

## Nolato Q2 2020:

### Significant sales growth and good earnings performance by the Group

- Sales increased to SEK 2,307 million (1,987)
- Operating profit (EBITA) rose to SEK 269 million (233)
- EBITA margin of 11.7% (11.7)
- Profit after tax was SEK 207 million (180)
- Diluted earnings per share increased to SEK 7.79 (6.81)
- Cash flow after investment amounted to SEK 685 million (178)
- Sustained strong financial position

“All three of our business areas performed well in the second quarter, given the current operating climate,” said Nolato President and CEO Christer Wahlquist. “The strong sales growth and good earnings performance resulted in the quarter being the best ever in Nolato’s history.”

Medical Solutions sales amounted to SEK 700 million (634); adjusted for currency, sales increased by a strong 9%. Operating profit rose to SEK 100 million (82) and the EBITA margin to a very strong 14.3% (12.9).

“Medical Solutions’ overall performance was strong,” noted Christer Wahlquist. “Production in some segments such as laboratory products and respiratory aids saw increased demand owing to the coronavirus situation. However, products in areas such as surgery were negatively affected as a result of fewer operations taking place.”

Integrated Solutions sales rose sharply to SEK 1,149 million (821); adjusted for currency and acquisitions, sales increased by a substantial 32%. Operating profit rose to SEK 166 million (107) and the EBITA margin was a very strong 14.4% (13.0).

“The significant growth in Integrated Solutions continued in the quarter, in line with what has previously been communicated, driven in part by a build-up of inventory by customers of vaporiser heating products (VHP),” said Christer Wahlquist. “Inventory build-up is expected to decrease in the third quarter, but with sustained healthy volumes. Performance in the EMC area has returned to normal levels and developed well, having been significantly affected by the coronavirus situation for parts of the first quarter.”

Industrial Solutions sales amounted to SEK 459 million (541); adjusted for currency, sales decreased by 16%. Operating profit decreased to SEK 11 million (46) and the EBITA margin to 2.4% (8.5).

“The quarter began with our automotive industry customers halting operations as a result of the coronavirus,” commented Christer Wahlquist. “Production has gradually come back on line since the middle of the quarter, but at much lower volumes than last year, with a significant impact on the business area’s margin. New customer projects within general industry that started late last year are continuing to make a positive contribution to the business area’s sales and profit.”

Cash flow after investment in the second quarter amounted to a very strong SEK 685 million (178). The financial position is strong, with net assets of SEK 1,245 million (190).

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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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