitment.



Responsible and transparent Supply Chain.  
Solid, reliable business partner and social actor.

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# Nolato Group

Financial review of Group

Presenter: Per-Ola Holmström

# Nolato Group



**11,844**

SALES SEKm  
LTM (Q1 2022)

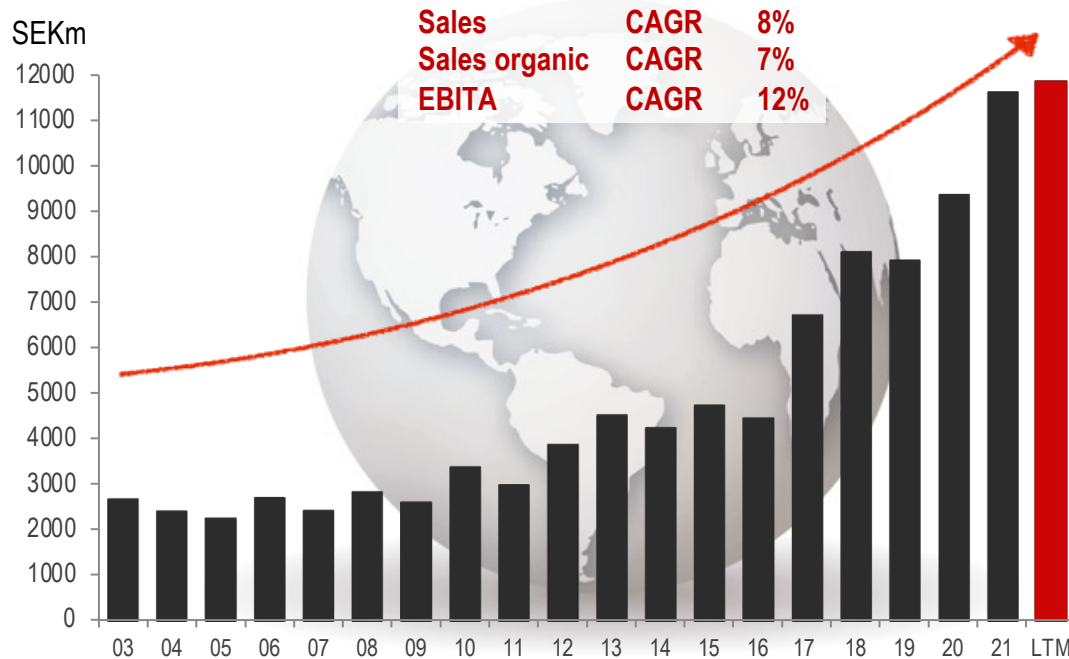
**1,328**

EBITA SEKm  
LTM (Q1 2022)

**11.2**

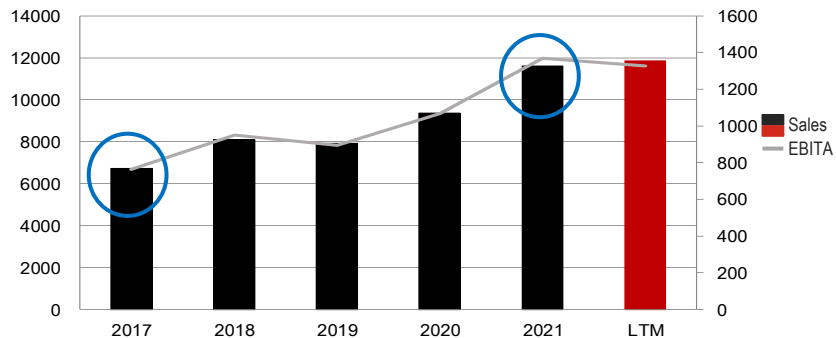
EBITA MARGIN %  
LTM (Q1 2022)

A global solutions provider established on three continents

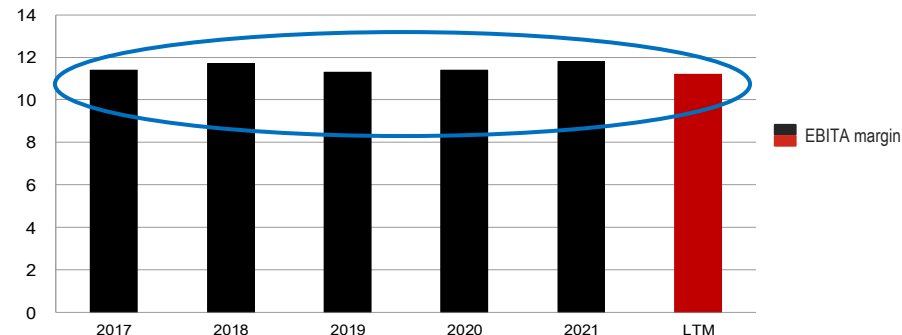


# Financial trends

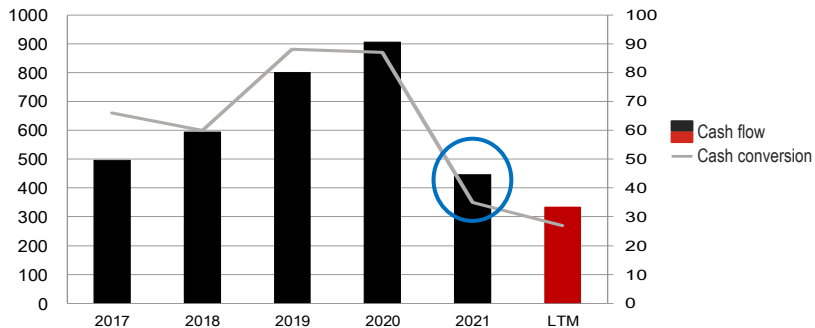
## Sales and EBITA (SEKm)



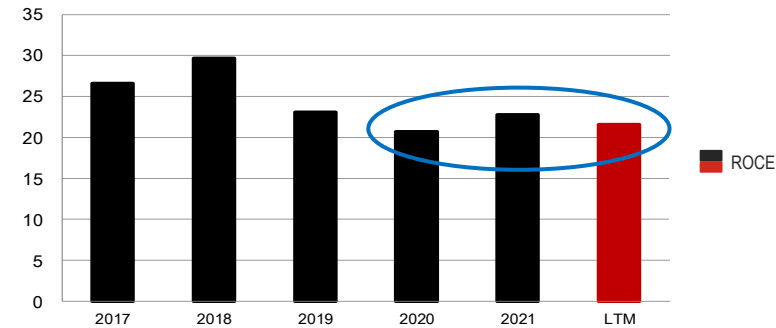
## EBITA margin (%)



## Cash flow after investments (SEKm) and cash conversion (%)

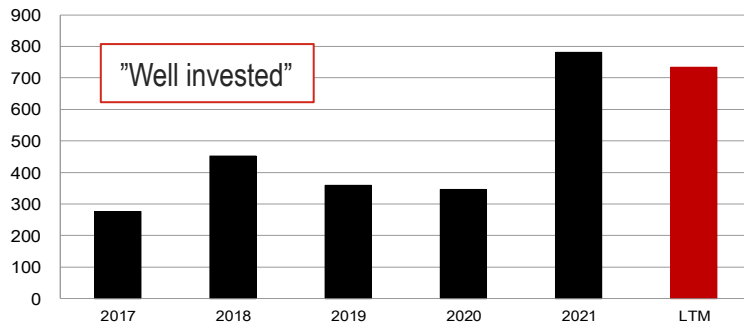


## Return on capital employed (%)



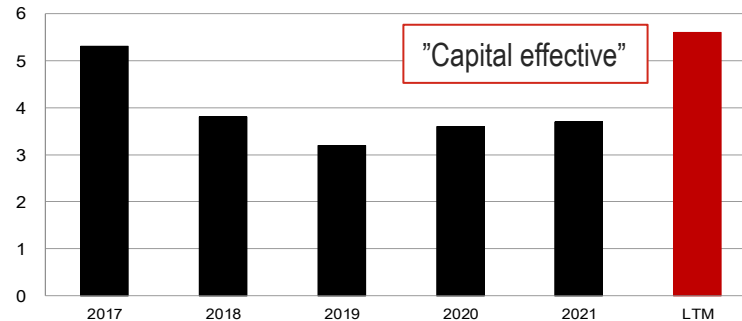
# Financial KPIs

## Net investments, excluding acquisitions



- Increase in 2021
  - Full year effect GW-acquisition
  - Extensive expansion of production capacity in Switzerland, Hungary, Poland, US and Sweden, mainly within Medical
- We expect 2022 to be slightly lower

## Working capital (% of sales)

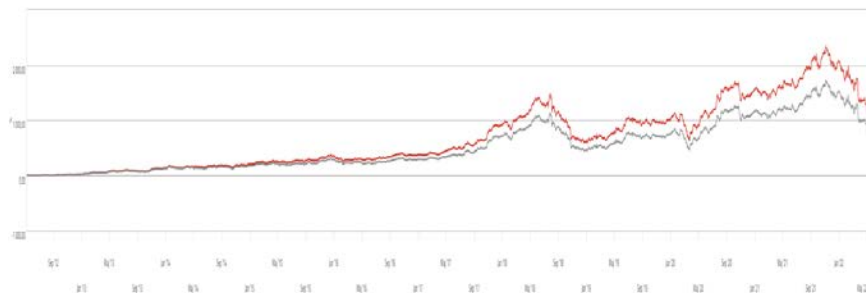


- Capital effective
- Supported by advantageous setup within Integrated Solutions
  - Effectively paid by largest customer within 10-20 days by using supplier finance with a small fee since Q3 2017
  - 90 days payment terms for most suppliers
  - Resulting in negative tied-up cash (might change over time)

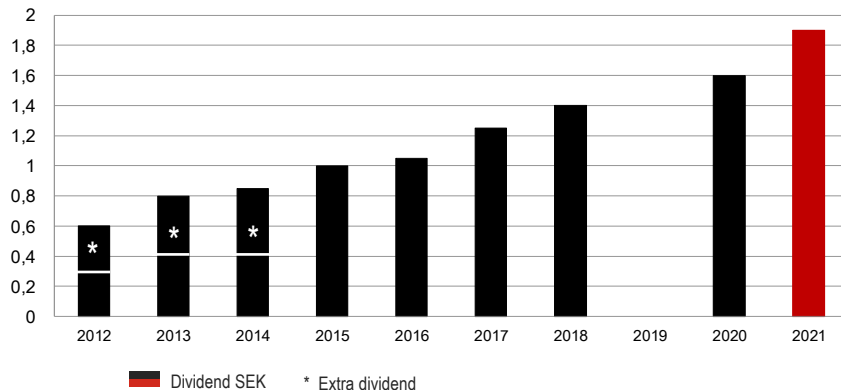


# A rewarding combination

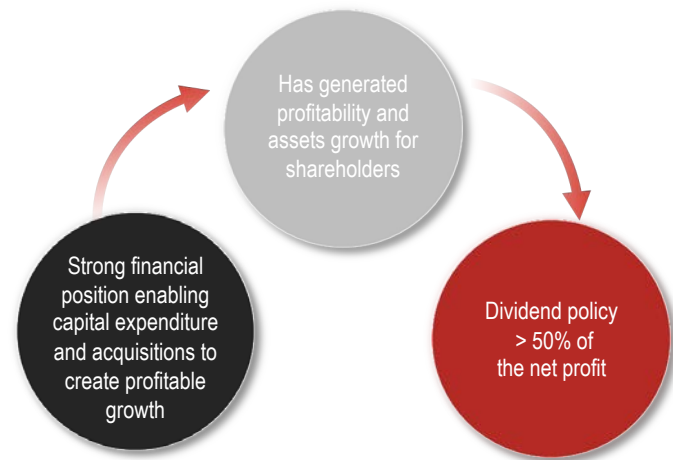
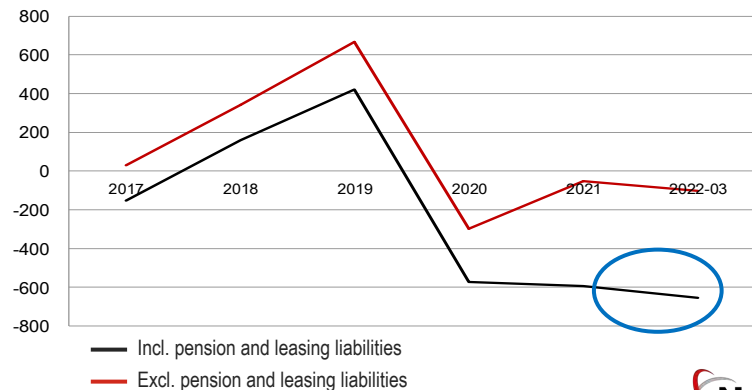
Nolato share (%) and Total return (%)



Dividend (SEK)



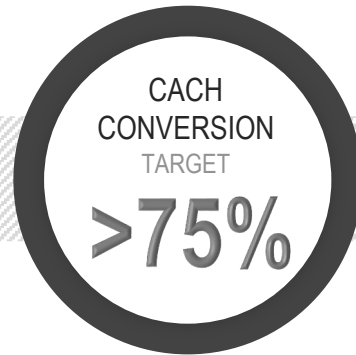
Net debt (SEKm)



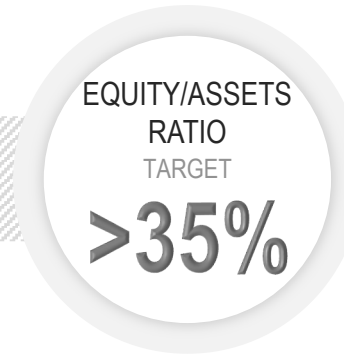
# Financial targets



The target for the EBITA margin is for it to exceed 10% over a business cycle



The target is to achieve cash conversion of more than 75% of EBIT over a business cycle, measured as the ratio of cash flow after investment and EBIT



The target for the equity/assets ratio is for it to exceed 35% over a business cycle

- Financial targets set 2014
- Our strategy is continued profitable growth
- Strong financial position enabling capex for customer projects and acquisitions
- 2.9 billions in long term credit lines, whereof 1.3 billion utilized

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# Mergers and Acquisitions

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- **Continued acquisition strategy**  
Long term focus on high quality acquisitions

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- **Primary focus on Medical acquisitions**  
Likely with combination across business areas

---

- **Expansion of offering**  
Adding new materials and services

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A large white sign on two grey posts with the Nolato logo and name. The background is a blue sky with trees.

# Summary of the day

## Proven and successful business model based on strategic partnership with larger international customers in selected segments

Continued strengthened market position in all business areas.  
Strong presence in three continents with global reach.

## Attractive financial profile

Diversified revenue streams and stable margin development over time.  
High financial flexibility that enables continued organic and acquired profitable growth.

## Sustainability is an integral part of Nolato's business since long ago

Deliver value to our customers.  
Efficient use of resources and focus on end-to-end solutions.

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