



Q2 2021: Strong increase in sales and profit

- Sales increased to SEK 2,786 million (2,307)
- Operating profit (EBITA) rose to SEK 336 million (269), excl. a positive non-recurring item of SEK 50 million
- The EBITA margin amounted to 12.1% (11.7), excl. the non-recurring item
- Profit after tax increased to SEK 291 million (207)
- Diluted earnings per share increased to SEK 0.90 (0.78), excl. the non-recurring item
- Diluted earnings per share increased to SEK 1.08 (0.78)
- Cash flow after investments amounted to SEK 346 million (685)

“All our business areas showed continued growth in the second quarter, resulting in the Group’s net sales rising by 11%, adjusted for currency and acquisitions,” said Christer Wahlquist, Nolato President and CEO. “Despite some cost inflation and component shortages, our focus on efficiency and productivity has generated the desired effect and contributed to Nolato’s highest ever profit for an individual quarter.”

Medical Solutions sales totaled SEK 1,021 million (700); adjusted for currency and acquisitions, sales grew by 2%. Operating profit (EBITA) rose by 24% to SEK 124 million (100) and the EBITA margin was 12.1% (14.3).

“The EBITA margin has been impacted by a dilutive effect from the acquisition of GW Plastics in the third quarter of 2020,” noted Christer Wahlquist. “Demand has been good in most areas, but growth in diagnostics has been limited by available capacity. Volumes in the surgery area have continued to be adversely affected by postponed operations as a result of the pandemic, although demand increased quarter on quarter.”

“The planned expansion of production capacity in Switzerland, Hungary, Poland, the United States and Sweden is going according to plan.”

Integrated Solutions sales rose to SEK 1,186 million (1,149). Adjusted for currency, sales increased by 12%. Operating profit (EBITA) was SEK 154 million (166), with an EBITA margin of 13.0% (14.4).

“Sales were fueled by continued strong growth in Vaporiser Heating Products (VHP) and solid performance in 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 continued good sales growth for both VHP and EMC in the third quarter too compared with the second quarter of this year. However, there is a risk of disruptions due to temporary shortages of electronic components.”

Industrial Solutions sales totaled SEK 580 million (459); adjusted for currency and acquisitions, sales grew by a strong 22%. Operating profit (EBITA) rose sharply to SEK 62 million (11) and the EBITA margin was 10.7% (2.4).

“Last year, demand from the automotive industry was significantly impacted by our customers halting production for periods of the second quarter. The second quarter of this year was also adversely affected by supply chain disruptions, with component shortages causing some customers to halt operations or reduce production capacity for short periods,” said Christer Wahlquist. “The efficiency improvements that have been undertaken, however, had a positive effect on profit and margins.”

Overall, consolidated group sales for the first six months of 2021 totaled SEK 5,431 million (4,372), which, adjusted for currency and acquisitions, is a strong increase of 15%. Operating profit (EBITA) rose to SEK 644 million (510), excluding non-recurring items, and diluted earnings per share were SEK 1.74 (1.49). Cash flow after investments was SEK 417 million (612) and the financial position remains strong.

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