

**Very strong quarter for all business areas**

Today's report by Nolato for the second quarter of 2018 shows a continued very strong performance.

- Sales increased to SEK 2,302 million (1,675)
- Operating profit (EBITA) rose to SEK 266 million (178)
- The EBITA margin was 11.6% (10.6)
- Profit after tax was SEK 204 million (131)
- Basic earnings per share increased to SEK 7.75 (4.98)
- Cash flow after investments was SEK 352 million (28)
- Sustained strong financial position

Adjusted for currency, sales for the Group increased by a very strong 34%.

Medical Solutions sales rose to SEK 562 million (498), which, adjusted for currency, is a strong increase of 10%. Operating profit (EBITA) was SEK 73 million (64), with an EBITA margin of 13.0% (12.9).

"Volumes increased in both the Medical Devices and Pharma Packaging sectors, but especially in Medical Devices in which the ramp-up of new customer projects made a positive contribution," noted Nolato's President and CEO, Christer Wahlquist.

Integrated Solutions sales rose to SEK 1,186 million (692); adjusted for currency, the increase was an exceptionally strong 66%. Operating profit (EBITA) rose to SEK 140 million (73) and the EBITA margin to a very strong 11.8% (10.5).

"Very high volumes were supplied in the quarter for the vaporiser heating products (VHP) product area," commented Christer Wahlquist. "Heating devices in particular enjoyed high launch volumes and inventory build-up at customers. In the second half of 2018, end-customer demand is expected to account for the majority of volumes at a persistently high level, although lower than in the second quarter, which was positively affected by both launches and inventory build-up. Mobile phone volumes remained relatively weak in the quarter."

Industrial Solutions sales amounted to SEK 554 million (489); adjusted for currency, sales increased by a very strong 12%. Operating profit (EBITA) increased to SEK 55 million (48), while the EBITA margin was 9.9% (9.8).

"Volumes have developed well across almost all product areas, particularly automotive and hygiene," noted Christer Wahlquist.

The Integrated Solutions business area is set to launch production in Suzhou in the second half of the year in order to transfer parts of production from Beijing. The new establishment will broaden Nolato's geographical presence, and help the company gain greater flexibility and diversification.

Nolato's financial position remains strong. Cash flow, including non-recurring items, increased to SEK 352 million (28). The equity/assets ratio was 43% (40) and net financial assets amounted to SEK 62 million (net liabilities of SEK -639 million).

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*Nolato is a Swedish group with operations in Europe, Asia and North America. We develop and manufacture products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors. Nolato's shares are listed on Nasdaq Stockholm in the Mid Cap segment, where they are included in the Industrials sector.*

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