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Nolato

Q1 2026



Speakers



Adrian Gilani
Analyst | ABG



Anders Åkerblom
Analyst | Nordea



Christer Wahlquist
CEO | Nolato



Mikael Laséen
Analyst | Carnegie



Operator



Oskar Rönnkvist
Analyst | SEB



Per-Ola Holmström
CFO | Nolato

Prepared Remarks



Operator

Hello, welcome to today's presentation with Nolato, where CEO Christer Wahlquist and CFO Per-Ola Holmström will present the report for the first quarter of 2026. After the presentation, there will be a Q&A, if you're calling in and want to ask a question, please press star nine to raise your hand then star six to unmute yourself when handed the word. You can also send in questions via the form to the right. 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 first quarter of 2026. Christer Wahlquist speaking here and starting on page two. During the first quarter of 2026, we saw growth in both our business areas, despite a very volatile geopolitical situation. The total organic growth, if we adjust for currency, ended up at 3%, and it was a little bit stronger on the medical side with 5% and 1% on the engineered side. That summarizes to an EBITA of SEK 260 million. Of course, the EBITA was strongly affected by currency headwinds, as we calculate to 7%. We kept our margins on 11% and sustaining them in a good way.



Christer Wahlquist

CEO | Nolato

Of course, our strong financial position, with very good possibilities to execute our acquisition agenda remains. Turning to page three, summarizing the Nolato group. The group consists of two business areas, the Medical Solutions at 57% of the total and the Engineered Solutions at 43%. Of course, it's two different markets, but behind the scenes we are doing similar things, of course, with some different growth drivers and different key needed things. The two business areas create synergies by combining them to the customer interface. We jump to page four, summarizing the first of the Medical Solutions. Here we can see a 20-year graph of our development, and we are, of course, continuous sustainable growth with global expansion as a target.



Christer Wahlquist

CEO | Nolato

If you look in behind the scenes on page five, we summarize the different focus product areas. Of course, then we can start with the in vitro diagnostics, which this quarter had a good growth and ended up at 18% of the total business area. This therapeutic areas is a long-term growth market that we think it's has good potential for the continuous years going ahead. The second one is cardiology, ended up also growth, 7% of the total in this area. This is, of course, the area with the toughest quality demands. We have pharma packaging, decreasing as a total of the as a share of the total, 11%. This is an area that we entered into because we wanted to build ourselves strongly into the drug deliveries area.



Christer Wahlquist

CEO | Nolato

Of course, we see the drug delivery increasing from 16%-70% of the total. This is a long-term potential with the delivery devices for the large molecules within pharma. We saw endoscopy and general surgery decreasing as a total of the total group, ending up at 20%. We saw some stock changes in that market. Continence care, it's a high volume market building for future. Jumping to page six, focusing on the performance first quarter of medical. As mentioned, we increased the sales with 5% adjusted for currency. As I mentioned before, we saw growth in in vitro diagnostics, higher proportion of new products. We saw a continuous upbeat performance of the drug delivery.



Christer Wahlquist

CEO | Nolato

We saw, as mentioned before, surgery contracted due to inventory adjustments, and other markets had stable volumes. The margin ended up at 11.8 percentage points. We saw some negative impact from the in the quarter from growth in newer products that have not yet reached the planned volumes. Of course, resources for starting up new projects have some negative impact on the margin. The expansion in Hungary linked to the large customer program within the drug delivery, is proceeding according to plan, and the validation deliveries was during the quarter according to plan. Late in the second quarter, we expect to have our first commercial volumes in that program. Jumping to page seven on the Engineered Solutions side.



Christer Wahlquist
CEO | Nolato

Of course, here we are advancing our high productivity manufacturing on a global scale, adjusting the customer base and growing in new areas. If we look on page eight, we are the focus different areas here. We saw consumer electronics grow as total of so share of the total ending up at 11%. Here, we are doing advanced products for smart homes, so strong growth in that area. The automotive was stable at 23% of the total. On the hygienic side, we saw some stock movements decreasing the total of the share of the total to 13% from 15% before. Others were also had some headwinds on the white goods side, and also some on the forest equipment. Materials had very strong growth within the quarter.



Christer Wahlquist
CEO | Nolato

This is, as mentioned, a little bit premium margins, as a share of the total, it was growing from 18%-21%. Summarizing the business areas first quarter, we saw 1% adjusted growth, very strong growth for the materials, at full 15% adjusted for currency. We saw, as mentioned before, strong growth in the consumer electronics market, where the smartphone products are growing. Lower volumes within the hygiene, affected by inventories, as mentioned, and stable volumes for automotive. The margin ended up at 10.6%, and of course, it was affected by the favorable mix with a higher proportion of materials.



Per-Ola Holmström
CFO | Nolato

Good afternoon. Per-Ola Holmström, CFO, and group financial highlights on page 10. Net sales was in the quarter a 3% growth, ending up at SEK 2,357,000,000. Currency headwinds of 7%. Operating profit amounted to SEK 260 million compared to SEK 271 million last year, again affected by currency. We had an unchanged EBITDA margin of 11%. Tax rate was within expected range of 22%. Cash flow from operating activities rose to SEK 225 million compared to SEK 135 million. The change of working capital was lower than last year. Investments affecting cash flow decreased to SEK 193 million compared to SEK 271 million, mainly because last year included an operating property in Poland of SEK 69 million.



Per-Ola Holmström
CFO | Nolato

Return on capital employed for the last 12 months was 14%. Net financial liabilities in relation to EBITDA on a low level, 0.5x, securing flexibility for expansion.



Per-Ola Holmström
CFO | Nolato

Turning to page 11 on some development on the sustainable side. We have had a very long-lasting focus on sustainability, which we feel support our business offer to the market, so it's creating opportunities for us. We have, during 2025, operated all plants with 100% renewable electricity. We have eliminated Scope one and two emissions, meaning that Scope three now accounts for 99% of our total carbon dioxide footprint. We have also, during, launched very ambitious sustainable targets for 2030 that are guide developments in climate circularity. It's a very long-term focus, and we are ahead of our competitors and feel that this is gaining market positions and possibilities for us. If we turn to page 12, focus on the current situation for our business area first.



Per-Ola Holmström
CFO | Nolato

Of course, we see on the Medical Solutions side, continuous growth strategy, very high market activity, a lot of focus on innovation, sustainability. We have, in our base, a very broad customer base with very close, long-standing customer relationship. We are expanding, so establishment of operations in Malaysia and this expansion in Poland is ongoing. On the Engineered Solutions side, we are advancing our market positioning, not least in the consumer electronics, and we are on a good way establishing positions in new product areas. We see success in new products, new technologies, mainly in data centers that is very positive for the material side. We are expanding our operations in Malaysia. On the overall, we have a very good possibility and focus on acquiring and adding new technologies to our portfolio, creating synergies to our customers. Thank you.



Per-Ola Holmström
CFO | Nolato

We are now opening up for questions.

Q&A

**Operator**

Thank you so much for the presentation here. As you mentioned, we will now open up for questions. If you're calling in and want to ask a question, please raise star nine to raise your hand and then star six to unmute yourself when given the word. The first caller here is Adrian Gilani from ABG. You have the word.

**Adrian Gilani**

Analyst | ABG

Yes, hello. I would like to start off on a question since you mentioned data centers in the report, which is probably the hottest theme around right now. I feel I have to ask if you can quantify the exposure you have towards data centers and perhaps how much that part contributed to with growth in Q1.

**Per-Ola Holmström**

CFO | Nolato

Yeah, I would say that it's still very limited numbers in a group perspective. Of course, it's supporting the growth rate very much, and it's coming from almost, yeah, very limited sales in that area. It's standing for substantial part of the growth.

**Adrian Gilani**

Analyst | ABG

Okay. I understand. Then on the, on the sort of, I guess, risk of rising input costs, I appreciate you move these onto customers with some lag. Just to get a picture of this, since you have a lot of petrochemicals on the input cost side, and it's always difficult to track exact prices since there are so many different grades. Can you help us with a rough indication on how much with current price levels you would expect material costs to rise going forward?

**Per-Ola Holmström**

CFO | Nolato

Yeah. We have, exactly as you say, exposure to that. We do see a lot of changes going on right now. It's a daily change. We do anticipate that in the near time, we would see an increase of the pricing to us between 5% and 10%. That is the range we do anticipate.

**Adrian Gilani**

Analyst | ABG

Okay. That's very helpful. Then if I remember my numbers from the last time in 2022 when we had an oil price spike, at the time, I think you said roughly 60% of your total material costs were linked to oil in some way, and you had roughly three to six months lag on moving this forward. Are those rules of thumb still valid or have things changed since then?

**Per-Ola Holmström**

CFO | Nolato

I would say that that is an overestimate of the the fuel impact in our BOM. I would say it's more if we look on the things that is going on right now and what's increasing substantially, it is more SEK 1.6 billion-SEK 1.7 billion of our cost base that is subject to this 5%-10% price increase in the near time scenario.

**Adrian Gilani**

Analyst | ABG

Okay. Thank you. That's very helpful.

**Per-Ola Holmström**

CFO | Nolato

Yeah. One thing, in addition to that, Adrian, is that, as you say, this is something that we pass on to our customers, and we have been exposed to this from time to time. We can see that we have a good track record of being able to pass on this to our customers and coming out in the same shape when it comes to margins. As you say, there is a time lag, and that might be around three months, four months that we are affected by not having transferred all of that.

**Adrian Gilani**

Analyst | ABG

Yeah. I understand. A final one from my end on medical, and you mentioned these new products that aren't quite reaching the planned volumes that you had expected. Can you go into a bit what the reasons are behind this and if there's any structural issues we should be afraid of, or if this is just temporary?

**Christer Wahlquist**

CEO | Nolato

It should be a little bit nuance on that. The ramping is, of course, a little bit delayed, but during a normal ramp, you see those lower volumes during a period. It's not off track. It's more, the ramp is ongoing and not on the profitable volumes yet. There is no structure, no change in that.

**Adrian Gilani**

Analyst | ABG

Okay. Anything on why it's slower than expected, or is that just, you know, always an uncertainty? Is it within normal estimate risk, so to say?

**Christer Wahlquist**

CEO | Nolato

I think it's close to according to plan.

**Adrian Gilani**

Analyst | ABG

Yeah. Okay

**Christer Wahlquist**

CEO | Nolato

So it's more linked to, the sort of, introduction to the final markets.

**Adrian Gilani**

Analyst | ABG

Okay. Understand. In that case, that's all for me. Thank you.

**Christer Wahlquist**

CEO | Nolato

Thank you.

**Operator**

Thank you so much for the questions. The next caller here is the cell phone number that end with one zero zero eight. You have the word.

**Oskar Rönkvist**

Analyst | SEB

Thank you. This is Oskar Rönkvist from SEB. My first question, just want to continue on Adrian's question on the potential, you know, margin pressure in the near term. First of all, I think you said three to four months. I mean, Q2 obviously will naturally have, you know, like a lag effect where you don't have a lot of price increases. Is that how to interpret it? You should see, you know, Q3 more of sort of a normalized effect on the EBITA level.

**Per-Ola Holmström**

CFO | Nolato

Yeah, I think, the timing would be more that, the effects during April is very limited actually, and that we will see a spillover into Q3 instead. That is more the timing we would see.

**Oskar Rönkvist**

Analyst | SEB

All right. Also just to clarify the 5%-10% price increases, how should we interpret that? Is that across the board or is that a number sort of or a share of your total sales that you're going to push the 5%-10% price increases to customers?



Per-Ola Holmström
CFO | Nolato

The 5%-10% price increases, that is what we are facing from our suppliers of the actual raw materials we are buying it by the fuel pricing. That is an average. It's of course different percentages, high ones, lower ones. That is our estimated average we do see going forward the next coming months.



Oskar Rönnkvist
Analyst | SEB

When you refer to SEK 1.6 billion-SEK 1.7 billion, that would be the plastic raw mats, I suppose, and you're going to increase or that you have an increase of like 5%-10%, and those will be passed through to your customers. Is that how to interpret?



Per-Ola Holmström
CFO | Nolato

Right. Exactly.



Oskar Rönnkvist
Analyst | SEB

All right. Perfect. Thank you. I just had a question on the GLP-1 ramp up from late Q2. I think you previously mentioned that you were sort of break even when you started with the validation sales. Just wondered if you could add some comments to the incremental margin profile of the commercial volume. Will you have, you know, a very high drop through or does, you know, cost increase a lot when these commercial volumes are shipped?



Per-Ola Holmström
CFO | Nolato

Yeah, like we have explained earlier, we don't see any large negative effects going forward. Of course, we won't have the margins expected at more full scale operation. We don't see that the margins would turn down dramatically based on that startup. That project is of course, one that we're explaining the margin in this Q1 as well, because we already have most of the cost base we are going to use to produce that in larger volumes as well. There is a certain negative effect in the start, but we don't see that to be any substantial negative effects going forward.



Oskar Rönnkvist
Analyst | SEB

Got it. That's helpful. Thanks. Just, finally, sort of broad question, I suppose, but, given that you have, you know, very broad exposure in terms of offering and, also geographically, just want to hear your thoughts on the geopolitical uncertainty. Has this caused, you know, a big shift in demand from your customers, which, you know, could potentially affect volumes near term? Or do you feel like you're resilient in even in the Engineered segment?



Per-Ola Holmström
CFO | Nolato

It's interesting. We've seen some volatility over time from different segments and markets. Some are in some periods a little bit cautious. Short time later, they are sort of afraid of some lack of supply, they increase. As an overall, I think it's been volatile but stable underlying. Looking forward, it could also affect maybe single quarters with some stronger or some weaker sales. There will be some volatility connected to this geopolitical situation.



Oskar Rönnkvist
Analyst | SEB

All right. Perfect. That was all for me. Thank you very much.



Per-Ola Holmström
CFO | Nolato

Thank you.



Operator

Thank you for the questions. We go ahead to the next caller, which is cell phone number that ends with eight eight six. Please go ahead.



Anders Åkerblom
Analyst | Nordea

Okay. Can you hear me? Sorry about that.

**Per-Ola Holmström**

CFO | Nolato

Yes.

**Anders Åkerblom**

Analyst | Nordea

Perfect. Hi. It's Anders at Nordea. I wanted to ask Christer, Per-Ola some questions. Firstly, on sort of the materials exposure that we discussed. I mean, with quite solid growth in the quarter, it would be interesting to hear you elaborate a bit more on sort of the durability of this growth. I mean, is it mainly a result looking specifically maybe at data centers that, you know, mainly a result of specific customer programs or should we view it as more broad-based exposure in, you know, sort of this end market?

**Per-Ola Holmström**

CFO | Nolato

Yes. I think it's a good question, and I think it's a situation where we are going into and have been going into new markets for some time, and it's not connected to a single customer. It's a broad growth across different sectors. Of course, we talked a little bit about data centers, but it's also.

**Per-Ola Holmström**

CFO | Nolato

Some defense, it's across different customers and different markets. We feel that, of course, it was a very strong growth on a high level this quarter, but we see good potential for continuous growth within this area.

**Anders Åkerblom**

Analyst | Nordea

Okay. Very good. Thank you. Sort of just taking data centers as an example, are you able to share anything sort of in terms of how many customers you're selling into in that sort of vertical?

**Per-Ola Holmström**

CFO | Nolato

We have numerous customer, numerous different smaller projects that adds up to this.

**Anders Åkerblom**

Analyst | Nordea

Okay. Thank you. In sort of surgery, you mentioned some inventory adjustments, particularly early in the quarter, as I understood it. Verify a bit sort of if we should view this, if you think we should view this mainly as sort of channel inventory normalization or, I mean, is there any sort of end demand softness here?

**Per-Ola Holmström**

CFO | Nolato

Well, we think it's volatility in the supply chain still going on.

**Anders Åkerblom**

Analyst | Nordea

Why do you how do you arrive at that sort of view? Just so we understand that.

**Per-Ola Holmström**

CFO | Nolato

Yeah, of course, we monitor the sort of end market movements and what kind of end products our deliveries are going into, and then we monitor them, and then we compare that with our deliveries, and then we see volatility. In some period, we are delivering more volumes than the end market is the sell out to the end market. In some periods, we are selling less than the end market movements. Then, of course, that is movement in the, in the supply chain.

**Anders Åkerblom**

Analyst | Nordea

All right. You're doing your homework, in other words. I mean, to sort of question that more, sort of the rationale.

**Per-Ola Holmström**

CFO | Nolato

Yeah.



Anders Åkerblom
Analyst | Nordea

We understood that comment. Thank you. Finally, I wanted to ask a bit on sort of you talking about the IVD growth and sort of newer products taking larger share. We discussed sort of the Novo ramp up in Europe, but with some volumes not yet at commercial levels. I mean, could you break down a bit more what you're seeing, not just in terms of the previous discussion, but by end market sort of IVD, drug delivery, surgery, and what needs to happen for the new product ramps to move from sort of margin dilution to supporting the margins over the next couple of quarters? Is it mainly a factor of volumes, or is there anything else sort of in that ramp up that's important to consider?



Per-Ola Holmström
CFO | Nolato

Of course, during the early volumes in the new program, we have some additional costs because we are then of course, making sure that the quality is working in all levels. We have some extra costs to make sure that we are not delivering anything out of specification. Gradually, when volumes and time elapses, then we can reduce our cost base of producing. Of course, we get some efficiency of volumes. That's a normal thing. Now we have quite large programs that are expected to ramp. Of course, it's hitting in this quarter.



Anders Åkerblom
Analyst | Nordea

Okay. Very good. I appreciate the answers. Have a good afternoon. Thank you.



Per-Ola Holmström
CFO | Nolato

Thank you.



Operator

Thank you for the questions. We will now go ahead with the next caller, who is Mikael Laséen from Carnegie.



Mikael Laséen
Analyst | Carnegie

Yeah. Can you hear me?



Christer Wahlquist
CEO | Nolato

Yes.



Mikael Laséen
Analyst | Carnegie

Okay, great. Thanks for taking my question. Yeah, I also have a follow-up on this surgery market area, the inventory adjustments. You've had that quite some time. Would be great if you can talk to us a bit more about this volatility, and maybe comment on the product pipeline quality and the underlying market growth, what you're seeing there, and also your market position in this area to get an understanding of the, of the underlying factory.



Christer Wahlquist
CEO | Nolato

Starting in, we entered into this market some years ago with the view that there is changes coming in the market, more robotic surgery coming, and so on and so forth. That change has been a little bit slower on than we expected at that time. Of course, we think that change is something that is positive. That's why we entered. The volatility, it's very long supply chains in the surgical market. Then you can have swings with different inventories in different levels in the supply chain. It's been more volatile than we expected. We foresee that for some time coming as well.



Mikael Laséen
Analyst | Carnegie

Okay. All right. We have to accept that, I guess, going forward as well. One thing about the silver input cost that you had struggled with a bit in Q4, how did that develop, and have you taken care of it on the current silver prices?

**Christer Wahlquist**

CEO | Nolato

Yeah, I think, you could say that, it's been handled with a lot of work during the first quarter. We did see effects of that in the beginning of the quarter. At the end, we do think that most of that has been taken care of either by adjusting pricing or by having a discussion with the customers of changing materials to other metals that are not that involved in the pricing of the silver materials.

**Mikael Laséen**

Analyst | Carnegie

Okay. I'm just curious about the materials area. How much is volume and price and mix effects in that 15% growth that you talked about?

**Per-Ola Holmström**

CFO | Nolato

Yeah, of course, there are some effects coming from the price effects. I would say that the larger part of the 15% is definitely coming from volumes.

**Mikael Laséen**

Analyst | Carnegie

Okay, good. My final one is on CapEx. If you can update us on what to expect for 2026 and maybe also for 2027.

**Per-Ola Holmström**

CFO | Nolato

Yes. We commented that after Q4 being SEK 650 million-SEK 700 million for the full year 2026. We are still at that expectation, so SEK 650 million-SEK 700 million.

**Mikael Laséen**

Analyst | Carnegie

Okay. Good to know. Thank you.

**Per-Ola Holmström**

CFO | Nolato

Thank you.

**Operator**

Thank you for the questions there. They were all the callers we had. We have also had a question sent into us. Can you clarify what impact higher input material prices had on Q1 profitability? What magnitude of impact should we expect in Q2 and onwards? How does the impact differ between engineered and medical?

**Per-Ola Holmström**

CFO | Nolato

Yeah. We have explained the math behind it and our best assumptions. The effects during Q1 were very limited, and it's an onward effect. We did say most of that is during Q2, and some will spill over into Q3 if it stands where it is right now. I think that is the explanation we can give in uncertain areas.

**Operator**

Thank you for that. That was all the questions we had. Thank you to Nolato for presenting here today, and thank you all for tuning in and sending in questions and calling in.

**Christer Wahlquist**

CEO | Nolato

Thank you all for your interest in Nolato. Thank you.