

## Strong performance by Nolato Medical and proposed increase in dividend

Today's 2016 year-end report from Nolato posts strong performance by Nolato Medical, with currency-adjusted organic growth of 11% and a high operating margin of 13.1%.

- Sales totalled SEK 4,447 million (4,726)
- Operating profit (EBITA) was SEK 457 million (570)
- The operating margin (EBITA) was 10.3% (12.1)
- Earnings per share were SEK 12.77 (15.97)
- The equity/assets ratio was 47% (54), with a net financial liability of SEK 408 million (+122, net asset)
- The Board of Directors proposes an increase in the dividend to SEK 10.50 (10.00) per share

Nolato Medical's sales rose to SEK 1,645 million (1,464). Operating profit (EBITA) increased to SEK 216 million (191), while the EBITA margin was 13.1% (13.0).

"Volumes increased in both sectors of this business area and most customer segments experienced healthy growth," commented Nolato President and CEO Christer Wahlquist. "The year was marked by high project activity and healthy capacity utilisation."

Nolato Telecom's sales totalled SEK 1,402 million (2,017). Operating profit (EBITA) was SEK 131 million (272), with an EBITA margin of 9.3% (13.5).

"Volumes in 2015 were very strong owing to very high consumer market demand for customers' mobile phone models," noted Christer Wahlquist. "Product changeovers took place according to plan in 2016. EMC business continued to show positive performance, as did the business area's activities in segments alongside mobile phones."

Nolato Industrial's sales rose to SEK 1,409 million (1,251). Operating profit (EBITA) totalled SEK 134 million (132), with an EBITA margin of 9.5% (10.6).

"Volumes primarily in the automotive and hygiene segments performed well," said Christer Wahlquist. "Continued investments in technology and increased market share had a positive impact, while high costs associated with new project start-ups affected the margin negatively."

In October 2016, the Swiss company Treff AG was acquired. The company, which is now called Nolato Treff, has annual sales of just over SEK 450 million, one-third of which is reported within Nolato Medical and two-thirds within Nolato Industrial. The acquisition, which was consolidated from 3 October, has proceeded well and work to integrate the business is underway.

Nolato retains a healthy financial position, with an equity/assets ratio of 47% (54) and a net financial liability of SEK 408 million (+122, net asset). The Board of Directors proposes an increase in the dividend to SEK 10.50 (10.00) per share.

The Annual General Meeting will be held on 26 April at 4 pm CET in Grevie, Sweden.

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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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