

Second quarter 2020

CEO Christer Wahlquist
CFO Per-Ola Holmström
17/07/2020



Medical
Solutions



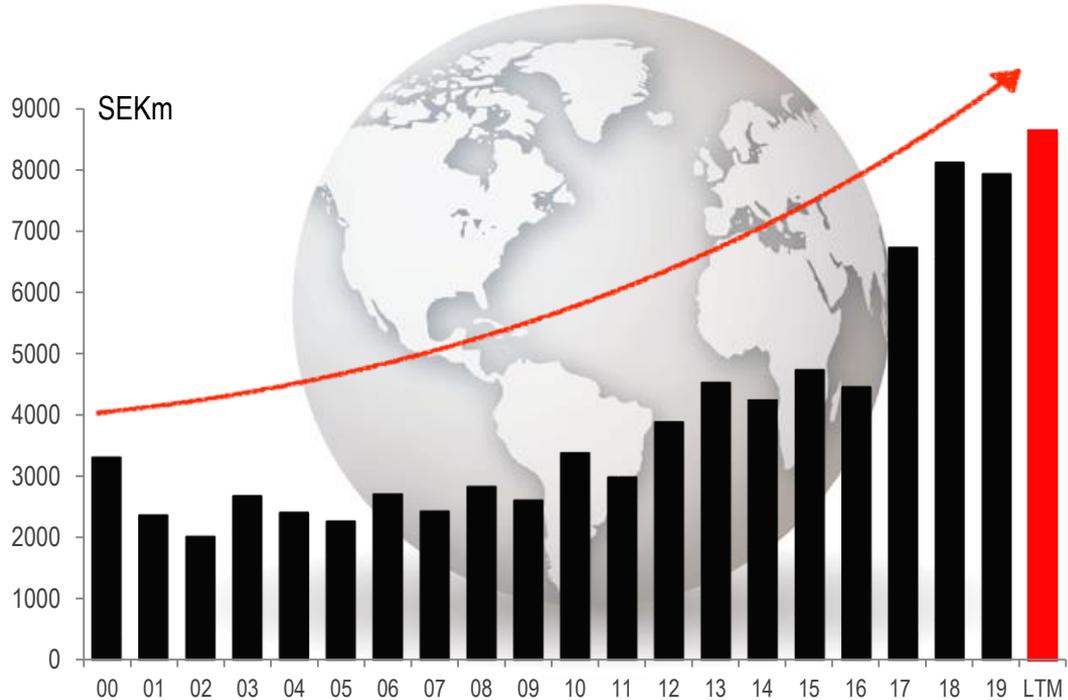
Integrated
Solutions



Industrial
Solutions

Q2 summary – Group

- Sales totalled SEK 2,307 million (1,987)
 - Adjusted for currency and acquisitions, sales increased by a substantial 12%
 - Strong growth for Medical Solutions and Integrated Solutions
- Operating profit (EBITA) rose to SEK 269 million (233)
 - Strong margins for Medical Solutions and Integrated Solutions
- EBITA margin of 11.7% (11.7)
- Cash flow after investment of a significant SEK 685 million (178) but boosted by temporary effects
- Very strong financial position with net assets of SEK 1,245 million (190)



One Group – three business areas

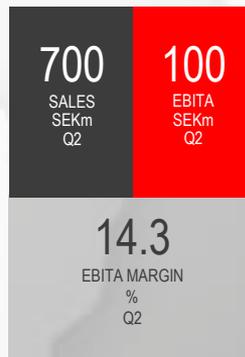
- Responsible business
- Materials technology
- Solutions-oriented development partner
- Production technology



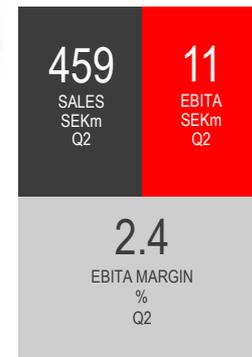
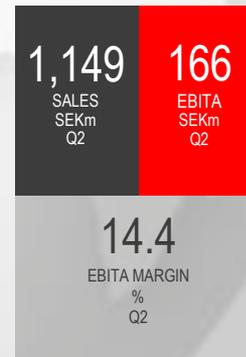
Medical Solutions



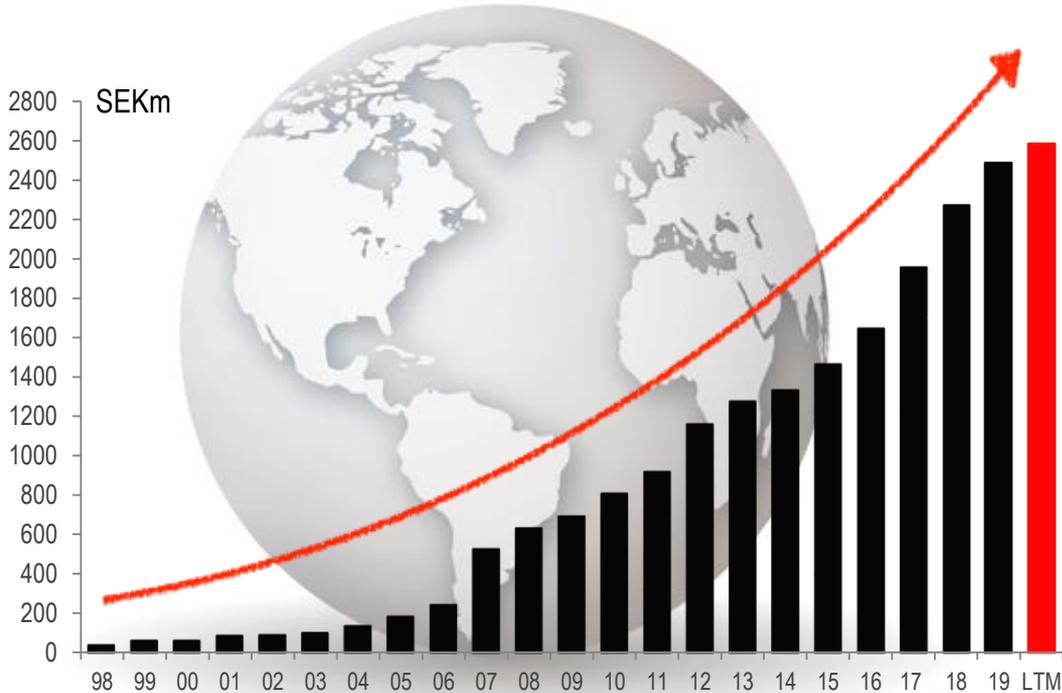
Integrated Solutions



Industrial Solutions



Global expansion



700 SALES SEKm	100 EBITA SEKm
	14.3 EBITA MARGIN %

Medical Solutions

Medical Devices



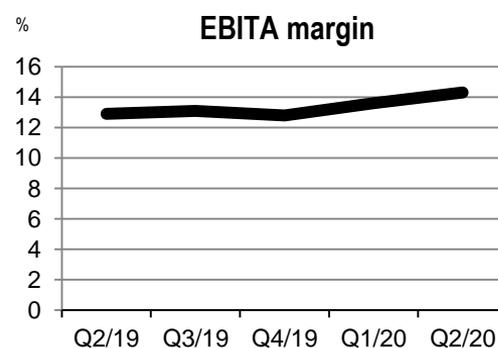
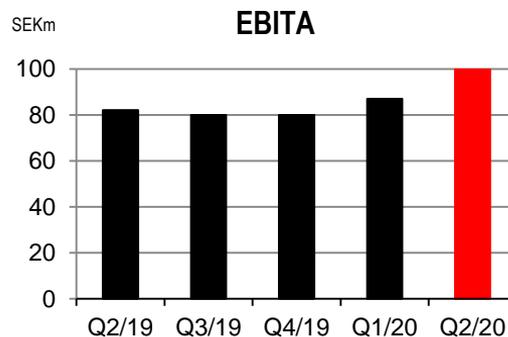
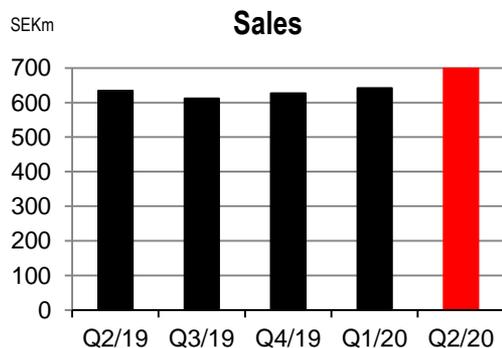
Pharma Packaging



Medical Solutions – Q2

- 10% increase in sales
 - Adjusted for currency, a strong increase of 9%
 - Strong growth in production volumes
 - High demand in segments such as diagnostics and respiratory aids, which have benefitted from the coronavirus situation
- Very strong EBITA margin of 14.3% (12.9)
 - High volumes and positive sales mix

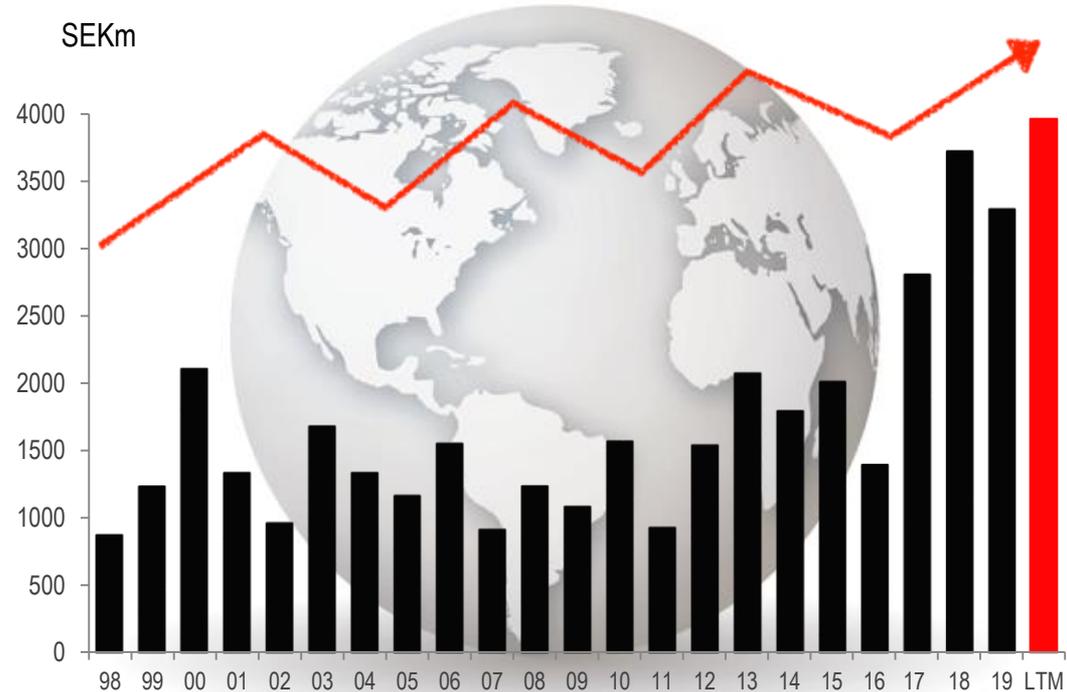
SEKm	Q2		Acc. 6 months	
	2020	2019	2020	2019
Sales	700	634	1,342	1,245
Operating profit (EBITA)	100	82	187	160
EBITA margin (%)	14.3	12.9	13.9	12.9
Operating profit (EBIT)	100	82	186	159





	166 EBITA SEKm
1,149 SALES SEKm	14.4 EBITA MARGIN %

Expansion into new market segments



Integrated Solutions

Consumer
Electronics

VHP



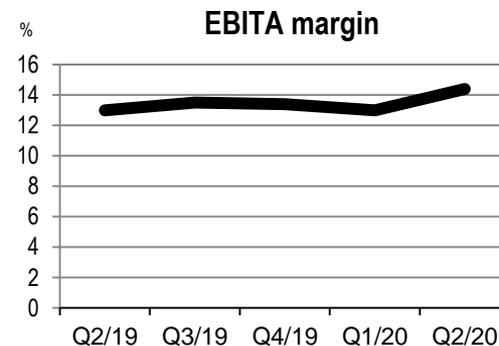
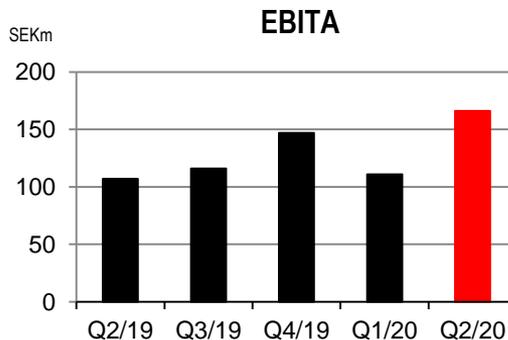
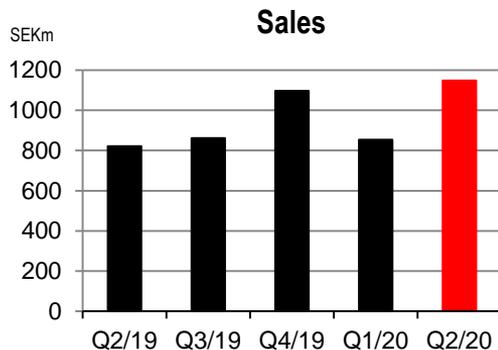
EMC/
Thermal



Integrated Solutions – Q2

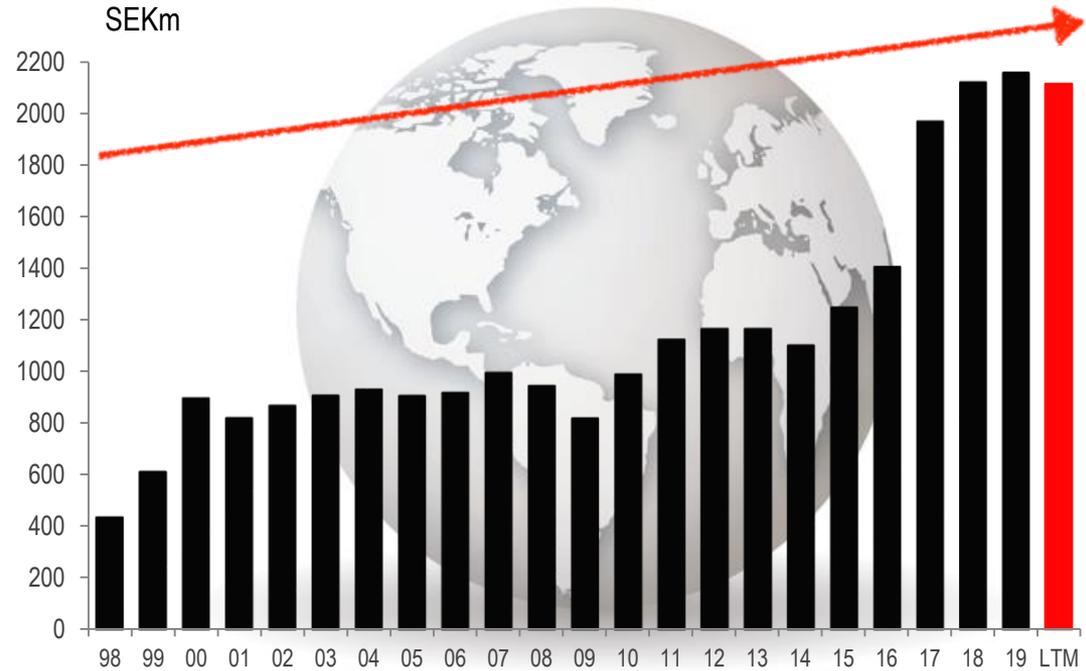
- 40% increase in sales
 - Adjusted for currency and acquisitions, substantial growth of 32%
 - High demand in VHP
 - Inventory build-up by customers has continued to have a positive impact
 - * Roll-out of new product variants
 - Inventory build-up assessed to be back at a normal level in the third quarter but with continued healthy volumes
 - EMC experienced good growth
 - Continued low mobile phone volumes
- Very strong EBITA margin of 14.4% (13.0)
 - High volumes
 - A general contribution from Chinese authorities had a positive impact of just over 1 percentage point

SEKm	Q2		Acc. 6 months	
	2020	2019	2020	2019
Sales	1,149	821	2,003	1,333
Operating profit (EBITA)	166	107	277	164
EBITA margin (%)	14.4	13.0	13.8	12.3
Operating profit (EBIT)	165	107	276	164





Technological and geographical expansion

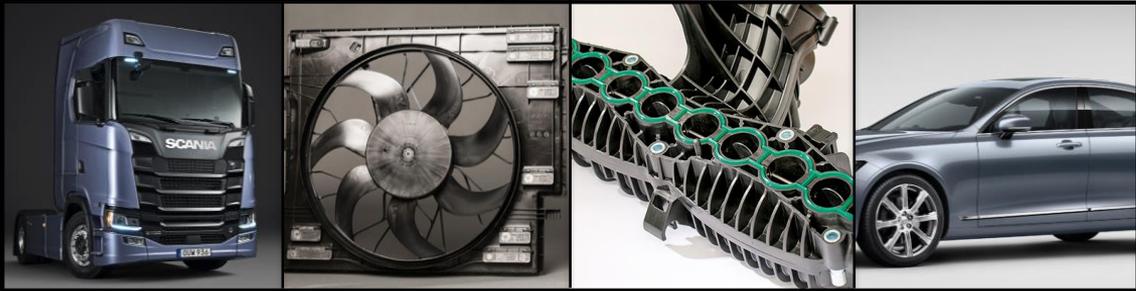


Industrial Solutions

General
Industry



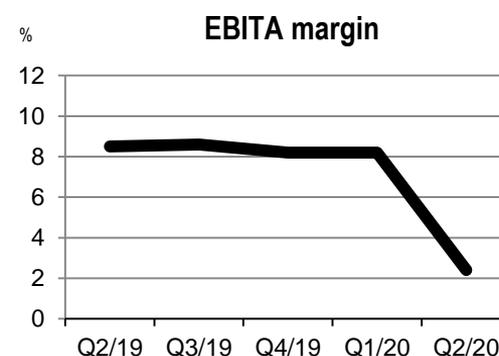
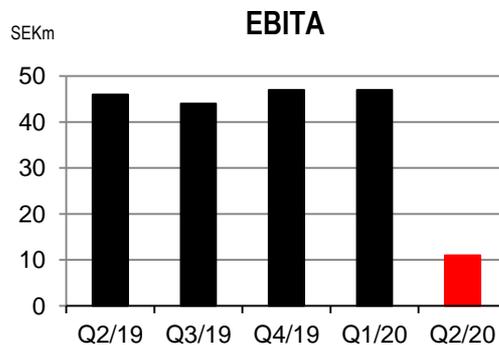
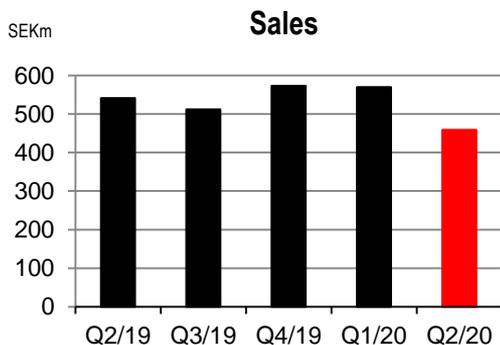
Automotive



Industrial Solutions – Q2

- 15% decrease in sales
 - Adjusted for currency, this was a decrease of 16%
 - Lower demand from the automotive industry as a result of a halt in operations in the first quarter
 - Low but gradually increasing volumes from the second half of the quarter
 - The coronavirus situation, combined with the summer holiday period, is also affecting volumes in the third quarter
- EBITA margin of 2.4% (8.5)
 - Low volumes
 - Redundancy costs had an impact of just under 2 percentage points

SEKm	Q2		Acc. 6 months	
	2020	2019	2020	2019
Sales	459	541	1,029	1,074
Operating profit (EBITA)	11	46	58	90
EBITA margin (%)	2.4	8.5	5.6	8.4
Operating profit (EBIT)	10	45	56	88

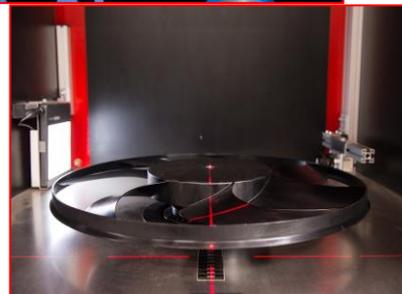


Group financial highlights

SEKm	Q2		Acc. 6 months		LTM ^(**)*)	Full year 2019 ^{**}
	2020	2019	2020*	2019		
Net sales	2,307	1,987	4,372	3,643	8,648	7,919
Operating profit (EBITA)	269	233	496	408	983	895
EBITA margin (%)	11.7	11.7	11.3	11.2	11.4	11.3
Profit after financial income and expenses	257	223	478	389	946	857
Profit after tax	207	180	384	311	776	703
Effective tax (%)	19.5	19.3	19.7	20.1	18.0	18.0
Cash flow after investments, excl. acq. and disp.	685	178	612	203	1,209	800
Net investment, affecting cash flow, excl. acquisitions and disposals	63	87	133	192	301	360
Earnings per share (SEK)	7.79	6.81	14.45	11.77	29.24	26.60
Adjusted earnings per share (SEK)	7.82	6.81	14.57	11.84	29.50	26.82
Equity/assets ratio (%)	-	-	51	47	51	48
Net financial assets (+)/net financial liabilities (-)	1,245	190	1,245	190	1,245	666
Return on capital employed (%)	23.4	23.6	23.4	23.6	23.4	23.1
Operating profit (EBIT)	267	232	492	405	974	887
Cash conversion (%)	-	-	-	-	120	88

* Including non-recurring items of SEK -14 million in Q1 2020

** Including non-recurring items of SEK -22 million in Q4 2019



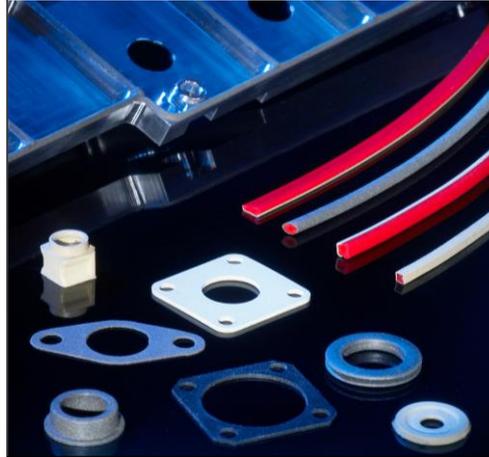
Current situation

Medical Solutions



- Maintained growth strategy
- Focus on innovation
- Strong customer relationships
- Coronavirus impact

Integrated Solutions

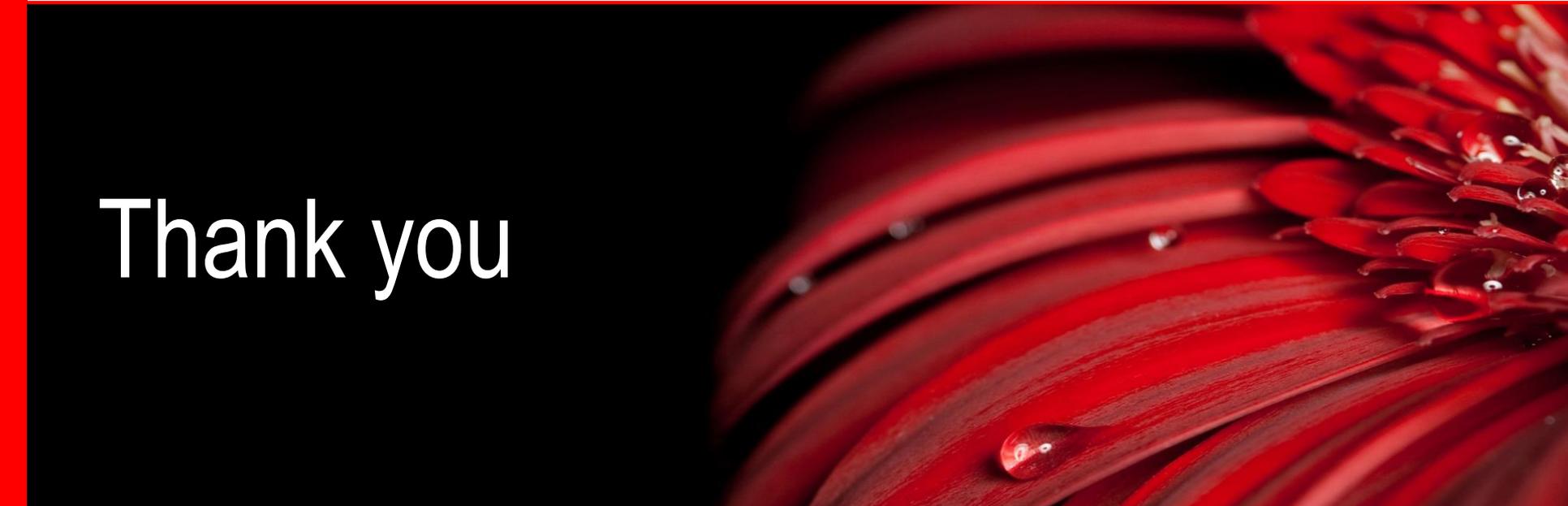


- Established position in new product areas
- Continued strong position within EMC
- Flexible production structure

Industrial Solutions



- Advanced market positions
- Efficiency measures taken and gradually having an effect
- Coronavirus impact



Thank you

This presentation may contain forward-looking statements. When words such as “forecast”, “believe”, “estimate”, “expect”, “intend”, “plan” and “project” are used in this presentation, they are intended to indicate forward-looking statements. These statements may include risks and uncertainties regarding factors such as product demand, market acceptance, effects of economic conditions, impact of competing products and pricing, currency effects and other risks. These forward-looking statements reflect Nolato management’s view of future events at the time that the statements are made, but they are made with reservation for various risks and uncertainties. All of these forward-looking statements are based on Nolato management’s estimates and assumptions and are deemed to be reasonable, but they are by their nature uncertain and difficult to forecast. Actual outcomes and experiences may differ materially from the forward-looking statements. Nolato does not intend or undertake to update these forward-looking statements.