

**Nolato Q1 2020:****Strong sales growth for the Group**

- Sales totalled SEK 2,065 million (1,656)
- Operating profit (EBITA) rose to SEK 241 million (175) excl. a non-recurring item of SEK –14 million
- EBITA margin of 11.7% (10.6%) excl. a non-recurring item
- Profit after tax was SEK 177 million (131)
- Earnings per share after dilution increased to SEK 7.08 (4.97) excl. a non-recurring item
- Cash flow after investments amounted to SEK –73 million (25)
- Very strong financial position

“Performance in the quarter was positive for all business areas,” commented Nolato President and CEO Christer Wahlquist. “Integrated Solutions in particular achieved very strong growth.”

Medical Solutions sales amounted to SEK 642 million (611); adjusted for currency, sales increased by 2%. Operating profit increased to SEK 87 million (78) and the EBITA margin rose to a strong 13.6% (12.8).

“Growth in production volumes was healthy, but project revenues decreased,” noted Christer Wahlquist. “Projects for new products that Nolato is involved in have been delayed as a result of the coronavirus situation, while production in some segments has been positively affected.”

Integrated Solutions sales rose sharply to SEK 854 million (512); adjusted for currency and group structure, sales increased by a substantial 50%. Operating profit increased to SEK 111 million (57) and the EBITA margin was a strong 13.0% (11.1).

“Vaporiser Heating Products (VHP) saw substantial growth. Inventory build-up by customers made a positive contribution and we believe this will also continue in the second quarter and then decrease,” said Christer Wahlquist. “The EMC area, which mainly has production in China, was significantly affected by the coronavirus situation during parts of the quarter, but volumes have subsequently seen a gradual increase and the quarter ended strongly.”

Industrial Solutions sales amounted to SEK 570 million (533); adjusted for currency, sales increased by 4%. Operating profit totalled SEK 47 million (44), with an EBITA margin of 8.2% (8.3).

“Taking into account the slowdown in the automotive industry at the end of the quarter, Industrial Solutions experienced strong growth. New customer projects within general industry that started late last year have continued to make a positive contribution,” added Christer Wahlquist. “The suspension of operations by the automotive industry because of coronavirus is estimated to have negatively impacted the margin by around 1 percentage point and will have a bigger impact in the second quarter.”

Cash flow after investments was SEK –73 million (25) in the first quarter. The change was due to increased working capital requirements as a result of strong sales growth, but has been partially offset by improved earnings. In addition, the coronavirus situation has resulted in increased inventory of raw materials and components. The financial position is very strong, with net assets of SEK 601 million (373).

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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 Large Cap segment, where they are included in the Industrials sector. [www.nolato.com](http://www.nolato.com)

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