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Nolato

Q4 2025



Speakers



Carl Ragnarstam
Analyst | Nordea



Christer Wahlquist
CEO | Nolato



Operator



Oscar Rönnkvist
Analyst | SEB



Per-Ola Holmström
CFO | Nolato

Prepared Remarks



Operator

Hello, and welcome to today's presentation with Nolato, who is going to present the report for the fourth quarter of 2025. With us here to present today is CEO Christer Wahlquist, and CFO Per-Ola Holmström. After the presentation, there will be a Q&A, so if you're calling in and want to ask a question, please press star nine to raise your hand, and then star six to unmute yourself when handed the word. You can also send in questions via the form to the right. And with that said, I hand over the word to you guys.



Christer Wahlquist

CEO | Nolato

Thank you, and welcome to the presentation of Nolato's fourth quarter of 2025. Starting on page two, we had sales, the total just shy of SEK 2.3 billion in the quarter, which gives a growth of approximately 2% adjusted for currency. We saw an increased growth rate for the Medical Solutions business area at 5%. We saw a decrease of approximately 1% for Engineered Solutions, adjusted for currency. We had some headwinds on the sales in the last part of the quarter due to Christmas holidays and during that time. Our operating profit ended up at SEK 236 million, in comparison to 240. This was strongly affected by currency headwinds of 6%.



Christer Wahlquist

CEO | Nolato

The margin rose to 10.4%, so we saw improved margins in both areas, but sequentially lower due to somewhat weaker volumes during the Christmas break, and also some startup costs for the new programs in United States. If we focus on the full year of 2025, we ended up at close to SEK 9.5 billion in sales. That was corresponding to a 2% increase, adjusted for currency. We saw an operating profit increase 11%, even though we had a strong currency headwind. The margin improved and ended up at 11.3%, corresponding to 9.9%. So we saw a full point, 1.4 percentage points increase on margin.



Christer Wahlquist

CEO | Nolato

The earnings per share ended up at 2.88 SEK per share, and we have a very strong financial position, enabling us to execute on our increased acquisition strategy. The dividend proposal is 1.7 SEK, in comparison to 1.5 SEK per share, and that's a current payout ratio of 59% in comparison to 61% last year. If we jump to page 5, starting with Medical Solutions, here we are on the growth and global expansion journey, and this business area now corresponds to 58% of group sales in the fourth quarter. On page 6, we see our focused product areas. We feel that we are very well positioned with leading global customers and positioned in very interesting product areas.



Christer Wahlquist

CEO | Nolato

If we go through them a little quickly, we see the In Vitro Diagnostics with the long-term growth potential, and we have a very strong position in this, therapeutic area. Cardiology, of course, high-end market, a lot of lifetime implants and very high demands on the products, delivered. Drug Delivery, a growth market area, where we have a very strong position, and well-positioned for continuous growth. , it's a changing market. It's Endoscopy and General Surgery interesting with the new sort of more robotic surgery that are coming in. Continence Care, of course, high volume market with, huge volumes. If we then jump into the fourth quarter for medical solutions, we ended up just above SEK 1.3 billion in sales, which corresponds to a 5% adjusted currency growth.



Christer Wahlquist

CEO | Nolato

We see that the drug delivery market continued to exhibit growth within the auto-injector and pen injector systems. We saw a positive development for the in vitro diagnostic during the year, with a slow start last year, and then increasing volumes. If we look on the margin side, we ended up at 11.6% margin for the business area. That is an improvement of 0.4 percentage points compared to 2024. We had, during the quarter, a negative impact due to temporary higher cost for the startups, as mentioned before, and also some volume headwinds during the Christmas breaks. Our expansions are going according to plan, both in Hungary, Poland, and Malaysia.

**Christer Wahlquist**

CEO | Nolato

Jumping into Engineered Solutions, which is a sales level of close to SEK 1 billion and 42% of group sales in the fourth quarter. In this area, we are focusing on the different product areas, of course, the Consumer Electronics, where we see potentials. Hygiene, good potentials, and Automotive, of course, a little bit slow right now, as we explained in previous quarters. As a little bit different market, the Materials, where we see strong growth, but also affected during this quarter by the increased cost of precious materials. Jumping to the next page, and then summarizing Engineered Solutions for the fourth quarter. As mentioned, strong growth for Materials, 10% increase if we adjust for the currency. We saw sustained performance for Consumer Electronics, particularly in Asia.

**Christer Wahlquist**

CEO | Nolato

After a positive performance during the year, volumes decreased for Hygiene in the last quarter due to an inventory adjustments ahead of year-end. The total business area ended up at the margin of 9.9 in comparison to 9.2. We saw, of course, favorable product mix, but if we compare to the previous quarters of 2025, we had negative impact of the lower volumes and sharply increased precious metal prices, as mentioned.

**Per-Ola Holmström**

CFO | Nolato

Good afternoon. Per-Ola Holmström, CFO, and group financial highlights on page 11. Net sales was 2,272 million SEK in the quarter, a 2% growth, given currency headwinds of 7%. Operating profit, EBITDA, amounted to 236 million SEK, slightly below last year, but with currency headwinds of 6%, representing an accelerating negative effect of about 14 million SEK in the fourth quarter. The EBITDA margin for the full year 2025 improved by 1.4 percentage points, driven by pricing, cost adjustments, and efforts in the entire supply chain. The quarter improved 0.3 percentage points to 10.4%. The declined margin compared to previous quarters, 2025, was negatively affected by, one, temporarily higher cost for startup of the new products in the US.

**Per-Ola Holmström**

CFO | Nolato

The Medical margin was negatively affected by that, by 0.5 percentage points. Two, slightly lower volumes within mainly Engineered due to holidays at year-end. Three, sharply increased prices for precious metals within materials in business area Engineered. Summarizing these two effects for Engineered, the total negative effect is 1.0 percentage points for the business area. Four, group cost was on the high side in Q4, and in comparison to Q3, that had one-offs of +7 million SEK in addition. Effects from M&A activities in Q4, giving a delta of 10 million SEK compared to Q3. Summarizing these four items, the temporary negative effect is in the range of 25-30 million SEK compared to Q3. Parts of these will influence the first quarter 2026, as well.

**Per-Ola Holmström**

CFO | Nolato

Cash flow from operating activities was SEK 310 million, a good level in the quarter, but last year was very positive from improved working capital. Net investments, we did see a shift in trends. CapEx declined compared to the comparative quarter last year to SEK 146 million. The full year 2026 is expected to be between SEK 650 million-SEK 700 million, where one hundred approximately still is left for the Hungarian project. Return on capital employed for the full year improved to 14.2%.

**Christer Wahlquist**

CEO | Nolato

Turning to page thirteen, no, sorry, jumping, turning to page twelve, sorry. Sustainable development. We have had a very positive development of our all kinds of measurements on the sustainable side. If we focus first on our Scope 1 and 2 emission, we have reduced this by 96% in absolute terms from our base year 2025 versus our target of 70% for 2020. So it's an impressive journey on that side. If we talk about Scope 3, upstream emissions, we have reduced that by 30% in absolute terms from the same base year versus our target of 25. So we are well ahead of our near-term targets on path towards 2030.

**Christer Wahlquist**

CEO | Nolato

We're also delivering fast result on our science-based target initiatives, and our net zero targets for 2045 is approved by Science Based Targets initiative in January of this year. Turning to page 13, focusing on our current situation. Overall, we see very favorable financial position that enables intensified M&A agenda. And focusing on Medical Solutions, we have a continuous growth strategy. We see very high market activity. We have a very strong, broad customer base, with long-standing close customer relationships, enabling us to continue our growth journey. Our establishments of operation in Malaysia and an expansion in Poland and as well as in Hungary, are creating excellent opportunities for us. Within the Engineered Solutions business area, we are advancing our market positions.

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Christer Wahlquist

CEO | Nolato

We have established position in new product areas, and successful in new products and technology areas, mainly data center, is very positive for materials. Also the expansion of our operations in Malaysia, creating opportunities. We are now handing over for questions.

Q&A

**Operator**

Thank you so much for the presentation, Gentleman. As you mentioned, we'll now carry on with some questions. So if you're calling in and want to ask a question, press star nine to raise your hand and then star six to unmute yourself when handed the word. The first caller here is Carl Ragnerstam from Nordea. You have the word.

**Carl Ragnerstam**

Analyst | Nordea

Hi. Hi, it's Carl here from Nordea. Sorry for a slow unmute. A couple of questions here. It is, of course, a lot of dynamics in this report, so I hope to unpack some of them. You mentioned 100 basis points in Engineered owing to shutdowns, as well as the precious material thing. So firstly, I wonder, what materials are we talking about? And secondly, yeah, how do you view that topic specifically for Q1 and Q2?

**Per-Ola Holmström**

CFO | Nolato

Yeah, we could say that the pricing we are talking about, that is affecting materials. As you know, we are compounding a material which is including metal particles. Some of these materials within that part is based on silver particles. As you have seen, pricing of that has skyrocketed during the fourth quarter, and it has continued in the beginning of January as well. That is a part where we have a quite short actions to change the pricing to our customers, and we are, of course, in the process of doing that. It's more standard materials which we are handling, and that will give effect.

**Per-Ola Holmström**

CFO | Nolato

But of course, there is a timing effect, and as you have seen, pricing have continued up in the beginning of January as well, however, now declining. So we are in the middle of a very dynamic pricing because of the silver materials, mainly. So that is affecting that part.

**Carl Ragnerstam**

Analyst | Nordea

And what portion of the 100 basis points was the metal or material thing compared to the customer order shutdowns?

**Per-Ola Holmström**

CFO | Nolato

That is, the larger part of the 1%.

**Carl Ragnerstam**

Analyst | Nordea

What did you say about Q1? Is it same effect or less effect or ballpark?

**Per-Ola Holmström**

CFO | Nolato

Yeah, we do see that that will continue in Q1 as well, but, it's slowing down a bit, during the end of the quarter. That is our assumption, based on pricing activities that we have done. Then, of course, we don't know, the ongoing, pricing dynamics, for the silver pricing going forward. But as far as we can see right now, there will be, an effect which is slowing down during the rest of the quarter.

**Carl Ragnerstam**

Analyst | Nordea

Now, that's very clear. Jumping into Medical, you mentioned the production ramp-up in the US, the 50 basis points impact. How long is that ramp, and is it a multi-product facility, or what are you ramping?

**Christer Wahlquist**

CEO | Nolato

It's a multi things. There are different programs ramping at the same time, and we are expecting that to continue a little bit into the first quarter, and then, of course, be more steady state.



Carl Ragnarstam

Analyst | Nordea

Good. And the final question, if I may, is on the Medical organic growth. Did the new auto-injector contract that you're manufacturing in Hungary contribute with a similar magnitude as in Q3? And if so, what is the main delta behind the acceleration of the organic growth in Medical?



Christer Wahlquist

CEO | Nolato

... It's continuing, the new program in Hungary is continuing on the same level as in the third quarter, and it also expected to continue on the same level in the first quarter of 2026. So that's... Then, it's a general thing. We have a growth in different areas, all kinds, all over the place, more or less.



Carl Ragnarstam

Analyst | Nordea

Okay. Oh, oh, sorry, final one. In terms of the M&A cost you touched upon, it seems a little bit, it is a little bit on the high side, given your history of doing due diligence. Is it fair to assume that it's a bigger transaction, or is it several small ones you're looking into?



Christer Wahlquist

CEO | Nolato

Well, yeah, I mean, the delta of SEK 10 million is coming from seven from the one-time positive effect in Q3, and then the rest is mainly coming from these activities. So, well-



Carl Ragnarstam

Analyst | Nordea

Okay.



Christer Wahlquist

CEO | Nolato

Yeah.



Carl Ragnarstam

Analyst | Nordea

Fair enough.



Christer Wahlquist

CEO | Nolato

Large or not large-



Carl Ragnarstam

Analyst | Nordea

Okay



Christer Wahlquist

CEO | Nolato

... but, yeah. Nothing-



Carl Ragnarstam

Analyst | Nordea

I understand that.



Christer Wahlquist

CEO | Nolato

Extra large.



Carl Ragnarstam

Analyst | Nordea

Very good. Thank you. All for me.



Christer Wahlquist
CEO | Nolato

Thank you.



Operator

Thank you so much for the questions. The next caller here is Oscar Rönnkvist from SEB. You have the word.



Oscar Rönnkvist
Analyst | SEB

Hello. Hello, sorry, wasn't able to mute myself. So, yeah, I just had one question on the volumes. So, assuming that there were, you know, earlier shutdowns in Q4, do you expect to see a catch-up effect in Q1, or is it more of a normalized quarter?



Christer Wahlquist
CEO | Nolato

I think we would see the first quarter as a more normalized quarter.



Oscar Rönnkvist
Analyst | SEB

All right. I see. And then just on the start-up costs there in the US, any particular reason why you sort of highlight that as a temporary cost? I suppose that, I mean, you're looking to expand most of the time.



Christer Wahlquist
CEO | Nolato

Yeah, it was just an explanation to... that we have several things running, and it was more than normal.



Oscar Rönnkvist
Analyst | SEB

All right. I see. And then, just, I think a follow-up on Carl's question before, but just a clarification on the pricing adjustments in materials, in specific. So how would you handle the dynamics of price increases when we have so volatile precious metal prices?



Christer Wahlquist
CEO | Nolato

Yes, it's a continuous... Of course, if you have an upward trend, it's something that then you have to adjust and do it the right timing. And, it's always a dynamic process, and you can't really go back to a customer every day. So then you might lose some temporarily on the upgoing if it's a continuous upward trend.



Oscar Rönnkvist
Analyst | SEB

All right. But have you done any price increases thus far, based on, you know, the higher material prices that we saw in, especially in Q4?



Christer Wahlquist
CEO | Nolato

Yes. We have.



Oscar Rönnkvist
Analyst | SEB

All right. Perfect. That was all. Thanks.



Christer Wahlquist
CEO | Nolato

Thank you.



Operator

Thank you. And just a final shout-out here, if somebody want to ask a question, please press star nine to raise your hand. We'll give you a couple seconds here to see if anyone else want to ask a question. It seems that that was all the questions we had. So thank you so much, Nolato, for presenting here today, and thank you all for tuning in. I wish you a pleasant day.

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Christer Wahlquist
CEO | Nolato

Thank you.