

Very strong sales and earnings performance by the Group

Today's report by Nolato for the first six months of 2017 shows very strong sales performance and good profitability across all business areas, particularly for Integrated Solutions. Adjusted for currency and acquisitions, Group sales growth was a strong 43% in the second quarter and 30% for the first six months. Including acquisitions, the increase in sales was 62% and 48%, respectively.

Second quarter in brief:

- Sales increased to SEK 1,675 million (1,037)
- Operating profit (EBITA) rose to SEK 178 million (110)
- The operating margin (EBITA) was 10.6% (10.6)
- Profit after tax was SEK 131 million (79)
- Earnings per share were SEK 4.98 (3.00)

Sales in the Integrated Solutions business area rose to SEK 692 million (311). Adjusted for currency, growth was a very strong 114%. Operating profit (EBITA) was SEK 73 million (28), with an EBITA margin of 10.5% (9.0).

“The focus on expanding this business area's customer and product base has gradually shown very positive development, which is really pleasing and provides us with the diversification we want. High launch volumes in the smoking cessation/e-cigarette segment were delivered in the latter part of the second quarter, and the next months will show how these products have been received on the consumer market,” said Nolato President and CEO Christer Wahlquist.

Sales in the Medical Solutions business area increased to SEK 498 million (397); adjusted for currency and acquisitions, sales grew by a strong 10%. Operating profit (EBITA) increased to SEK 64 million (53), while the EBITA margin was 12.9% (13.4).

“Volumes grew particularly within Medical Devices, in which the ramp-up of new customer projects had a positive impact. The margin was affected by a change in product mix and some impact from acquisitions,” said Christer Wahlquist.

Industrial Solutions sales increased to SEK 489 million (331); adjusted for currency and acquisitions, sales grew by a strong 16%. Operating profit (EBITA) totalled SEK 48 million (34), with an EBITA margin of 9.8% (10.3).

“There was positive development of volumes in most segments, particularly automotive and hygiene. Higher costs associated with the start-up of new projects and fluctuating volumes had a negative effect on the margin,” said Christer Wahlquist.

Nolato retains a healthy financial position, with an equity/assets ratio of 40% (56) and net financial debt of SEK 639 million (-55). One of the Group's credit agreements was extended and increased in the second quarter. As a result, Nolato has long-term credit agreements of between four and five years totalling approximately SEK 1.1 billion, and short-term bank overdrafts and similar facilities of around SEK 100 million.

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Nolato is a Swedish group operating in Europe, Asia and North America. We develop and manufacture products made from polymer materials such as plastic, silicone and TPE for leading customers in medical technology, pharmaceuticals, telecoms, automotive, hygiene and other selected industrial sectors. Nolato shares are listed on Nasdaq Stockholm, where Nolato is a Mid Cap company in the Industrials sector.

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