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First quarter of 2021: All business areas achieve sales and profit growth

- Sales increased to SEK 2,645 million (2,065)
- Operating profit (EBITA) rose to SEK 308 million (227)
- EBITA margin of 11.6% (11.0)
- Profit after tax was SEK 226 million (177)
- Diluted earnings per share increased to SEK 8.43 (6.67)
- Cash flow after investments amounted to SEK 71 million (-73)

“All business areas achieved good performance in the first quarter, with very strong growth in Medical Solutions and Integrated Solutions,” said Nolato President and CEO Christer Wahlquist. “Adjusted for currency and acquisitions, Group sales increased by a considerable 22%, and EBITA exceeded SEK 300 million for the first time in a single quarter.”

“This is once again a testament to our close customer relationships and our strong position as a global strategic partner for a raft of leading companies,” said Christer Wahlquist.

Medical Solutions sales for the quarter totaled SEK 1,006 million (642), corresponding to organic growth of a notable 17%. Operating profit (EBITA) rose by a remarkable 39% to SEK 121 million (87) and the EBITA margin was 12.0% (13.6).

“Growth was good in most areas, particularly in diagnostics, for which demand has increased partly because of the pandemic,” noted Christer Wahlquist. “The quarter also included a larger proportion of billing for development work and production equipment, which was around SEK 70 million higher than normal. The surgery segment continued to be negatively affected by the pandemic, particularly in the US business, but it showed an improvement towards the end of the quarter.”

“The strong growth in Medical Solutions has led us to recently take decisions to further expand our production capacity. In addition to the expansions we have already started in Switzerland, Hungary and Sweden, we will also be expanding the existing plants in Poland and the US.”

Integrated Solutions sales totaled SEK 1,045 million (854), corresponding to organic growth of an impressive 40%. Operating profit (EBITA) rose to SEK 125 million (111) and the EBITA margin was 12.0% (13.0).

“Sales were fueled by strong growth in Vaporiser Heating Products (VHP) and EMC,” said Christer Wahlquist. “In line with our previous assessment, VHP volumes ramped up in the quarter, while EMC benefited from both the 5G roll-out and our initiatives within Automotive. We expect VHP volumes to continue growing and sees sales for this business area increasing by around 15% in the second quarter compared with the first quarter of the year.”

Industrial Solutions sales totaled SEK 595 million (570), corresponding to organic growth of 1%. Operating profit (EBITA) rose by a remarkable 40% to SEK 66 million (47) and the EBITA margin was a strong 11.1% (8.2).

“There was a slightly negative impact from a components shortage in the automotive industry and effects of the pandemic in some areas,” added Christer Wahlquist. “However, our efficiency improvements have generated the desired effect, which is reflected by the sharp increase in earnings and the strong EBITA margin.”

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Nolato is a Swedish group with operations in Europe, Asia and North America. We develop and manufacture products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors. Nolato's shares are listed on Nasdaq Stockholm in the Large Cap segment, where they are included in the Industrials sector. www.nolato.com

Prior to publication this information constituted inside information that Nolato AB is obliged to publish pursuant to the EU Market Abuse Regulation. This information is submitted through the agency of the above contact persons for publication on May 4, 2021 at 3.00 p.m. CET.