

Second quarter

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CFO Per-Ola Holmström

July 20, 2022

Medical
Solutions



Integrated
Solutions



Industrial
Solutions

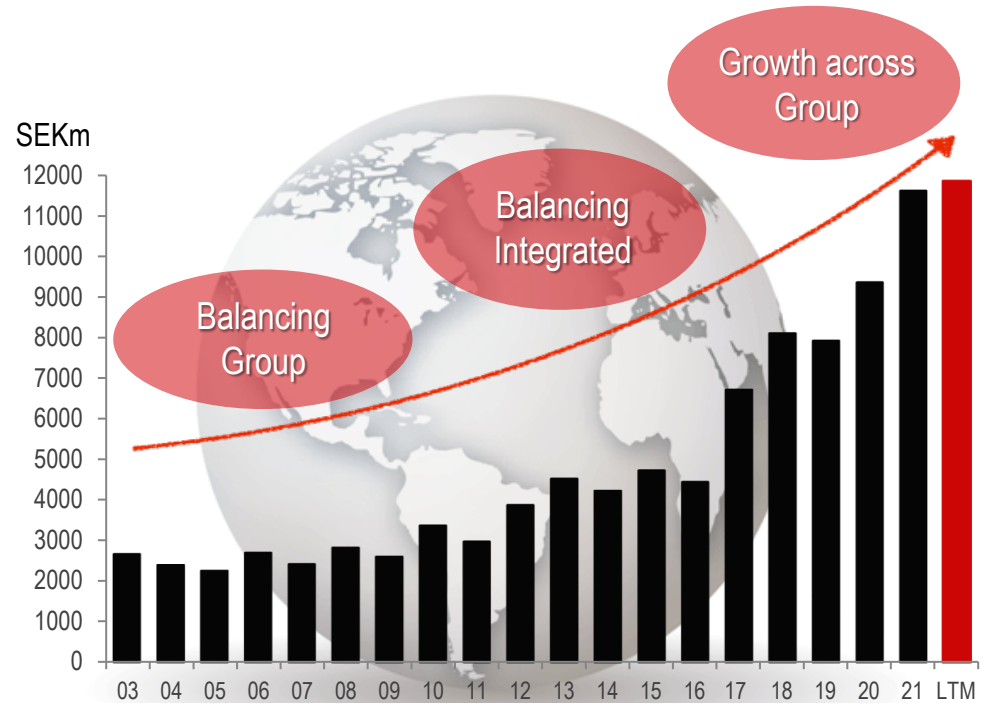


Q2 summary

Group

- Sales increased to SEK 2,905 million (2,786)
 - Positive currency effect, a decrease of 6% adjusted for currency
 - External factors impacting volumes and profitability
- Operating profit (EBITA) was SEK 264 million (336)
- EBITA margin of 9.1% (12.1)
 - Affected by volumes, cost inflation and production efficiency
- Cash flow after investments was SEK 18 million (346) because of increased working capital requirements

A global solutions provider established on three continents



One Group – three business areas

Nolato

Our offering as a strategic partner for selected global customers comprises development and production, primarily in the field of polymers, along the entire value chain.

2,905

SALES
SEKm
Q2

264

EBITA
SEKm
Q2

9.1

EBITA MARGIN
%
Q2

Medical Solutions

Development and manufacture of complex product systems and components for medical devices, the pharmaceutical industry and diagnostics.

1,214

SALES
SEKm
Q2

121

EBITA
SEKm
Q2

10.0

EBITA MARGIN
%
Q2

Integrated Solutions

Design, development and manufacture of advanced components, subsystems and ready-packaged products for consumer electronics, EMC & Thermal.

1,019

SALES
SEKm
Q2

109

EBITA
SEKm
Q2

10.7

EBITA MARGIN
%
Q2

Industrial Solutions

Development and manufacture of products and product systems for customers in automotive, hygiene, packaging, gardening/forestry, domestic appliance and furniture & other selected industrial segments.

676

SALES
SEKm
Q2

37

EBITA
SEKm
Q2

5.5

EBITA MARGIN
%
Q2

Medical Solutions



1,214

SALES
SEKm, Q2

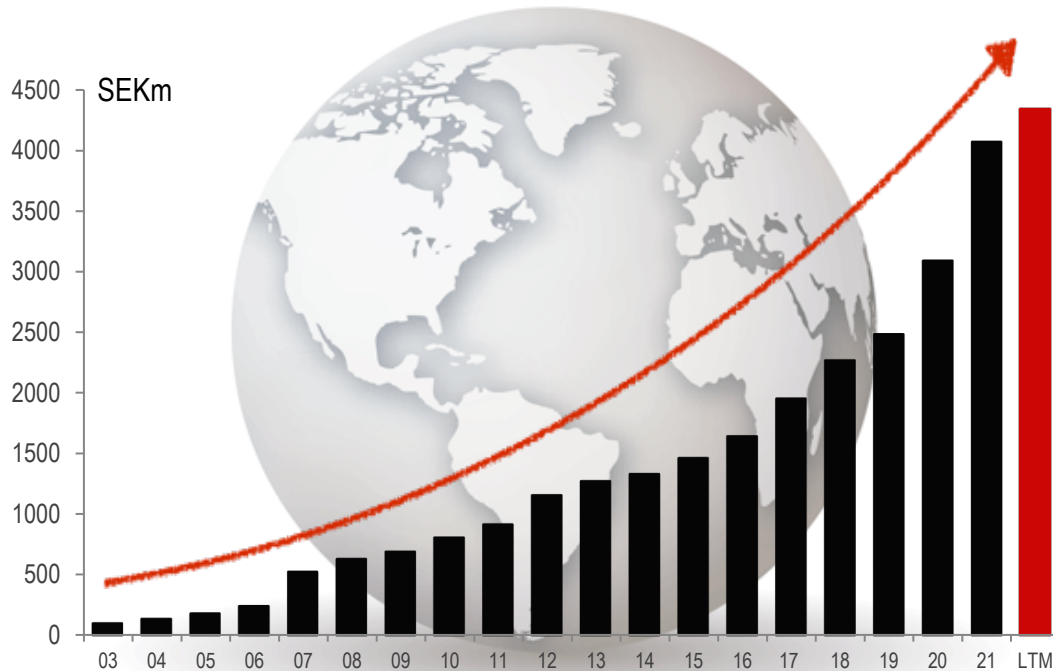
121

EBITA
SEKm, Q2

10.0

EBITA MARGIN
%, Q2

Sustainable Growth and Global expansion



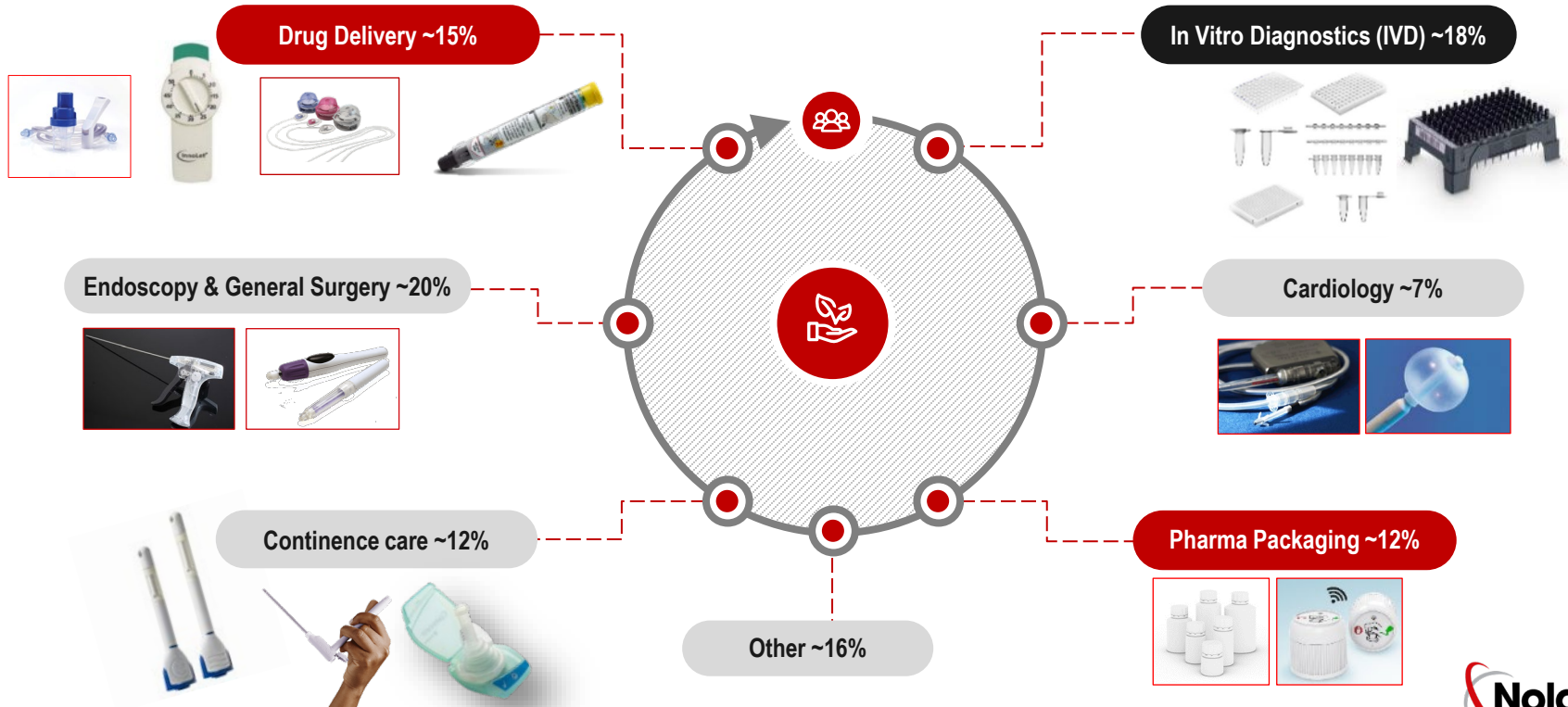
Medical Solutions

Product areas

Pharma

Diagnostics

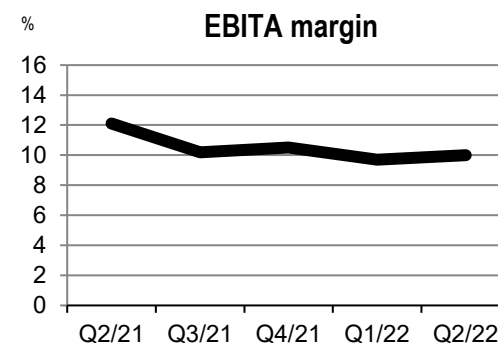
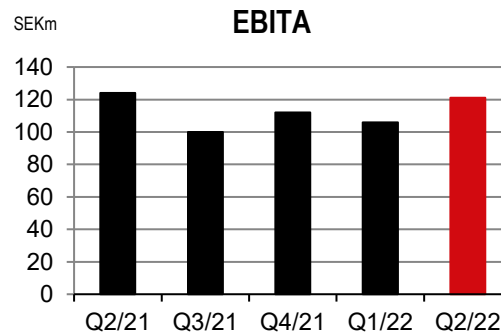
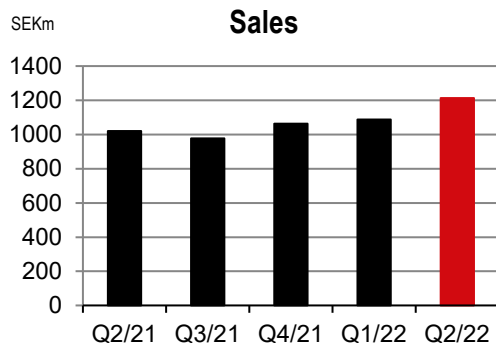
Medical Devices



Medical Solutions – Q2

- 19% increase in sales
 - 8% increase, adjusted for currency
 - The charging on of higher costs contributed to the increase in sales
 - IVD volumes were low in the quarter due to Covid-related inventory adjustments
 - Good growth by surgery area
- EBITA margin of 10.0% (12.1)
 - Change in the sales mix
 - Rising material costs
 - *Offset with some time lag
 - Cost impact of capacity investments made in 2021

SEKm	Q2		Acc. 6 months	
	2022	2021	2022	2021
Sales	1,214	1,021	2,302	2,027
Operating profit (EBITA)	121	124	227	245
EBITA margin (%)	10.0	12.1	9.9	12.1
Operating profit (EBIT)	113	118	212	232



Integrated Solutions



1,019

SALES
SEKm, Q2

109

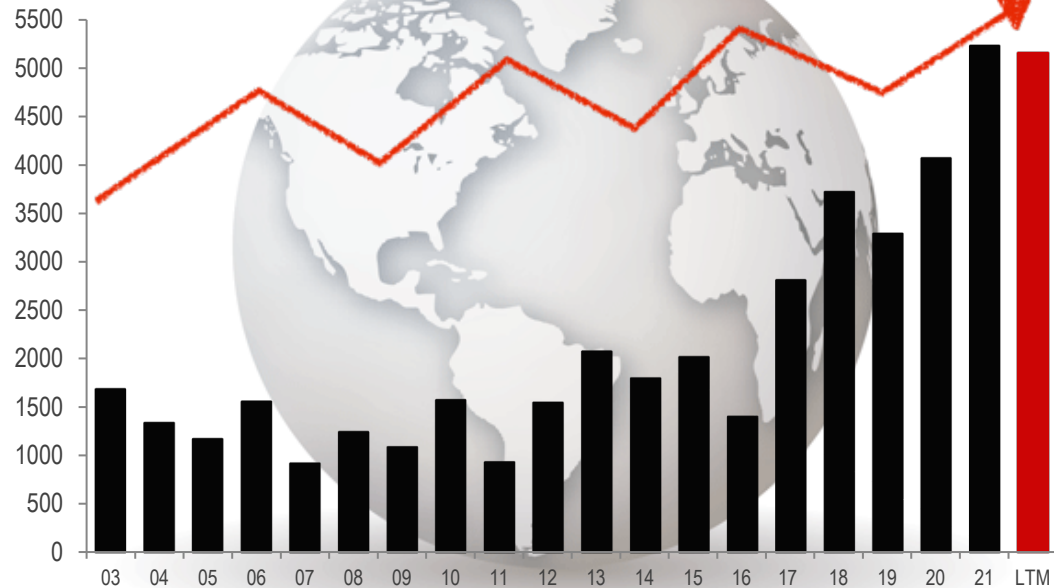
EBITA
SEKm, Q2

10.7

EBITA MARGIN
%, Q2

Expansion into new market segments

SEKm

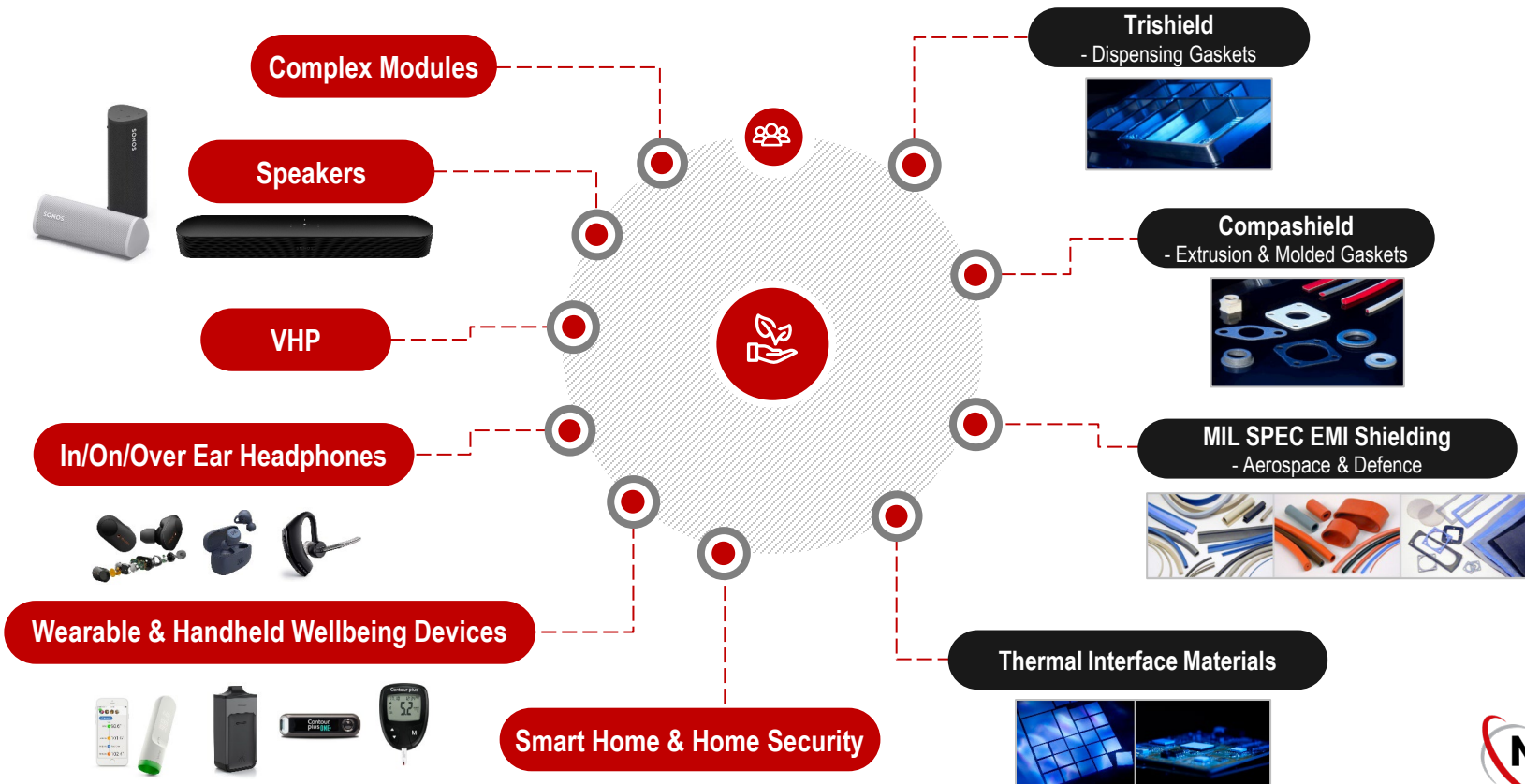


Integrated Solutions

Focused product areas

Consumer Electronics

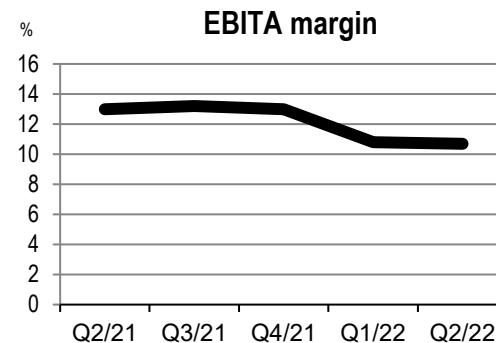
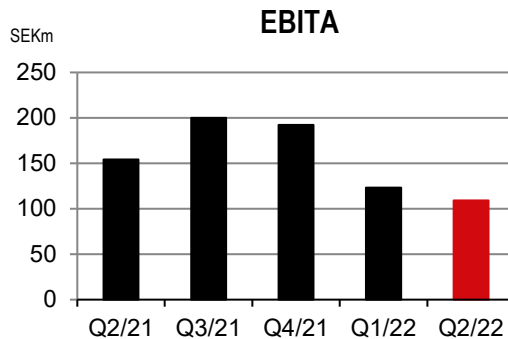
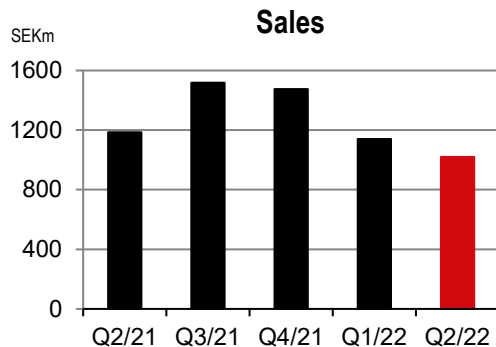
EMC & Thermal



Integrated Solutions – Q2

- 14% decrease in sales
 - Adjusted for currency, this was a decrease of 25%
 - End-customer demand adversely affected by the situation in Eastern Europe
 - EMC is continuing to perform well
 - Sales in the third quarter are expected to be around 25% lower than in the second quarter of this year
- EBITA margin of 10.7% (13.0)
 - The margin was affected by lower volumes

SEKm	Q2		Acc. 6 months	
	2022	2021	2022	2021
Sales	1,019	1,186	2,159	2,231
Operating profit (EBITA)	109	154	232	279
EBITA margin (%)	10.7	13.0	10.7	12.5
Operating profit (EBIT)	108	153	231	278



Industrial Solutions



676

SALES
SEKm, Q2

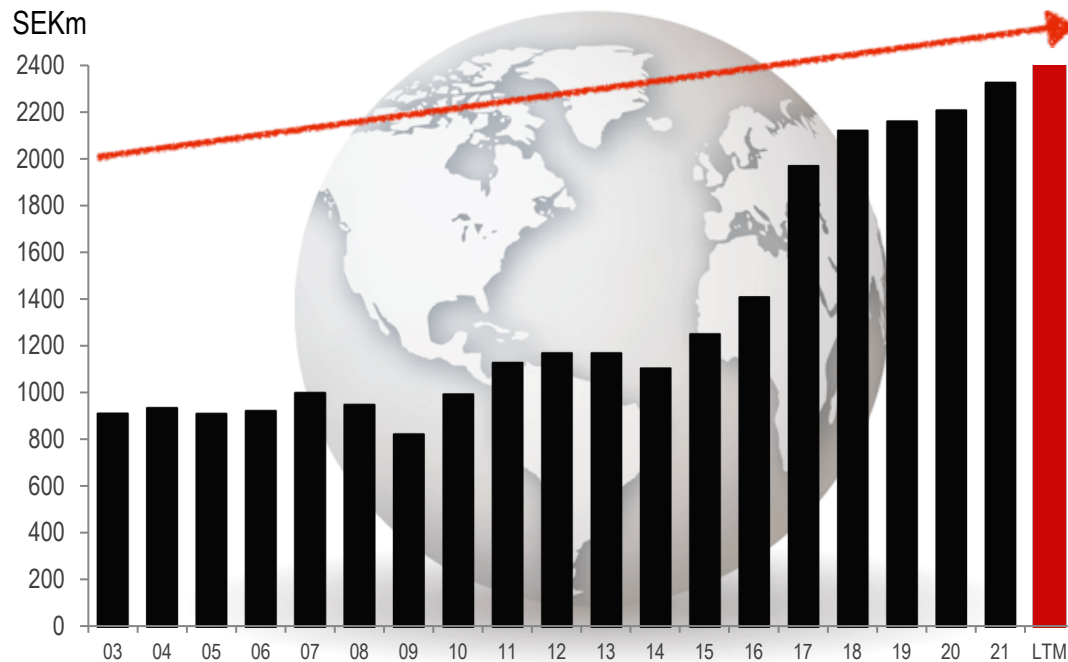
37

EBITA
SEKm, Q2

5.5

EBITA MARGIN
%, Q2

Technological and geographical expansion



Industrial Solutions



General Industry

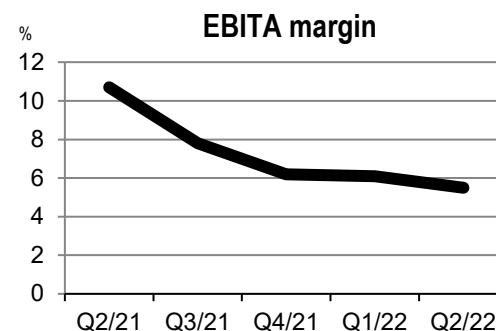
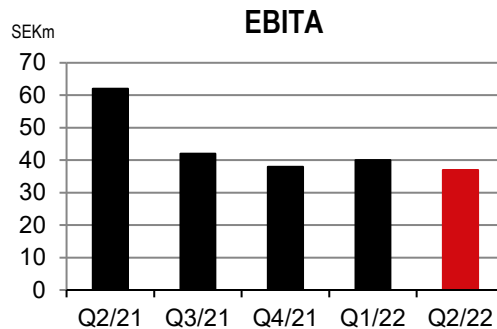
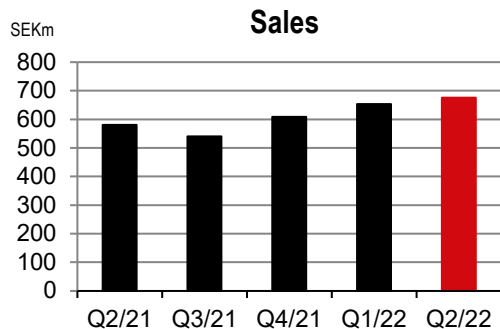
Automotive



Industrial Solutions – Q2

- 17% increase in sales
 - 10% increase, adjusted for currency
 - Volumes level with last year
 - The charging on of higher costs contributed positively to sales
 - Component shortage, mainly in automotive - knock-on effects
- EBITA margin of 5.5% (10.7)
 - Fluctuating call-off orders resulting in low production efficiency
 - Time lag in the charging on of cost increases

SEKm	Q2		Acc. 6 months	
	2022	2021	2022	2021
Sales	676	580	1,329	1,175
Operating profit (EBITA)	37	62	77	128
EBITA margin (%)	5.5	10.7	5.8	10.9
Operating profit (EBIT)	34	60	72	124



Group financial highlights

SEKm	Q2		Acc. 6 months		R-12	Full year 2021
	2022	2021	2022	2021		
Net sales	2,905	2,786	5,784	5,431	11,963	11,610
Operating profit (EBITA)	264	386	531	694	1,206	1,369
Operating profit (EBITA), excl. a non-recurring item last year*	264	336	531	644	1,206	1,319
EBITA margin (%), excl. a non-recurring item last year*	9.1	12.1	9.2	11.9	10.1	11.4
Profit after financial income and expense	241	360	492	646	1,247	1,401
Profit after tax	190	291	391	517	1,034	1,160
Effective tax (%)	–	–	20.5	20.0	17.1	17.2
Cash flow after investments, excl. acquisitions and disposals	18	346	–23	417	6	446
Net investments affecting cash flow, excl. acquisitions and disposals	113	154	243	332	693	782
Earnings per share (SEK)	0.71	1.08	1.45	1.93	3.84	4.32
Adjusted earnings per share (SEK)	0.74	1.11	1.51	1.98	3.96	4.42
Equity/assets ratio (%)	–	–	49	45	49	47
Net financial liabilities (-)/net financial assets(+)	–	–	–640	–194	–640	–51
Return on capital employed (%)	–	–	19.4	21.0	19.4	22.8
Operating profit (EBIT)	252	377	510	676	1,167	1,333
Cash conversion (%)	–	–	–	–	1	35

* Waiver of loan by US government authorities relating to the pandemic, + SEK 50 million in Q2, 2021



Current situation

Medical Solutions



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

Integrated Solutions



- Established position in new product areas
- Flexible production structure
- 5G roll-out and new initiatives in the automotive sector are positive for EMC
- Impact of the geopolitical situation

Industrial Solutions



- Advanced market positions
- Impact of supply chain disruptions
- Emphasis on sustainable solutions

Thank you.



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