

# Third quarter 2020

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23/10/2020



Medical  
Solutions



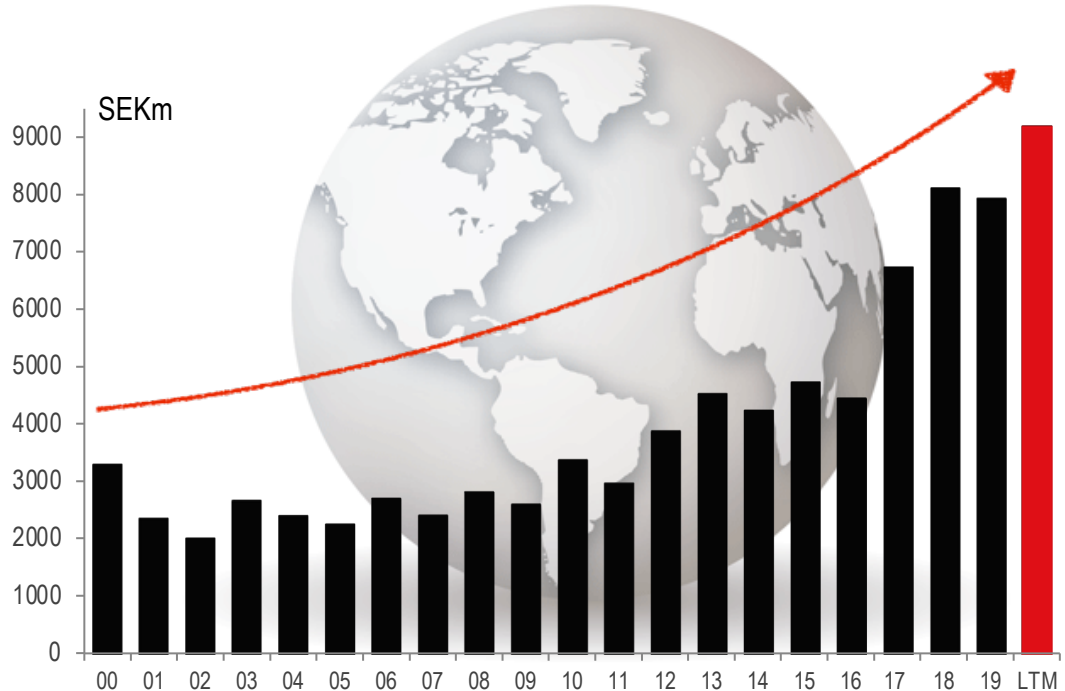
Integrated  
Solutions



Industrial  
Solutions

# Q3 summary – Group

- Sales totaled SEK 2,500 million (1,980)
  - Adjusted for currency and acquisitions, sales rose by a strong 22%
  - The GW Plastics acquisition was consolidated from 1 September
  - Growth in all business areas
- Operating profit (EBITA) rose to SEK 304 million (238) excl. a non-recurring item of SEK –17 million
- EBITA margin of 12.2% (12.0) excl. a non-recurring item
  - Strong margin for the Group
- Cash flow after investments excl. acquisitions was SEK 82 million (–4)
- Sustained strong financial position, including after acquisitions, with an equity/assets ratio of 40%



# GW Plastics Inc.

- Annual net sales of approximately SEK 1.8 billion
- EBITA margin of around 7 percent
- Around 1,100 employees at seven production plants
- Just over four-fifths of GW Plastics' business relates to medical devices, with the remainder mainly relating to the automotive industry
- Diverse customer base, with the largest single customer accounting for around 20% of sales
- The acquisition consideration amounted to approximately SEK 2 billion, including an estimated contingent consideration of SEK 0,2 billion, of which approximately SEK 1,8 billion was paid upon transfer of ownership. The maximum contingent consideration amount to approximately SEK 0,4 billion
- Consolidation from 1 September
- Contributed SEK 145 million in sales for one month in Q3
- Consolidated surplus values amount to approximately SEK 1.3 billion, of which approximately SEK 0.3 billion constitute customer relationships that are amortized over 10 years



# One Group – three business areas

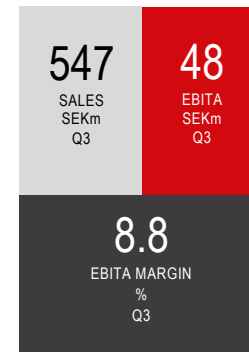
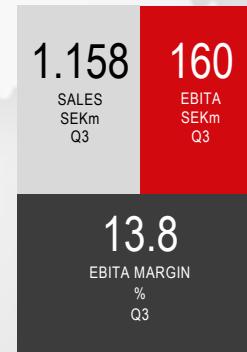
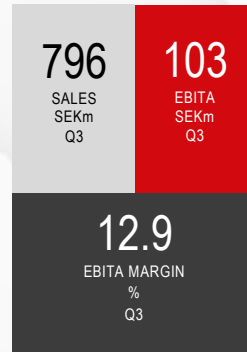
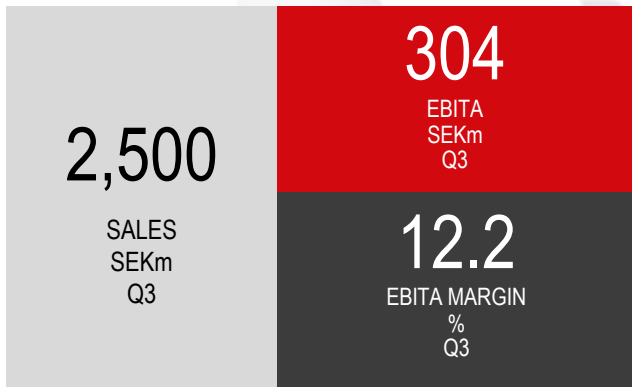
- Responsible business
- Materials technology
- Solutions-oriented development partner
- Production technology



Medical Solutions

Integrated Solutions

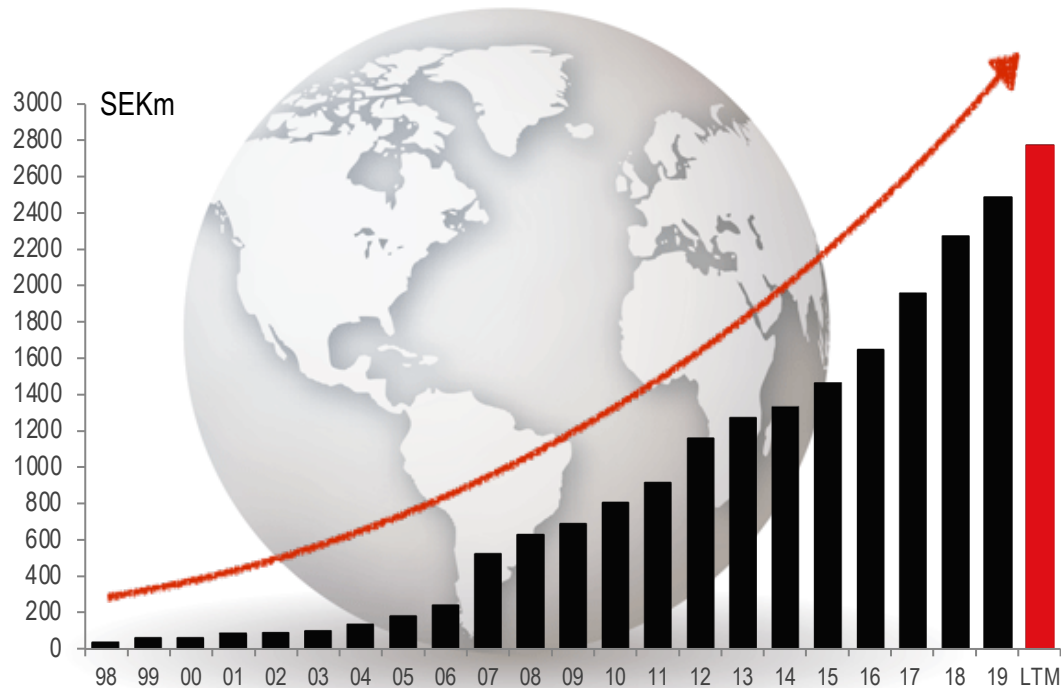
Industrial Solutions





796	103
SALES SEKm	EBITA SEKm
	12.9
	EBITA MARGIN %

## Global expansion



# Medical Solutions – focused product areas

## Drug Delivery



## In Vitro Diagnostics (IVD)



## Endoscopy & General Surgery



## Cardiology



## Continence Care



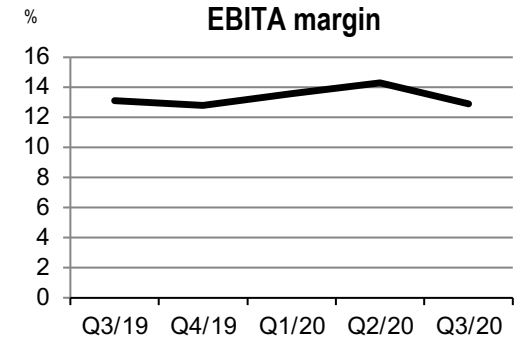
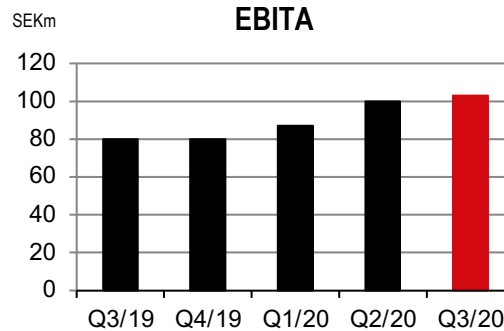
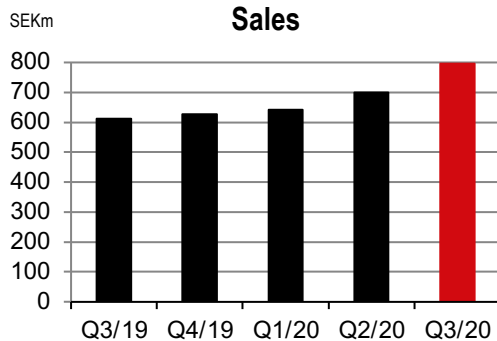
## Pharma Packaging



# Medical Solutions – Q3

- 30% increase in sales
  - Adjusted for currency and acquisitions, a considerable 12% increase
  - The acquisition of GW Plastics contributed SEK 127 million and integration is proceeding according to plan
  - Strong growth in production volumes
  - High demand in segments such as diagnostics and respiratory, which increased as a result of the pandemic
- EBITA margin of 12.9% (13.1)
  - High capacity utilization and positive sales mix had a beneficial effect
  - The acquisition affected one month
- Expansion of production capacity in Switzerland

SEKm	Q3		Acc. 9 months	
	2020	2019	2020	2019
Sales	796	612	2,138	1,857
Operating profit (EBITA)	103	80	290	240
EBITA margin (%)	12.9	13.1	13.6	12.9
Operating profit (EBIT)	100	79	286	238



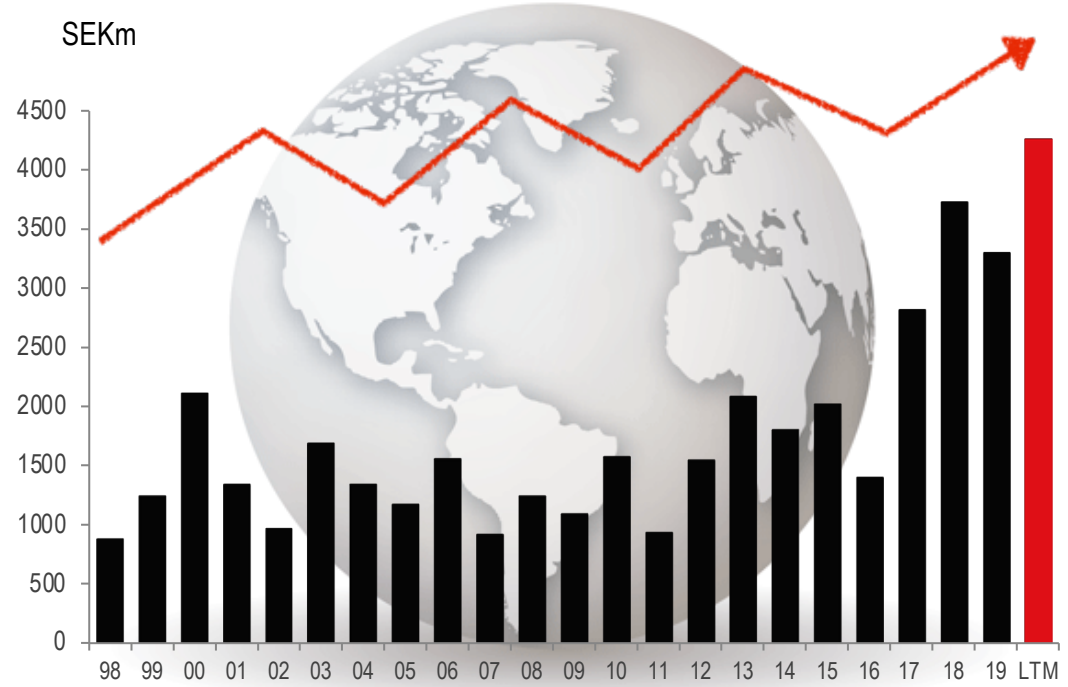


# Integrated Solutions

Q3

1,158 SALES SEKm	160 EBITA SEKm
	13.8 EBITA MARGIN %

## Expansion to new market segments





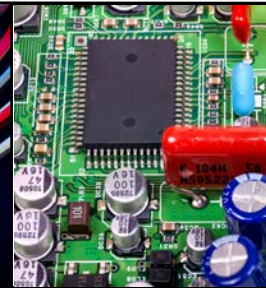
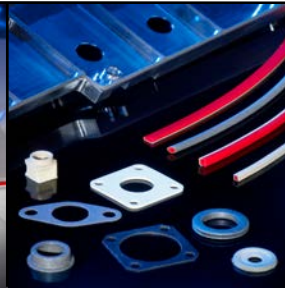
# Integrated Solutions

Consumer  
Electronics

VHP



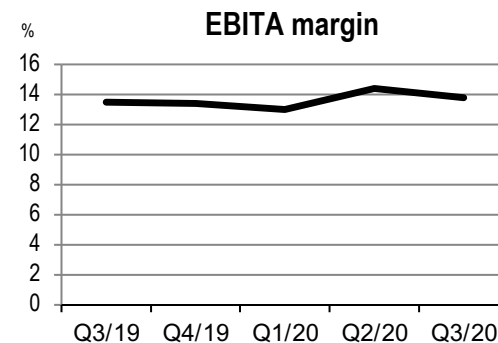
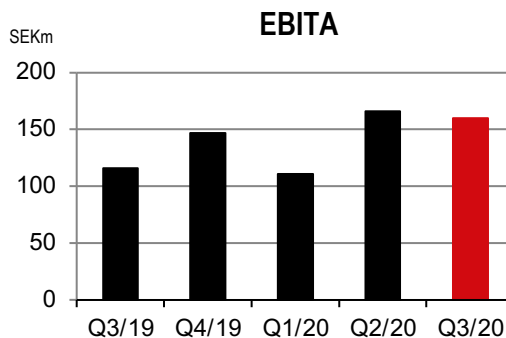
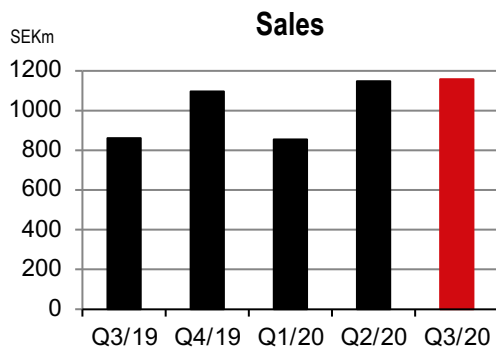
EMC/  
Thermal



# Integrated Solutions – Q3

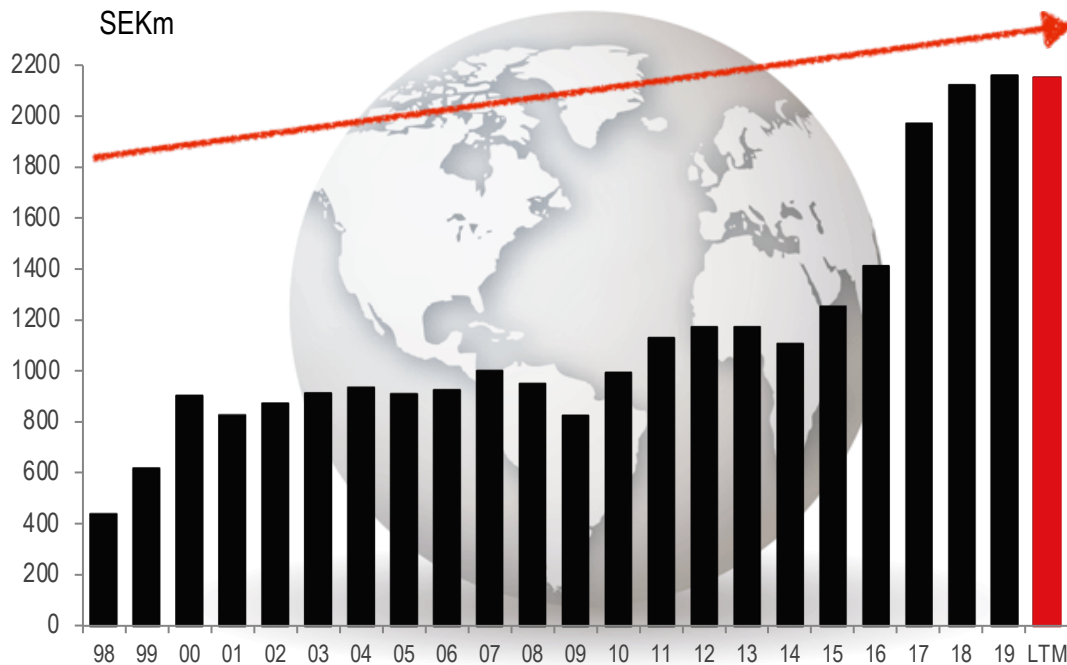
- 34% increase in sales
  - Adjusted for currency and acquisitions, growth was an exceptional 40%
  - High demand in VHP
  - Good growth in 2020, but volumes have historically fluctuated between quarters
  - We have made cost reductions in the supply chain together with the customer
  - Q4 sales to be more in line with Q1
  - EMC had solid sales and continued low mobile phone volumes
- Very strong EBITA margin of 13.8% (13.5)
  - High volumes

SEKm	Q3		Acc. 9 months	
	2020	2019	2020	2019
Sales	1,158	862	3,161	2,195
Operating profit (EBITA)	160	116	437	280
EBITA margin (%)	13.8	13.5	13.8	12.8
Operating profit (EBIT)	160	116	436	280





## Technology and geographical expansion



# Industrial Solutions

General  
Industry



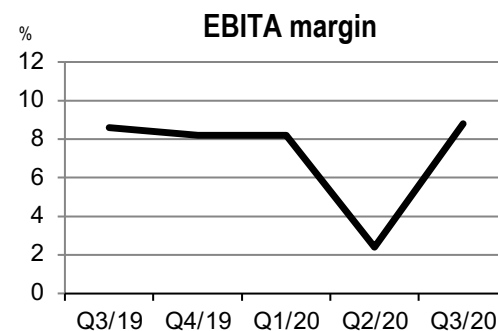
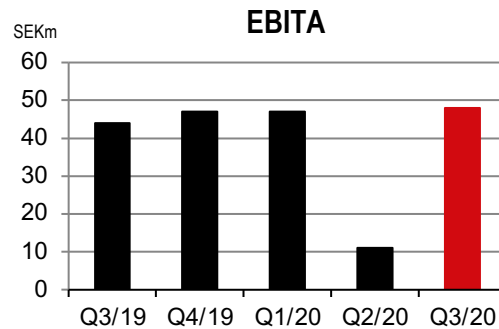
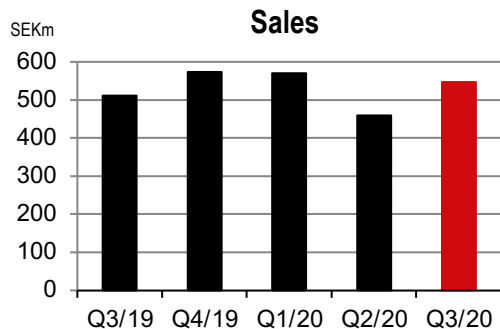
Automotive



# Industrial Solutions – Q3

- 7% increase in sales
  - Adjusted for currency and acquisitions, growth was 4%
  - Gradual increase in demand from the automotive industry
  - Good volumes in other segments
- EBITA margin of 8.8% (8.6)
  - Gradual increase in volumes
  - Cost savings implemented in the quarter

SEKm	Q3		Acc. 9 months	
	2020	2019	2020	2019
Sales	547	512	1,576	1,586
Operating profit (EBITA)	48	44	106	134
EBITA margin (%)	8.8	8.6	6.7	8.4
Operating profit (EBIT)	46	43	102	131



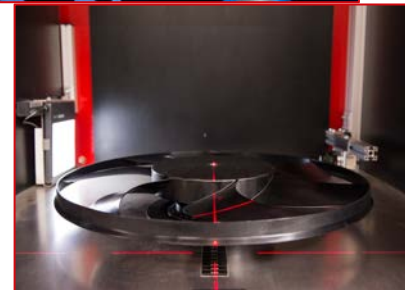
# Group financial highlights

SEKm	Q3		Acc. 9 months		LTM (7-9M)	Full year 2019***
	2020*	2019	2020**)	2019		
Net sales	2,500	1,980	6,872	5,623	9,168	7,919
Operating profit (EBITA)	287	238	783	646	1 032	895
EBITA margin (%)	11.5	12.0	11.4	11.5	11.3	11.3
Profit after financial income and expenses	267	232	745	621	981	857
Profit after tax	211	186	595	497	801	703
Effective tax (%)	21.0	19.8	20.1	20.0	18.3	18.0
Cash flow after investments, excl. acq. and disp.	82	-4	694	199	1 295	800
Net investment, affecting cash flow, excl. acquisitions and disposals	112	87	245	279	326	360
Earnings per share (SEK)	7.90	7.01	22.35	18.79	30.11	26.60
Adjusted earnings per share (SEK)	8.05	7.09	22.61	18.94	30.45	26.82
Equity/assets ratio (%)	-	-	40	47	40	48
Net financial liabilities (-)/net financial assets (+)	-535	186	-535	186	-535	666
Return on capital employed (%)	21.8	23.4	21.8	23.4	21.8	23.1
Operating profit (EBIT)	282	236	774	641	1 020	887
Cash conversion (%)	-	-	-	-	122	88

\* Including non-recurring items (acquisition costs) of SEK -17 million in Q3 2020

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

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



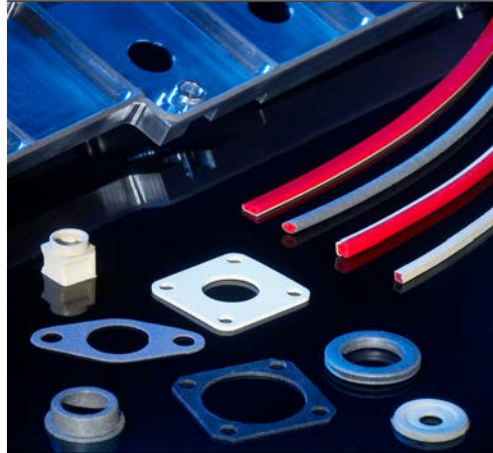
# Current situation

## Medical Solutions



- Maintained growth strategy
- Focus on innovation
- Strong customer relationships
- Impact of the pandemic
- Integration of acquisitions

## Integrated Solutions



- Established position in new product areas
- Continued strong position within EMC
- Flexible production structure
- VHP: Cost reductions throughout the supply chain together with the customer

## Industrial Solutions



- Advanced market positions
- Cost savings implemented
- Impact of the pandemic
- Integration of acquisitions



# Thank you.



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