

Nolato AB (publ) three-month interim report 2017

Strong performance across all business areas

■ First quarter of 2017 in brief

- Sales increased to SEK 1,370 million (1,022)
- Operating profit (EBITA) increased to SEK 146 million (113)
- EBITA margin of 10.7% (11.1)
- Profit after tax was SEK 108 million (83)
- Earnings per share were SEK 4.11 (3.16)
- Cash flow after investments totalled SEK 3 million (30)

■ Group highlights

SEK million unless otherwise specified	Q1 2017	Q1 2016	Rolling 12 months	Full year 2016
Net sales	1,370	1,022	4,795	4,447
Operating profit (EBITDA) ¹⁾	199	155	680	636
Operating profit (EBITA) ²⁾	146	113	490	457
EBITA margin, %	10.7	11.1	10.2	10.3
Operating profit (EBIT) ³⁾	142	110	475	443
Profit after financial income and expense	138	109	467	438
Profit after tax	108	83	361	336
Earnings per share, basic and diluted, SEK *	4.11	3.16	13.72	12.77
Adjusted earnings per share, SEK ⁴⁾ *	4.22	3.23	14.18	13.19
Cash flow after investments, excl. acquisitions and disposals	3	30	218	245
Net investments affecting cash flow, excl. acquisitions and disposals	64	63	222	221
Cash conversion, % ⁵⁾	—	—	46	55
Return on capital employed, %	20.8	27.2	20.8	20.6
Return on shareholders' equity, %	20.0	23.2	20.0	19.0
Equity/assets ratio, %	49	60	49	47
Net financial liabilities (-) / assets (+)	– 410	144	– 410	– 408

* The company has a share warrant programme (Series 1) which may result in dilution of the number of shares.

¹⁾ Operating profit (EBITDA): Earnings before financial income and expense, taxes and depreciation/amortisation.

²⁾ Operating profit (EBITA): Earnings before financial income and expense, taxes and amortisation of intangible assets arising from acquisitions.

³⁾ Operating profit (EBIT): Earnings before financial income and expense and taxes.

⁴⁾ Adjusted earnings per share: Profit after tax, excluding amortisation of intangible assets arising from acquisitions, divided by the average number of shares.

⁵⁾ Cash conversion: Cash flow after investments, excl. acquisitions and disposals, divided by operating profit (EBIT). Cash flow and operating profit have been adjusted by non-recurring items, if any.

First quarter 2017

- Sales rose to SEK 1,370 million (1,022); adjusted for currency and acquisitions, growth was 17%
- Operating profit (EBITA) increased by 29% to SEK 146 million (113)
- EBITA margin of 10.7% (11.1)
- Strong performance by all business areas
- New business area names as per press release of 20 April 2017

Sales

Consolidated sales rose by 34% to SEK 1,370 million (1,022). Adjusted for currency and acquisitions, growth was 17%. Acquisitions have performed well and according to plan. Although the effects of acquisitions are excluded, all business areas showed strong performance. Growth was positively affected by lots of billing days, particularly compared with last year which included the Easter weekend. Price revisions due to rising raw material prices also led to increased sales.

Medical Solutions sales increased to SEK 487 million (390); adjusted for currency and acquisitions, sales grew by a strong 11%. Volumes increased in both Medical Devices and Pharma Packaging sectors, but especially in Medical Devices in which the ramp-up of new customer projects also had a positive impact.

Integrated Solutions sales amounted to SEK 399 million (300); adjusted for currency, sales increased by 28%. Last year, volumes were low in the first six months. Investments in expanding the business area's customer and product base have had a positive impact on volumes in both EMC and consumer products.

Industrial Solutions sales rose to SEK 488 million (334); adjusted for currency and acquisitions, sales increased by a very strong 16%. Volumes in most segments have developed well, particularly in the automotive segment.

Profit

The Group's operating profit (EBITA) increased to SEK 146 million (113).

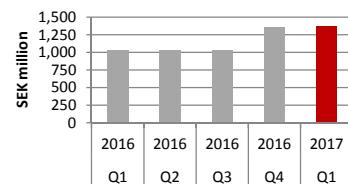
Operating profit (EBITA) for Medical Solutions increased to SEK 65 million (52), for Integrated Solutions to SEK 38 million (33) and for Industrial Solutions to SEK 48 million (34).

The EBITA margin for Medical Solutions was a strong 13.3% (13.3). The margin benefited from high capacity utilisation and a favourable product mix. For Integrated Solutions the margin was 9.5%, compared with the relatively high margin of 11.0% for the year-earlier period. The EBITA margin for Industrial Solutions was 9.8% (10.2). The margin has increased sequentially compared with the fourth quarter of 2016. Overall, the Group's EBITA margin was a strong 10.7% (11.1).

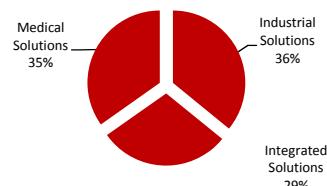
Operating profit (EBIT) was SEK 142 million (110).

Profit after net financial income/expense was SEK 138 million (109). Net financial income/expense included currency exchange rate fluctuations affecting earnings by SEK -2 million (-1).

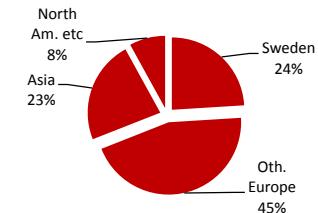
Sales



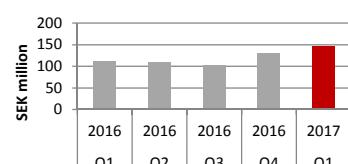
Business areas' share of sales



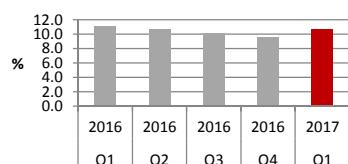
Sales by geographic markets



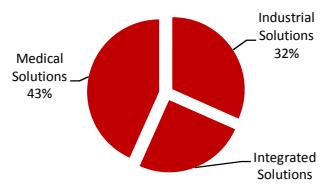
Operating profit (EBITA)



EBITA margin



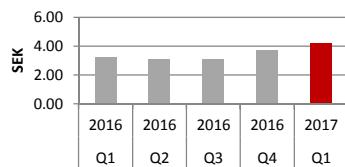
Business areas' share of operating profit (EBITA)



Profit after tax rose to SEK 108 million (83). Earnings per share, basic and diluted, stood at SEK 4.11 (3.16). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions increased to SEK 4.22 (3.23). The effective tax rate was 22% (24). The change was due to changes in earnings in different countries where the Group has operations, the effects of the recent acquisitions and reduced tax rates in Hungary.

Return on capital employed was 20.8% for the last 12-month period (20.6% for the 2016 calendar year). Return on equity was 20.0% for the last 12 months (19.0% for the 2016 calendar year).

■ Adjusted earnings per share



■ Sales, operating profit (EBITA) and EBITA margin by business area

SEK million	Sales Q1/2017	Sales Q1/2016	Op. Profit EBITA Q1/2017	Op. Profit EBITA Q1/2016	EBITA margin Q1/2017	EBITA margin Q1/2016
Medical Solutions	487	390	65	52	13.3%	13.3%
Integrated Solutions	399	300	38	33	9.5%	11.0%
Industrial Solutions	488	334	48	34	9.8%	10.2%
Intra-Group adj., Parent Co	– 4	– 2	– 5	– 6	—	—
Group total	1,370	1,022	146	113	10.7%	11.1%

Operating profit (EBITA): Earnings before financial income and expense, taxes and amortisation of intangible assets arising from acquisitions.

■ Medical Solutions

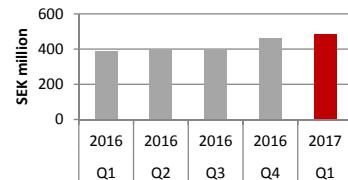
Sales and profit Q1 (SEK million)	2017	2016
Sales	487	390
Operating profit (EBITA)	65	52
EBITA margin (%)	13.3	13.3
Operating profit (EBIT)	62	49

Medical Solutions sales increased to SEK 487 million (390); adjusted for currency and acquisitions, sales grew by a strong 11%. Volumes increased in both Medical Devices and Pharma Packaging sectors, but especially in Medical Devices in which the ramp-up of new customer projects had a positive effect, in addition to lots of billing days towards the end of the quarter.

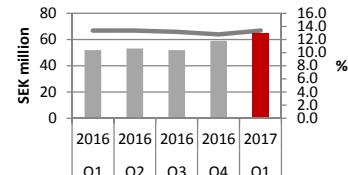
Operating profit (EBITA) rose to SEK 65 million (52). The EBITA margin was a strong 13.3% (13.3). The margin benefited from high capacity utilisation and a favourable product mix.

Acquisitions are performing well and according to plan. Owing to the strong growth over the past 18 months, Nolato has decided to expand production capacity in Hungary and Sweden.

■ Medical Solutions sales



■ Medical Solutions operating profit (EBITA) & EBITA margin %



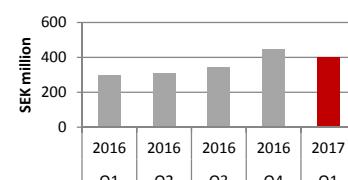
■ Integrated Solutions

Sales and profit Q1 (SEK million)	2017	2016
Sales	399	300
Operating profit (EBITA)	38	33
EBITA margin (%)	9.5	11.0
Operating profit (EBIT)	38	33

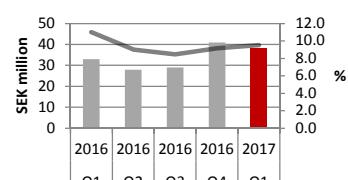
Integrated Solutions sales rose to SEK 399 million (300); adjusted for currency, sales increased by 28%. Last year, volumes were low in the first six months. Investments in expanding the business area's customer and product base have had a positive impact on volumes in both EMC and consumer products.

Operating profit (EBITA) rose to SEK 38 million (33). The EBITA margin was 9.5%, compared with the relatively high margin of 11.0% in the year-earlier period.

■ Integrated Solutions sales



■ Integrated Solutions operating profit (EBITA) & EBITA margin %



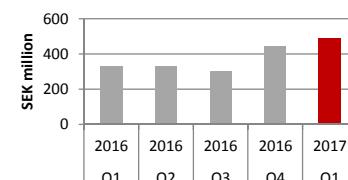
■ Industrial Solutions

Sales and profit Q1 (SEK million)	2017	2016
Sales	488	334
Operating profit (EBITA)	48	34
EBITA margin (%)	9.8	10.2
Operating profit (EBIT)	47	34

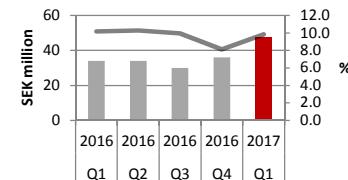
Industrial Solutions sales rose to SEK 488 million (334); adjusted for currency and acquisitions, sales increased by 16%. Volumes in most segments have developed well, particularly in the automotive segment.

Operating profit (EBITA) increased to SEK 48 million (34), with a EBITA margin of 9.8% (10.2). The margin has increased sequentially compared with the fourth quarter of 2016. The higher costs in the fourth quarter, combined with the start-up of new projects and fluctuating volumes, have returned to a normal level and capacity utilisation has been high. The acquired business is performing well and according to plan.

■ Industrial Solutions sales



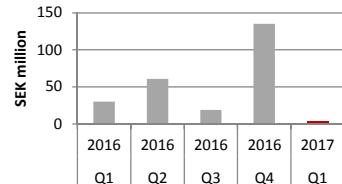
■ Industrial Solutions operating profit (EBITA) & EBITA margin %



■ Cash flow

Increased activity and a sharp rise in sales resulted in increased working capital requirements in the first quarter. Despite higher profit, cash flow after investments consequently decreased to SEK 3 million (30). The change in working capital was a negative SEK 101 million (-18). Net investments affecting cash flow were roughly unchanged and totalled SEK 64 million (63). Owing to strong growth in Medical Solutions over the past 18 months, Nolato has decided to expand its operations in Hungary and increase its rented premises in Sweden.

■ Cash flow after investments

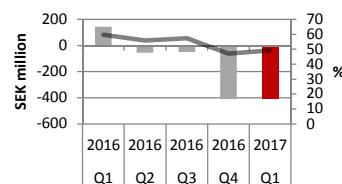


Excluding acquisitions and disposals.

■ Financial position

Interest-bearing assets decreased to SEK 311 million (391), and interest-bearing liabilities and provisions rose to SEK 721 million (247). Net financial debt consequently totalled SEK 410 million (+144, financial net asset). Debt increased as a result of the acquisitions carried out in the second half of 2016. Shareholders' equity rose to SEK 1,955 million (1,829). The equity/assets ratio was 49% (60). Adjusted for the proposed dividend of SEK 276 million, the equity/assets ratio was 45% (56).

■ Net financial liabilities (-) assets (+) & assets/equity ratio



■ Consolidated performance analysis

	Q1 2017	Q1 2016	Full year 2016
SEK million			
Net sales	1,370	1,022	4,447
Gross profit excl. depreciation/amortisation	280	224	891
<i>As a percentage of net sales</i>	20.4	21.9	20.0
Costs	-81	-69	-255
<i>As a percentage of net sales</i>	5.9	6.8	5.7
Operating profit (EBITDA)	199	155	636
<i>As a percentage of net sales</i>	14.5	15.2	14.3
Depreciation and amortisation	-53	-42	-179
Operating profit (EBITA)	146	113	457
<i>As a percentage of net sales</i>	10.7	11.1	10.3
Amortisation of intangible assets arising from acquisitions	-4	-3	-14
Operating profit (EBIT)	142	110	443
Financial income and expense	-4	-1	-5
Profit after financial income and expense	138	109	438
Tax	-30	-26	-102
<i>As a percentage of profit after financial income and expense</i>	21.7	23.9	23.3
Profit after tax	108	83	336

■ Financial position

	31/03/2017	31/03/2016	31/12/2016
SEK million			
Interest-bearing liabilities, credit institutions	-518	-120	-617
Interest-bearing pension liabilities	-203	-127	-202
Total borrowings	-721	-247	-819
Cash and bank	311	391	411
Net financial liabilities (-) / assets (+)	-410	144	-408
Working capital	421	252	327
<i>As a percentage of sales (avg.) (%)</i>	7.0	3.0	5.9
Capital employed	2,676	2,075	2,668
<i>Return on capital employed (avg.) (%)</i>	20.8	27.2	20.6
Shareholders' equity	1,955	1,829	1,850
<i>Return on shareholders' equity (avg.) (%)</i>	20.0	23.2	19.0

■ Personnel

The average number of employees during the period was 6,077 people (5,027). The acquisitions in the second half of 2016 and Integrated Solutions' operations in China resulted in an increase in the number of employees.

■ Significant risks and uncertainty factors

The business risks and risk management of the Group and the Parent Company, along with the management of financial risks, are described in the 2016 Annual Report on pages 21, 56 – 57, and in Note 4 on pages 67 – 68.

No significant events have occurred during the period that would significantly affect or change these descriptions of the Group's and the Parent Company's risks or the management thereof.

■ Seasonal effects

Nolato does not experience any significant seasonal variations. However, in the third quarter sales within Nolato Industrial, and to a certain degree Nolato Medical, can be negatively affected by the fact that the holiday period falls in this quarter both for Nolato and its customers.

■ Events after the balance sheet date

No significant events have occurred since the end of the period.

■ New business area names

Strategic progression has resulted in the renaming of business areas, as per the press release of 20 April 2017. Over the past decade, Nolato has gone from being a local component manufacturer to today being a solutions provider and high-tech partner for polymer product systems and subsystems on a regional and global market. Nolato has therefore decided to rename its three business areas to Medical Solutions (previously Nolato Medical), Integrated Solutions (previously Nolato Telecom) and Industrial Solutions (previously Nolato Industrial). The name changes have taken place with immediate effect, but will not change the distribution of income and profit between the business areas.

■ Ownership and legal structure

Nolato AB (publ), Swedish corporate identity number 556080-4592, is the Parent Company of the Nolato Group.

Its Class B shares are listed on the Nasdaq Stockholm exchange in the Mid Cap segment, where they are included in the Industrials sector.

There were 12,721 shareholders at 31 March. The largest shareholders are the Jorlén family with 10%, the Boström family with 9%, Didner & Gerge Funds with 9 percent, the Hamrin family with 8%, Lannebo Funds with 6%, SEB Investment Management and Verdipapirfond Odin with 3% each, of the capital.

■ The Parent Company

For the parent company, which has no operating activities, sales amounted to SEK 14 million (14). Profit after financial income and expense amounted to SEK –10 million (–14). Contingent liabilities amounted to 135 MSEK (120).

■ Contact:

- Christer Wahlquist, President and CEO, tel. +46705 804848
- Per-Ola Holmström, CFO, tel. +46705 763340.

This information is information that Nolato AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 14:30 CET on 26 April 2017.

This report has not been audited by the Company's auditors.

■ Accounting and valuation principles

Nolato's consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The consolidated year-end report has been prepared in accordance with IAS 34 (Interim Financial Reporting) and the applicable provisions of the Swedish Annual Accounts Act. The Swedish Securities Market Act has been applied in relation to publication of this interim report.

The consolidated accounts have been prepared in accordance with the same principles as those applied in the most recent Annual Report, which are described in the 2016 Annual Report on pages 64 – 66.

The new or revised IFRS standards or IFRIC interpretations, which came into effect on 1 January 2017, have not had any material effect on the consolidated income statement or balance sheet.

The interim report for the Parent Company was prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act.

■ Financial information schedule

- Six-month interim report 2017: 19 July 2017
- Nine-month interim report 2017: 25 October 2017

Torekov, 26 April 2017

Nolato AB (publ)

Christer Wahlquist, President and CEO

■ Capital Markets Day, 1 June:

Nolato will hold a capital markets day on 1 June in Spårvagnshallarna, Stockholm. The program will focus on the next step in the Group's journey from a component manufacturer to a strategic partner in a global perspective. At the same time, there is a deepening within selected parts of the business areas presented. The day starts at 9.30 a.m. and ends with light refreshments and a question and answer session at 12.00 noon. Those wishing to attend must pre-register no later than 6.00 p.m. on 30 May by emailing eija.lindberg@nolato.com or phoning +46 (0)76-633 18 72.

THE COMPANY IN BRIEF

■ Nolato's business

Nolato develops and manufactures products in polymer materials such as plastic, silicone and TPE for customers within medical technology, pharmaceuticals, telecom, automotive and other selected industrial sectors.

Operations encompass everything from individual components, which the customer assembles in its own product, to complete products that are ready for delivery to a customer's client.

Nolato also develops and manufactures its own products, such as pharmaceutical packaging.

■ Nolato's business model

Nolato's business model is based on close, long-term, innovative collaboration with our customers. By being part of their process at an early stage and providing support during both the development and production phases, Nolato helps its customers create a product that is as competitive as possible.

Nolato creates added value for its customers and owners through progressive, leading technology, extensive expertise in development and design, advanced project management and highly efficient production.

■ Nolato's strategies

- Early involvement in customers' development processes
- Close and long-term collaboration/partnerships with our customers
- Innovative, integrated and high-tech solutions
- High productivity/Lean manufacturing
- Advancing up the value chain/Greater added value
- Global presence
- Responsible business practice

■ Consolidated income statement (summary)

SEK million	Q1 2017	Q1 2016	Rolling 12 months	Full year 2016
Net sales	1,370	1,022	4,795	4,447
Cost of goods sold	– 1,141	– 840	– 4,034	– 3,733
Gross profit	229	182	761	714
Other operating income	—	—	18	18
Selling expenses	– 31	– 27	– 119	– 115
Administrative expenses	– 51	– 44	– 177	– 170
Other operating expenses	– 5	– 1	– 8	– 4
	– 87	– 72	– 286	– 271
Operating profit	142	110	475	443
Financial income and expense	– 4	– 1	– 8	– 5
Profit after financial income and expense	138	109	467	438
Tax	– 30	– 26	– 106	– 102
Profit after tax	108	83	361	336
All earnings are attrib. to the Parent Co.'s shareholders				
Depreciation/amortisation	57	45	205	193
Earnings per share, basic and diluted (SEK) *	4.11	3.16	13.72	12.77
Number of shares at the end of the period *	26,307,408	26,307,408	26,307,408	26,307,408
Average number of shares *	26,307,408	26,307,408	26,307,408	26,307,408

* The company has a share warrant programme (Series 1) which may result in dilution of the number of shares.

■ Consolidated comprehensive income

SEK million	Q1 2017	Q1 2016	Rolling 12 months	Full year 2016
Profit after tax	108	83	361	336
Other comprehensive income				
<i>Items that cannot be transferred to profit for the period</i>				
Revaluations of defined benefit pension plans	—	—	8	8
Tax attributable to items that cannot be transferred to profit for the period	—	—	– 2	– 2
	—	—	6	6
<i>Items that have been converted or can be converted into profit for the period</i>				
Translation differences for the period on translation of foreign operations	– 5	– 14	21	12
Changes in the fair value of cash flow hedges for the period *	2	1	– 1	– 2
Tax attributable to changes in the fair value of cash flow hedges *	—	—	—	—
	– 3	– 13	20	10
Other comprehensive income, net of tax	– 3	– 13	26	16
Total comp. income for the period attributable to the Parent Co.'s shareholders	105	70	387	352

* Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2.

■ Consolidated balance sheet (summary)

SEK million	31/03/2017	31/03/2016	31/12/2016
Assets			
Non-current assets			
Intangible non-current assets	848	531	849
Property, plant and equipment	1,224	958	1,205
Non-current financial assets	2	2	2
Other non-current receivables	1	1	1
Deferred tax assets	44	43	46
Total fixed assets	2,119	1,535	2,103
Current assets			
Inventories	434	303	393
Accounts receivable	891	649	819
Other current assets * ²⁾	212	169	198
Cash and bank	311	391	411
Total current assets	1,848	1,512	1,821
Total assets	3,967	3,047	3,924
Shareholders' equity and liabilities			
Shareholders' equity	1,955	1,829	1,850
Long-term liabilities and provisions ¹⁾	808	159	803
Deferred tax liabilities ¹⁾	88	70	88
Current liabilities and provisions * ^{1,3)}	1,116	989	1,183
Total liabilities and provisions	2,012	1,218	2,074
Total shareholders' equity and liabilities	3,967	3,047	3,924
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	721	247	819
Non-interest-bearing liabilities and provisions	1,291	971	1,255
Total liabilities and provisions	2,012	1,218	2,074
* Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2.			
²⁾ Derivative assets are included in other current assets at			
³⁾ Derivative liabilities are included in current liabilities and provisions at			
	13	21	10
	2	1	4

■ Changes in consolidated shareholders' equity (summary)

SEK million	Q1 2017	Q1 2016	Full year 2016
Shareholders' equity at the beginning of the period			
Shareholders' equity at the beginning of the period	1,850	1,759	1,759
Total comprehensive income for the period	105	70	352
Dividends	—	—	— 263
Share warrants included in incentive programme (Series 1)	—	—	2
Shareholders' equity at the end of period attrib. to Parent Co's shareholders	1,955	1,829	1,850

In 2016, a dividend totalling SEK 263 million was paid to the Parent Company's shareholders, corresponding to a dividend of SEK 10.00 per share. The Group has an incentive programme which may result in a dilutive effect on the number of shares.

■ Consolidated cash flow statement (summary)

SEK million	Q1 2017	Q1 2016	Rolling 12 months	Full year 2016
Cash flow from operating activities before changes in working capital	168	111	564	507
Changes in working capital	- 101	- 18	- 124	- 41
Cash flow from operating activities	67	93	440	466
Cash flow from investment activities	- 64	- 63	- 620	- 619
Cash flow before financing activities	3	30	- 180	- 153
Cash flow from financing activities	- 100	- 34	91	157
Cash flow for the period	- 97	- 4	- 89	4
Liquid assets at the beginning of the period	411	403	—	403
Exchange rate difference in liquid assets	- 3	- 8	—	4
Liquid assets at the end of the period	311	391	—	411

■ Earnings per share

SEK million	Q1 2017	Q1 2016	Rolling 12 months	Full year 2016
Profit after tax	108	83	361	336
Adjusted earnings:				
Amortisation of intangible assets arising from acquisitions	4	3	15	14
Tax on amortisation	- 1	- 1	- 3	- 3
Adjusted earnings	111	85	373	347
Average number of shares *	26,307,408	26,307,408	26,307,408	26,307,408
Earnings per share, basic and diluted (SEK) *	4.11	3.16	13.72	12.77
Adjusted earnings per share (SEK) *	4.22	3.23	14.18	13.19

■ Five-year overview

	2016	2015	2014	2013	2012
Net sales (SEK million)	4,447	4,726	4,234	4,522	3,874
Operating profit (EBITA) (SEK million)	457	570	470	427	303
EBITA margin (%)	10.3	12.1	11.1	9.4	7.8
Operating profit (EBIT) (SEK million)	443	556	454	411	287
Profit after financial income and expense (SEK million)	438	555	462	403	272
Profit after tax (SEK million)	336	420	364	314	202
Cash flow after investments, excl. acq. and disposals (SEK million)	245	288	127	362	317
Cash conversion (%)	55	52	28	82	111
Return on capital employed (%)	20.6	29.6	28.4	26.7	19.4
Return on shareholders' equity (%)	19.0	25.3	25.0	24.9	17.7
Net financial liabilities (-) assets (+) (SEK million)	- 408	122	59	122	- 113
Equity/assets ratio (%)	47	54	54	52	44
Earnings per share (SEK) *	12.77	15.97	13.84	11.94	7.68
Adjusted earnings per share (SEK) *	13.19	16.35	14.29	12.39	8.13
Dividend per share (2016 proposal) (SEK)	10.50	10.00	8.50	8.00	6.00
Average number of employees	6,418	7,759	8,020	9,357	8,421

* The company has a share warrant programme (Series 1) which may result in dilution of the number of shares.

■ Quarterly data (summary)

		Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	2017	1,370	—	—	—	—
	2016	1,022	1,037	1,036	1,352	4,447
	2015	1,073	1,280	1,084	1,289	4,726
Operating profit (EBITDA) (SEK million)	2017	199	—	—	—	—
	2016	155	152	149	180	636
	2015	164	208	185	180	737
Operating profit (EBITA) (SEK million)	2017	146	—	—	—	—
	2016	113	110	104	130	457
	2015	123	167	142	138	570
EBITA margin (%)	2017	10.7	—	—	—	—
	2016	11.1	10.6	10.0	9.6	10.3
	2015	11.5	13.0	13.1	10.7	12.1
Operating profit (EBIT) (SEK million)	2017	142	—	—	—	—
	2016	110	106	101	126	443
	2015	119	163	139	135	556
Profit after financial income and expense (SEK million)	2017	138	—	—	—	—
	2016	109	103	101	125	438
	2015	121	162	137	135	555
Profit after tax (SEK million)	2017	108	—	—	—	—
	2016	83	79	79	95	336
	2015	93	125	105	97	420
Cash flow from operating activities (SEK million)	2017	67	—	—	—	—
	2016	93	113	70	190	466
	2015	217	9	153	153	532
Cash flow from operating activities per share (SEK)	2017	2.55	—	—	—	—
	2016	3.54	4.30	2.66	7.22	17.71
	2015	8.25	0.34	5.82	5.82	20.22
Cash flow after investments, excl. acq. and disp. (SEK million)	2017	3	—	—	—	—
	2016	30	61	19	135	245
	2015	104	-52	120	116	288
Cash flow after investm., excl. acq. and disp. per share (SEK)	2017	0.11	—	—	—	—
	2016	1.14	2.32	0.72	5.13	9.31
	2015	3.95	-1.98	4.56	4.41	10.95
Earnings per share, basic and diluted (SEK) *	2017	4.11	—	—	—	—
	2016	3.16	3.00	3.00	3.61	12.77
	2015	3.54	4.75	3.99	3.69	15.97
Adjusted earnings per share (SEK) *	2017	4.22	—	—	—	—
	2016	3.23	3.12	3.12	3.72	13.19
	2015	3.65	4.86	4.07	3.77	16.35
Shareholders' equity per share (SEK)	2017	74	—	—	—	—
	2016	70	63	66	70	70
	2015	65	60	64	67	67
Return on total capital (%)	2017	14.0	—	—	—	—
	2016	17.8	16.0	14.7	13.7	13.7
	2015	17.6	19.5	19.8	18.3	18.3
Return on capital employed (%)	2017	20.8	—	—	—	—
	2016	27.2	24.8	22.4	20.6	20.6
	2015	28.5	31.6	32.0	29.6	29.6
Return on operating capital (%)	2017	24.3	—	—	—	—
	2016	34.2	28.9	26.1	24.4	24.4
	2015	34.7	36.4	37.3	35.3	35.3
Return on shareholders' equity (%)	2017	20.0	—	—	—	—
	2016	23.2	22.5	19.7	19.0	19.0
	2015	25.1	30.1	29.6	25.3	25.3
Closing share price Nolato B (Nasdaq Stockholm)	2017	267.00	—	—	—	—
	2016	227.50	221.50	263.00	263.00	263.00
	2015	208.50	189.50	210.00	257.50	257.50

* The company has a share warrant programme (Series 1) which may result in dilution of the number of shares.

■ Quarterly data business areas

Net sales (SEK million)	Q1	Q2	Q3	Q4	Full year
Medical Solutions	2017 487	—	—	—	—
	2016 390	397	395	463	1,645
	2015 344	365	368	387	1,464
Integrated Solutions	2017 399	—	—	—	—
	2016 300	311	343	448	1,402
	2015 418	584	434	581	2,017
Industrial Solutions	2017 488	—	—	—	—
	2016 334	331	301	443	1,409
	2015 312	332	282	325	1,251
Group adjustments, Parent Company	2017 - 4	—	—	—	—
	2016 - 2	- 2	- 3	- 2	- 9
	2015 - 1	- 1	—	- 4	- 6
Group total	2017 1,370	—	—	—	—
	2016 1,022	1,037	1,036	1,352	4,447
	2015 1,073	1,280	1,084	1,289	4,726
Operating profit (EBITA) (SEK million)	Q1	Q2	Q3	Q4	Full year
Medical Solutions	2017 65	—	—	—	—
	<i>EBITA margin (%)</i>	13.3	—	—	—
	2016 52	53	52	59	216
	<i>EBITA margin (%)</i>	13.3	13.4	13.2	12.7
	2015 46	47	51	47	191
	<i>EBITA margin (%)</i>	13.4	12.9	13.9	12.1
Integrated Solutions	2017 38	—	—	—	—
	<i>EBITA margin (%)</i>	9.5	—	—	—
	2016 33	28	29	41	131
	<i>EBITA margin (%)</i>	11.0	9.0	8.5	9.2
	2015 47	101	63	61	272
	<i>EBITA margin (%)</i>	11.2	17.3	14.5	10.5
Industrial Solutions	2017 48	—	—	—	—
	<i>EBITA margin (%)</i>	9.8	—	—	—
	2016 34	34	30	36	134
	<i>EBITA margin (%)</i>	10.2	10.3	10.0	8.1
	2015 34	34	30	34	132
	<i>EBITA margin (%)</i>	10.9	10.2	10.6	10.5
Group adjustments, Parent Company	2017 - 5	—	—	—	—
	2016 - 6	- 5	- 7	- 6	- 24
	2015 - 4	- 15	- 2	- 4	- 25
Group total	2017 146	—	—	—	—
	<i>EBITA margin (%)</i>	10.7	—	—	—
	2016 113	110	104	130	457
	<i>EBITA margin (%)</i>	11.1	10.6	10.0	9.6
	2015 123	167	142	138	570
	<i>EBITA margin (%)</i>	11.5	13.0	13.1	10.7
Depreciation/amortisation (SEK million)	Q1	Q2	Q3	Q4	Full year
Medical Solutions	2017 27	—	—	—	—
	2016 22	22	23	25	92
	2015 20	22	22	22	86
Integrated Solutions	2017 9	—	—	—	—
	2016 9	9	9	9	36
	2015 11	11	10	10	42
Industrial Solutions	2017 21	—	—	—	—
	2016 14	15	16	20	65
	2015 14	12	14	13	53
Group total	2017 57	—	—	—	—
	2016 45	46	48	54	193
	2015 45	45	46	45	181

■ Group financial highlights

	Q1 2017	Q1 2016	Rolling 12 months	Full year 2016
Net sales (SEK million)	1,370	1,022	4,795	4,447
Sales growth (%)	34	-5	3	-6
Percentage of sales outside Sweden (%)	76	75	76	76
Operating profit (EBITDA) (SEK million)	199	155	680	636
Operating profit (EBITA) (SEK million)	146	113	490	457
EBITA margin (%)	10.7	11.1	10.2	10.3
Profit after financial income and expense (SEK million)	138	109	467	438
Profit margin (%)	10.1	10.7	9.7	9.8
Profit after tax (SEK million)	108	83	361	336
Return on total capital (%)	14.0	17.8	14.0	13.7
Return on capital employed (%)	20.8	27.2	20.8	20.6
Return on operating capital (%)	24.3	34.2	24.3	24.4
Return on shareholders' equity (%)	20.0	23.2	20.0	19.0
Equity/assets ratio (%)	49	60	49	47
Debt/equity (%)	37	14	37	44
Interest coverage ratio (times)	59	100	60	67
Net investments affecting cash flow, excl. acq. and disposals (SEK million)	64	63	222	221
Cash flow after investments, excl. acq. and disposals (SEK million)	3	30	218	245
Cash conversion (%)	—	—	46	55
Net financial liabilities (-) / assets (+) (SEK million)	- 410	144	- 410	- 408
Earnings per share, basic and diluted (SEK) *	4.11	3.16	13.72	12.77
Adjusted earnings per share (SEK) *	4.22	3.23	14.18	13.19
Cash flow from operating activities per share (SEK)	2.55	3.54	16.73	17.71
Cash flow per share, excl. acq. and disposals (SEK)	0.11	1.14	8.29	9.31
Shareholders' equity per share (SEK)	74	70	74	70
Average number of employees	6,077	5,027	—	6,418

* The company has a share warrant programme (Series 1) which may result in dilution of the number of shares.

■ Reconciliation of consolidated income before tax

SEK million	Q1 2017	Q1 2016	Rolling 12 months	Full year 2016
Operating profit (EBIT)				
Medical Solutions	62	49	216	203
Integrated Solutions	38	33	136	131
Industrial Solutions	47	34	146	133
Group adjustments, Parent Company	- 5	- 6	- 23	- 24
Consolidated operating profit (EBIT)	142	110	475	443
Financial income and expense (not distributed by business areas)	- 4	- 1	- 8	- 5
Consolidated profit before tax	138	109	467	438

■ Parent Company income statement (summary)

SEK million	Q1 2017	Q1 2016	Rolling 12 months	Full year 2016
Net sales	14	14	46	46
Selling expenses	-1	-1	-5	-5
Administrative expenses	-15	-14	-45	-44
Other operating income	—	1	1	2
Other operating expenses	-7	-7	-27	-27
Operating profit	-9	-7	-30	-28
Profit from participations in Group companies	—	—	92	92
Financial income	5	5	20	20
Financial expenses	-6	-12	-8	-14
Profit after financial income and expense	-10	-14	74	70
Appropriations	—	—	241	241
Tax	—	1	-50	-49
Profit after tax	-10	-13	265	262
Depreciation/amortisation	—	—	—	—

■ Parent Company balance sheet (summary)

SEK million	31/03/2017	31/03/2016	31/12/2016
Assets			
Intangible fixed assets	4	—	—
Property, plant and equipment	1	1	1
Financial assets	1,651	1,144	1,653
Deferred tax assets	13	7	13
Total fixed assets	1,669	1,152	1,667
Other receivables	451	527	498
Cash and bank	37	42	75
Total current assets	488	569	573
Total assets	2,157	1,721	2,240
Shareholders' equity and liabilities			
Shareholders' equity	1,108	1,106	1,118
Untaxed reserves	163	129	163
Other provisions	13	12	13
Long-term liabilities	546	55	545
Current liabilities	327	419	401
Total shareholders' equity and liabilities	2,157	1,721	2,240

Transactions with related parties:

SEK million	Period	Services sold	Services bought	Interest income	Interest expenses	Res. from shares in Group comp.	Rec. fr. rel. part. on bal. sh. date	Liab. to rel. part. on bal. sh. date
Related party								
Subsidiary	Q1 2017	14	-1	5	—	—	871	398
Subsidiary	Q1 2016	14	-1	5	—	—	921	342

None of the company's Board members or senior executives currently have, or have previously had, any direct or indirect involvement in any business transaction with the company which is, or was, of an unusual character in terms of its conditions. Nor has the Group issued any loans, pledged any guarantees or entered into any surety arrangements for any of the company's Board members or senior executives.

Definitions

Return on total capital

Profit after financial income and expense, plus financial expenses as a percentage of average total capital in the balance sheet.

Return on capital employed

Profit after financial income and expense, plus financial expenses as a percentage of average capital employed. Capital employed consists of total capital less non-interest-bearing liabilities and provisions.

Return on operating capital

Operating profit as a percentage of average operating capital. Operating capital consists of total capital less non-interest-bearing liabilities and provisions, less interest-bearing assets.

Return on shareholders' equity

Profit after tax as a percentage of average shareholders' equity.

EBITA margin

Operating profit (EBITA) as a percentage of net sales.

Adjusted earnings per share

Profit after tax, excluding amortisation of intangible assets arising from acquisitions, divided by the average number of shares.

Cash flow from operating activities per share

Cash flow from operating activities, divided by the average number of shares.

Cash flow per share, excl. acq. and disposals

Cash flow before financing activities, divided by the average number of shares.

Cash conversion

Cash flow after investments, excl. acquisitions and disposals, divided by operating profit (EBIT). Cash flow and operating profit have been adjusted by non-recurring items, if any.

Net debt

Interest-bearing liabilities and provisions less interest-bearing assets.

Earnings per share

Profit after tax, divided by the average number of shares.

Interest coverage ratio

Profit after financial income and expense, plus financial expenses, divided by financial expenses.

Operating profit (EBITDA)

Earnings before financial income and expense, taxes and depreciation/amortisation.

Operating profit (EBITA)

Earnings before financial income and expense, taxes and amortisation of intangible assets arising from acquisitions.

Operating profit (EBIT)

Earnings before financial income and expense and taxes.

Debt/equity ratio

Interest-bearing liabilities and provisions divided by shareholders' equity.

Equity/assets ratio

Shareholders' equity as a percentage of total capital in the balance sheet.

Profit margin

Profit after financial income and expense as a percentage of net sales.

Nolato presents certain financial measures in this report that are not defined according to IFRS. Nolato considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment of trends and the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not therefore be regarded as substitutes for measures defined according to IFRS.

Forward-looking information

Some of the items reported relate to future events and actual outcomes may differ materially. In addition to those factors explicitly commented on, other factors may also materially affect the actual outcome, such as economic conditions, exchange rates and interest rate levels, political risks, competition and pricing, product development, commercialisation and technical difficulties, supply problems and customer credit losses.

