

Very strong quarter for Medical Solutions

Today's report by Nolato for the third quarter of 2018 shows a continued good performance and strong financial position.

- Sales rose by 13% to SEK 1,980 million (1,749)
- Operating profit (EBITA) increased to SEK 222 million (209) excl. a negative non-recurring item of SEK –17 million (0)
- The EBITA margin amounted to 11.2% (11.9), excl. non-recurring items
- Profit after tax was SEK 154 million (153)
- Basic earnings per share increased to SEK 6.50 (5.82), excl. non-recurring items
- Cash flow after investments was SEK –68 million (308) excl. a divestment, SEK –14 million incl. a divestment (308)

Adjusted for currency and a divestment, Group sales increased by 4%.

Medical Solutions had a very strong quarter. Sales rose to SEK 596 million (459), which, adjusted for currency, is an increase of 22%. Operating profit (EBITA) was SEK 76 million (60) and the EBITA margin was 12.8% (13.1).

“Volumes have grown in both the Medical Devices and Pharma Packaging sectors. Continued high sales from development work and additional invoicing of production equipment amounting to SEK 35 million have contributed to the strong growth,” said Nolato President and CEO Christer Wahlquist.

“The margin has been temporarily affected by invoicing of production equipment.”

Integrated Solutions sales rose to SEK 892 million (819); adjusted for currency, sales decreased by 6%. Operating profit (EBITA) rose to SEK 114 million (105). The EBITA margin was unchanged at a very strong 12.8% (12.8).

“High volumes of Heating Device products continued to be delivered for the Vaporiser Heating Products (VHP) area during the quarter. The percentage of launch volumes has decreased compared with previously. Total volumes have so far continued at a similar level in the fourth quarter,” added Christer Wahlquist. “We assess, however, that overall fourth-quarter sales will be lower than for the third quarter owing to temporary inventory adjustments. Mobile phone volumes were weak in the quarter, while the EMC area demonstrated good growth.”

Industrial Solutions sales increased to SEK 492 million (473); adjusted for currency, sales grew by 2%. Operating profit (EBITA) decreased to SEK 35 million (47), while the EBITA margin was 7.1% (9.9).

“Volumes have been stable,” said Christer Wahlquist. “The weak margin was due to uneven capacity utilisation and unsatisfactory efficiency in the automotive area.”

Nolato's financial position remains strong. The equity/assets ratio was 46% (42) and net financial assets amounted to SEK 16 million (net liabilities of SEK –324 million). Cash flow was SEK –68 million (308) excluding a divestment, SEK –14 million including a divestment (308).

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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.

This information is information that Nolato AB is obliged to publish pursuant to the EU Market Abuse Regulation. This information was released, through the provision of the above-mentioned contact persons, for publication on 24 October 2018, at 2.30 p.m. CET.

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