

First quarter

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CFO Per-Ola Holmström

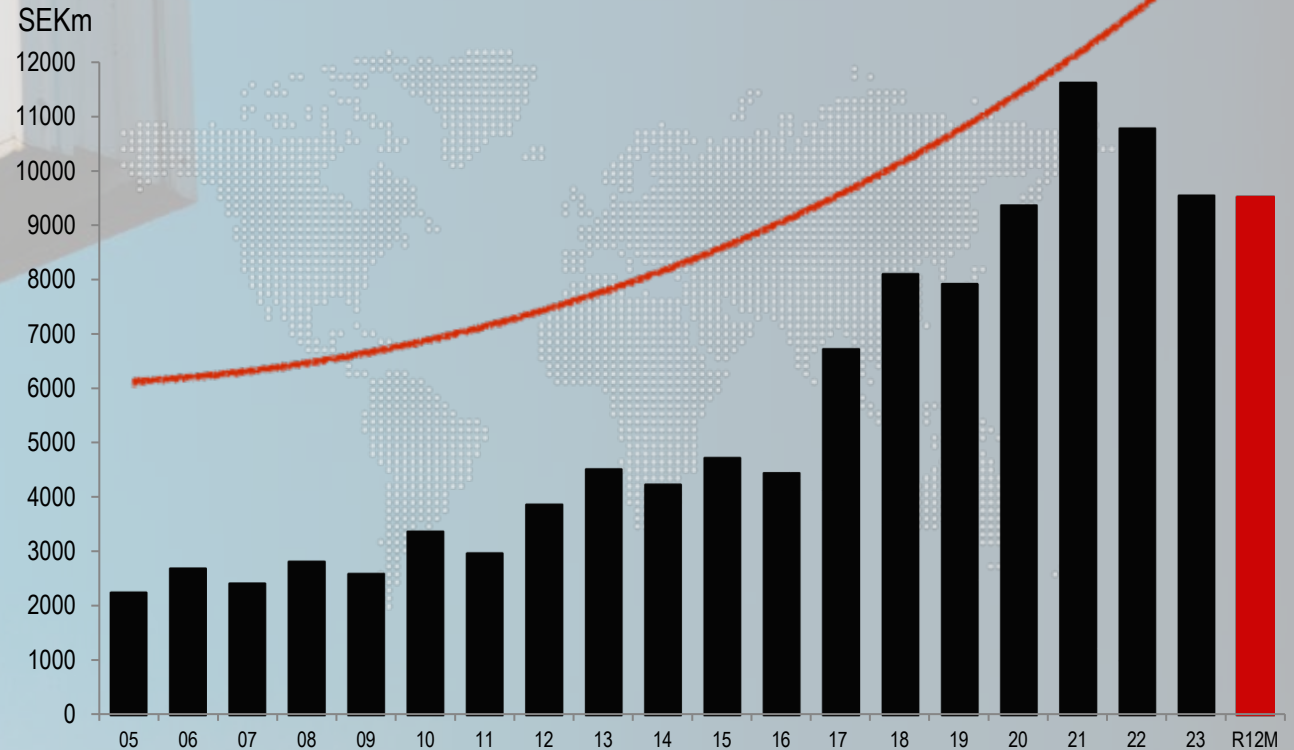
May 6, 2024



Q1 summary – Nolato Group

A global solutions provider established on three continents

- Sales totaled SEK 2,442 million (2,476)
 - A decrease of 2% adjusted for currency and acquisitions
 - Growth for Medical Solutions, while Engineered Solutions saw lower sales
- Operating profit (EBITA) increased to SEK 238 million (193)
- EBITA margin rose to 9.7% (7.8)
 - Mainly via improvements in Engineered Solutions
- Cash flow from operating activities amounted to SEK 136 million (75)
- Strong financial position
 - Net financial liabilities in relation to adjusted EBITDA totaled 0.8 times



One Group – two 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.

2,442

SALES
SEKm
Q1

238

EBITA
SEKm
Q1

9.7

EBITA MARGIN
%
Q1

Medical Solutions

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

1,355

SALES
SEKm
Q1

140

EBITA
SEKm
Q1

10.3

EBITA MARGIN
%
Q1

Engineered Solutions

Design, development, industrialization and manufacture of advanced components, subsystems and ready-packaged products for a range of industries, including offerings within EMC and thermal solutions.

1,087

SALES
SEKm
Q1

103

EBITA
SEKm
Q1

9.5

EBITA MARGIN
%
Q1

Medical Solutions – sustainable growth and global expansion

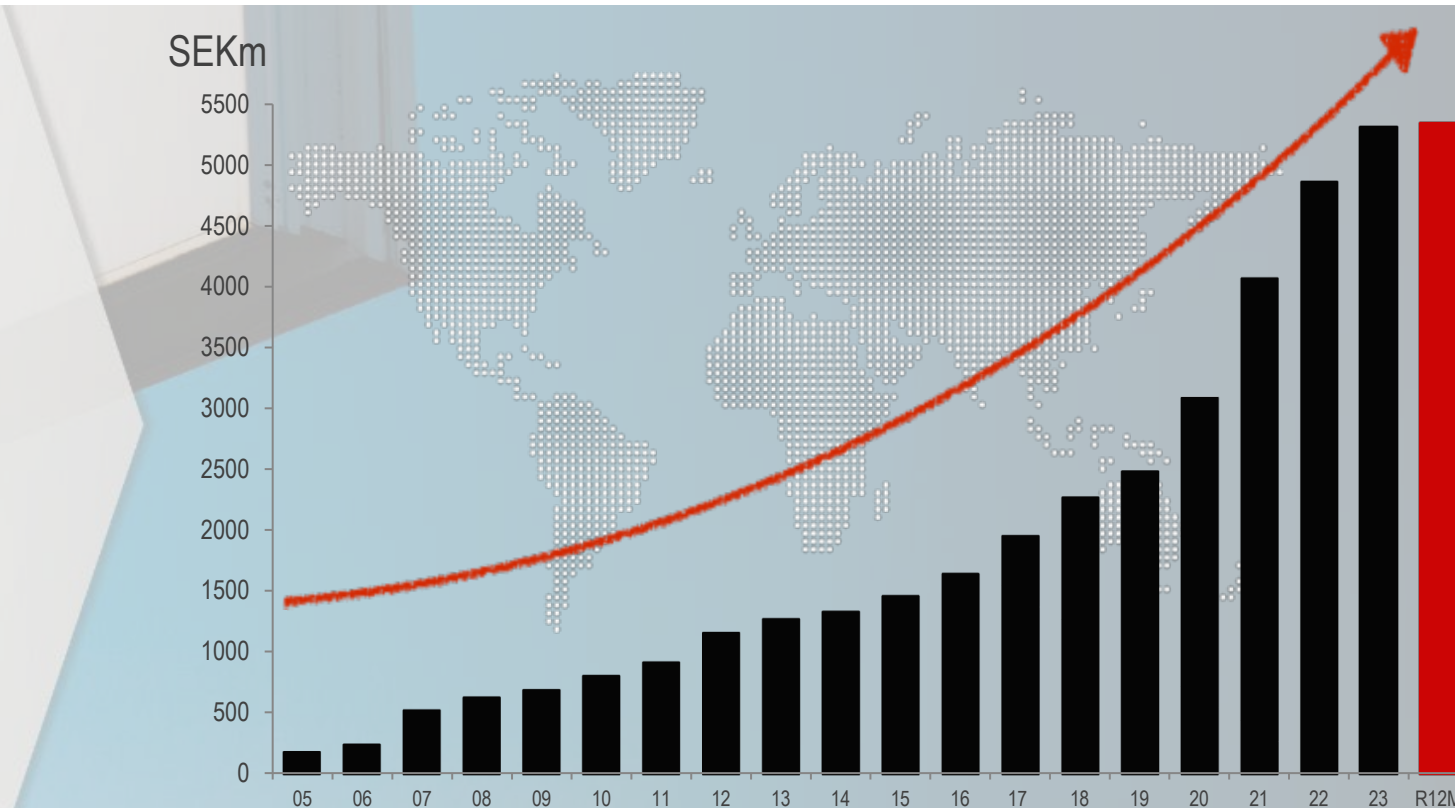


1,355
SALES
SEKm, Q1

140
EBITA-RESULT
SEKm, Q1

55
SHARE OF THE GROUP
%, Q1

10.3
EBITA-MARGIN
%, Q1

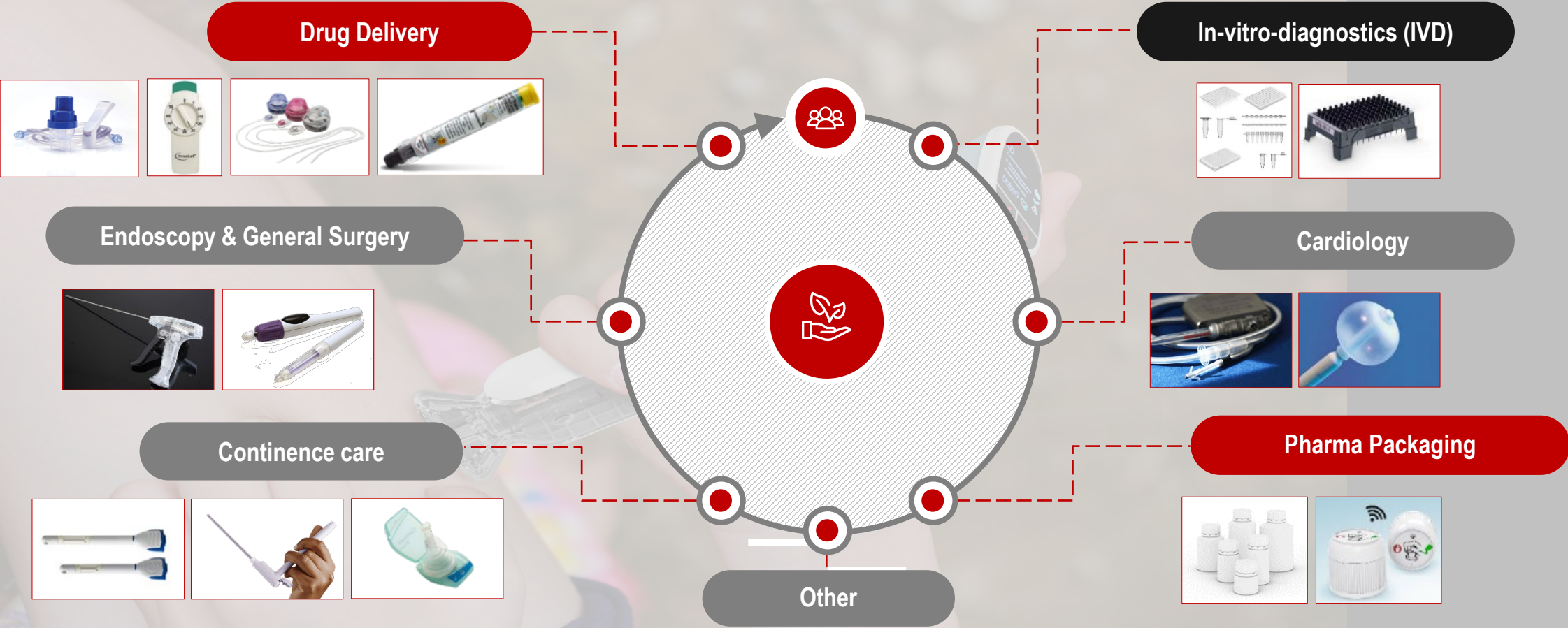


Medical Solutions – focused product areas

Pharma

Diagnostics

Medical Devices

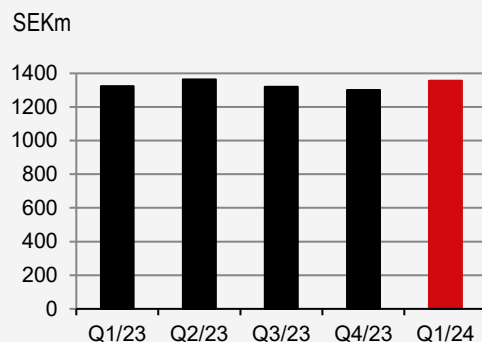


Medical Solutions – Q1

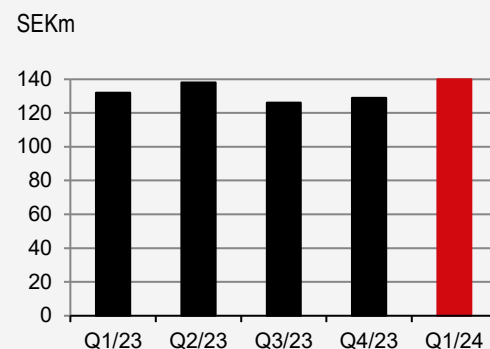
- Stable volume situation across most market areas
 - Adjusted for currency, an increase of 2 percent.
 - IVD grew compared with a weak quarter last year
 - Lower volumes in the Other category (customer product recall)
 - Drug Delivery and Surgery experienced lower volumes (customer inventory adjustments)
- EBITA margin of 10.3% (10.0)
 - Continual focus on improving margin
- Nolato has signed a new long-term cooperation agreement with a significant existing customer
 - Device for administering medication to support weight loss and treat diabetes
 - Expected to generate sales of approx. SEK 700 million within a five-year period

SEKm	Q1		Full year	
	2024	2023	2023	2022
Sales	1,355	1,324	5,308	4,859
Operating profit (EBITA)	140	132	525	457
EBITA margin (%)	10.3	10.0	9.9	9.4
Operating profit (EBIT)	132	124	494	427

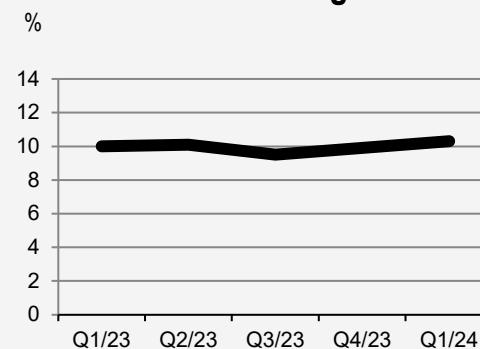
Sales



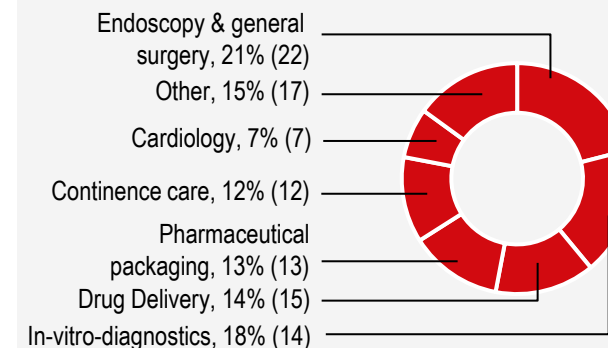
EBITA



EBITA margin



Sales per customer area



Engineered Solutions – advanced technology and high-productivity manufacturing



1,087

SALES
SEKm, Q1

103

EBITA-RESULT
SEKm, Q1

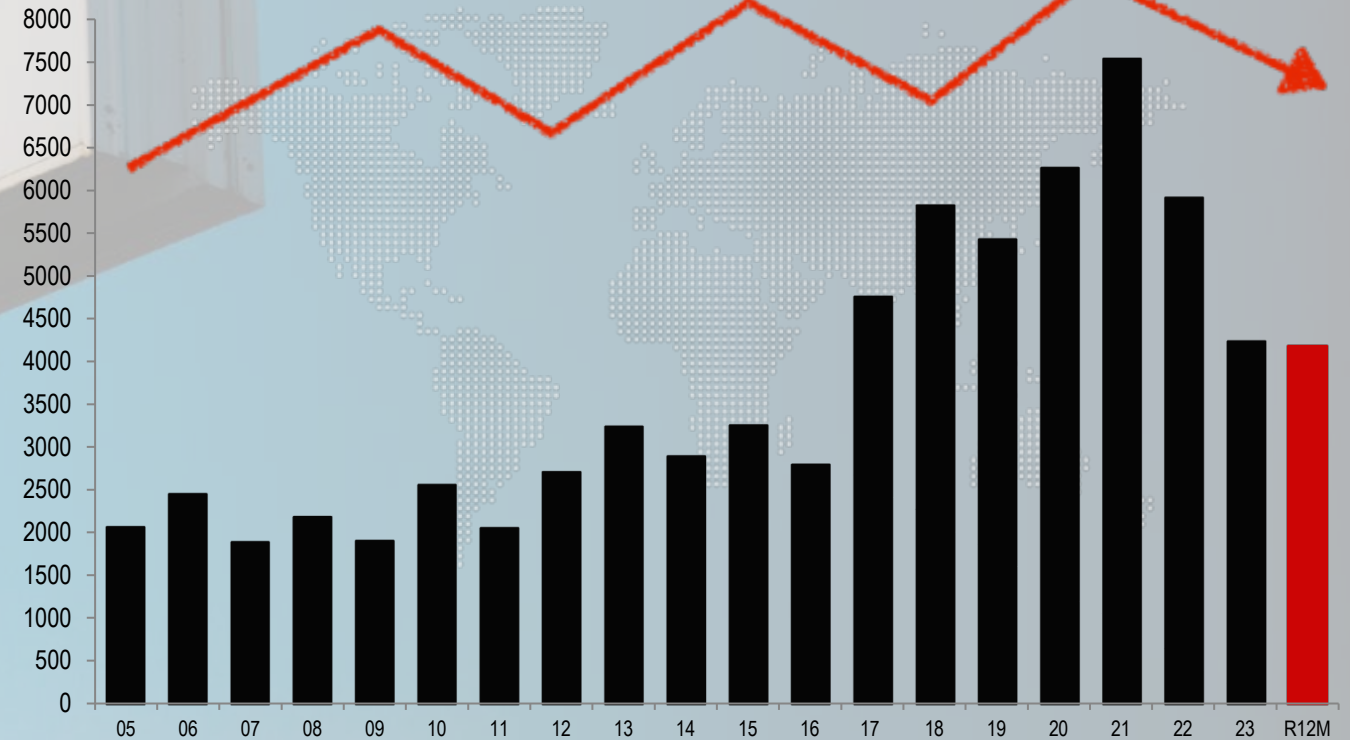
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SHARE OF THE GROUP
%, Q1

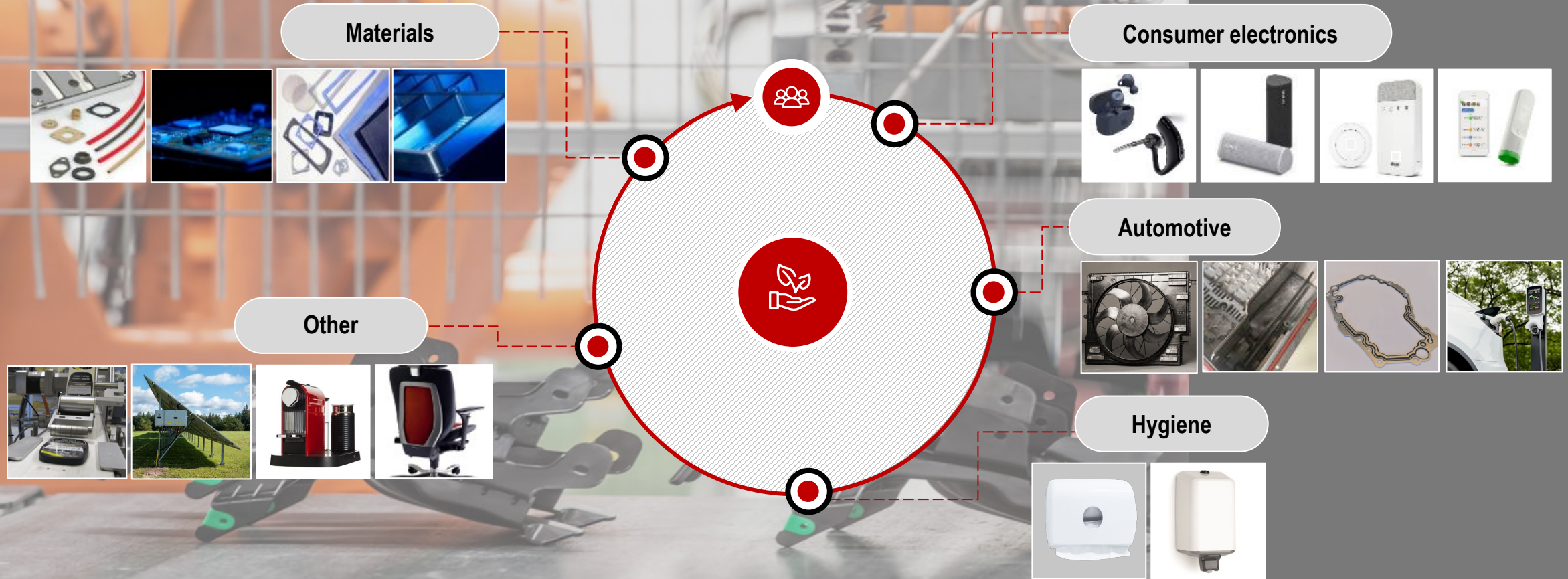
9.5

EBITA-MARGIN
%, Q1

SEKm



Engineered Solutions – focused product areas

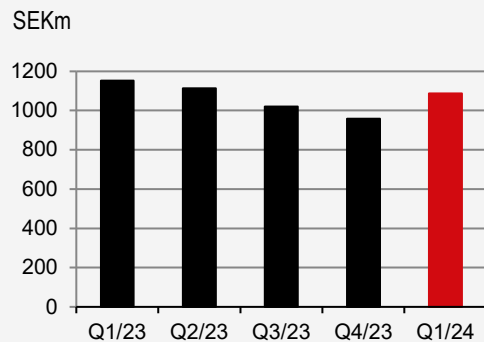


Engineered Solutions – Q1

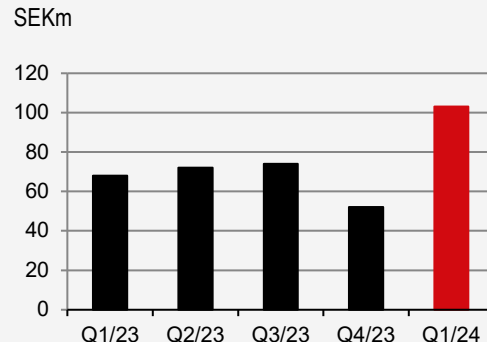
- 6% decrease in sales
 - A decrease of 7% adjusted for currency and acquisitions
 - Consumer Electronics volumes saw a decline in this quarter as well (low volumes from a previously significant customer)
 - Automotive continued to show healthy growth
 - Volumes within Hygiene grew strongly compared with a weak quarter last year
 - The Other category showed good growth (recovery in consumer discretionary sector)
- EBITA margin of 9.5% (5.9)
 - Favorable product mix
 - Cost adjustments in the Chinese business are going to plan

SEKm	Q1		Full year	
	2024	2023	2023	2022
Sales	1,087	1,153	4,245	5,922
Operating profit (EBITA)	103	68	266	462
EBITA margin (%)	9.5	5.9	6.3	7.8
Operating profit (EBIT)	100	66	253	451

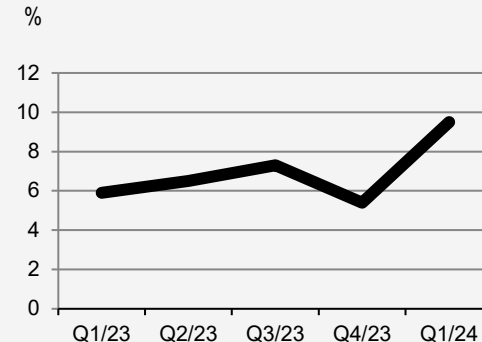
Sales



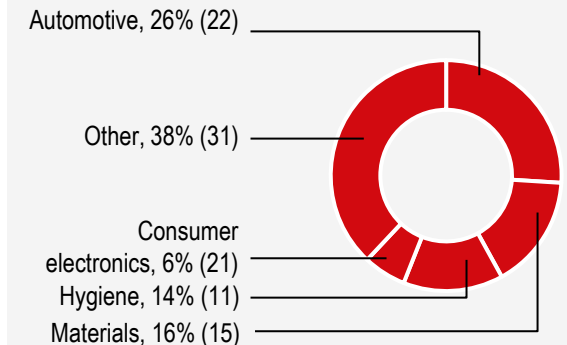
EBITA



EBITA margin



Sales per customer area



SEKm	Q1 2024	Q1 2023	R12M	Full year 2023
Net sales	2,442	2,476	9,512	9,546
Operating profit (EBITA)*	238	193	746	701
Adjusted operating profit (EBITA), excl. non-recurring items in 2023	238	193	806	761
Adjusted EBITA margin (%), excl. non-recurring items in 2023	9.7	7.8	8.5	8.0
Profit after financial income and expenses*	209	173	652	616
Profit after tax* **	162	136	461	435
Effective tax (%), excl. non-recurring items	22.5	21.4	19.8	19.4
Cash flow from operating activities	136	75	842	781
Net investments affecting cash flow, excl. acquisitions and disposals	230	121	534	425
Cash flow after investments, excl. acquisitions and disposals	-92	-46	400	446
Earnings per share (SEK)* **	0.60	0.50	1.71	1.61
Adjusted earnings per share (SEK) excl. non-recurring items	0.60	0.50	2.12	2.02
Equity/assets ratio (%)	57	55	57	56
Net financial liabilities	1,026	763	1,026	895
Return on capital employed (%)	9.5	11.5	9.5	9.0
Operating profit (EBIT)*	227	183	701	657
Debt ratio (times)			0.8	0.7
Cash conversion (%)	-	-	57	65

*Non-recurring costs for concentration of the Chinese business had a SEK -60 million impact on earnings for the full year 2023 and rolling 12 months.

**Non-recurring costs for the impairment of a tax asset in China had a SEK -50 million impact on profit after tax in the full year 2023 and rolling 12 months.



Key performance indicators Group



Change in Group structure from January 1, 2024

- Merger of the business areas Integrated Solutions and Industrial Solutions to form Engineered Solutions.
- Creates a global offering for new larger customers as well as within the current customer base.
- Establishment of a Global Technical Design Center with expanded offerings including electronic expertise, virtual design, and more.



Current situation

Medical Solutions



- Maintained growth strategy
- Focus on margin – cost adjustments, pricing strategy and efficiency
- Innovation and sustainability
- Broad customer base with long-standing and deep customer relationships
- New major customer agreement confirms overall strategy

Engineered Solutions



- Advanced market positions
- Established position in new product areas
- Focus on innovative and sustainable solutions
- Success in automotive area positive for Materials (EMC), but lower volumes in telecom area
- Continued lower demand in consumer electronics



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