

Nolato AB (publ) three-month interim report 2019

Continued strong performance from Medical Solutions

■ First quarter of 2019 in brief

- Sales totalled SEK 1,656 million (2,039)
- Operating profit (EBITA) amounted to SEK 175 million (264 incl. non-recurring items of SEK 20 million)
- EBITA margin of 10.6% (12.0% excl. non-recurring items)
- Profit after tax was SEK 131 million (206)
- Basic earnings per share totalled SEK 4.98 (7.83)
- Cash flow after investments amounted to SEK 25 million (187)
- Sustained strong financial position

■ Group highlights

SEK million unless otherwise specified	Note	Q1 2019	Q1 2018*	Rolling 12 months*	Full year 2018*
Net sales	1	1,656	2,039	7,719	8,102
Operating profit (EBITDA) ¹⁾		259	322	1,126	1,189
Operating profit (EBITA) ²⁾		175	264	860	949
EBITA margin, %		10.6	12.9	11.1	11.7
Operating profit (EBIT) ³⁾	2	173	261	853	941
Profit after financial income and expense	2	166	256	831	921
Profit after tax		131	206	647	722
Basic earnings per share, SEK	3	4.98	7.83	24.59	27.44
Diluted earnings per share, SEK	3	4.97	7.80	24.51	27.37
Basic adjusted earnings per share, SEK ⁴⁾	3	5.06	7.91	24.82	27.67
Diluted adjusted earnings per share, SEK ⁴⁾	3	5.04	7.88	24.73	27.59
Cash flow after investments, excl. acquisitions and disposals		25	187	431	593
Net investments affecting cash flow, excl. acquisitions and disposals		105	109	448	452
Cash conversion, % ⁵⁾		—	—	50	60
Return on capital employed, %		25.3	29.8	25.3	29.7
Return on shareholders' equity, %		25.9	32.6	25.9	30.4
Equity/assets ratio, %		49	47	49	50
Net financial assets, excl. pension- & lease liabilities		373	229	373	341

* Including non-recurring items of SEK +20 million in Q1 2018 and SEK –17 million in Q3 2018, which affected operating profit by a net amount of SEK +3 million.

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.

This document is a translation from Swedish. In the event of any difference between this version and the Swedish original, the latter shall prevail.

First quarter 2019

- Sales totalled SEK 1,656 million (2,039); adjusted for currency and Group structure, sales decreased by 23%
- Persistently strong growth for Medical Solutions, while Integrated Solutions sales were negatively affected by announced VHP inventory adjustments. Nolato is of the opinion that the second quarter will be an improvement on previous announcements for Integrated Solutions
- Operating profit (EBITA) amounted to SEK 175 million (264 incl. non-recurring items of SEK 20 million)
- EBITA margin of 10.6% (12.0 excl. non-recurring items)

Sales

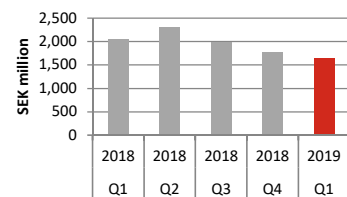
Consolidated sales totalled SEK 1,656 million (2,039). Adjusted for currency and Group structure, this was a decline of 23%.

Medical Solutions sales rose to SEK 611 million (532); adjusted for currency, sales grew by a strong 9%. Sales increased in both Medical Devices and Pharma Packaging, and most product areas experienced positive growth.

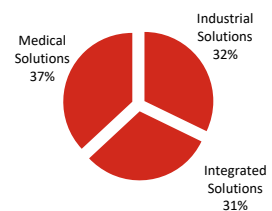
Integrated Solutions sales decreased to SEK 512 million (939); adjusted for currency, sales fell by 51%. As announced, Vaporiser Heating Products (VHP) continued to be negatively affected during the quarter by inventory adjustments. Nolato is seeing signs that the inventory situation has normalized and that second-quarter performance will be better than previously guided. Therefore sales are assessed to exceed the level achieved in the fourth quarter of 2018. Growth for the EMC area has been good, while mobile phone volumes were weak in the quarter.

Industrial Solutions sales totalled SEK 533 million (568); adjusted for currency and Group structure, sales decreased by 6%. Inventory adjustments for a customer in the hygiene area have had a temporary negative effect. Furthermore, restructuring of production equipment at a customer in the automotive segment has meant low volumes in the quarter. These disruptions have also impacted the start of the second quarter.

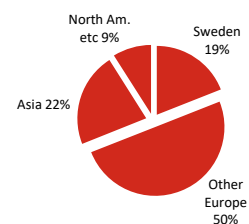
Sales



Business areas' share of sales



Sales by geographic markets



Profit

The Group's operating profit (EBITA) was SEK 175 million (244 excl. non-recurring items).

Operating profit (EBITA) increased to SEK 78 million (69) for Medical Solutions, while Integrated Solutions saw a decline to SEK 57 million (120), and Industrial Solutions also decreased, to SEK 44 million (57).

The EBITA margin for Medical Solutions was 12.8% (13.0). For Integrated Solutions, the margin decreased to 11.1% (12.8). The margin has been affected by lower volumes. The EBITA margin for Industrial Solutions was 8.3% (10.0). The lower margin is due to continued unsatisfactory efficiency for a production facility, combined with lower volumes in general. Measures implemented to improve efficiency are gradually having an effect. Overall, the Group's EBITA margin was 10.6% (12.0 excluding non-recurring items).

Operating profit (EBIT) amounted to SEK 173 million (241 excluding non-recurring items).

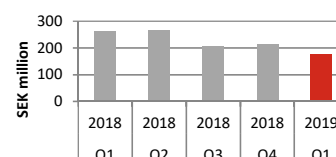
Profit after net financial income/expense was SEK 166 million (256).

The previous year, there was a positive impact on profit of SEK 20 million from a customer bankruptcy in 2006 within other operating income. This non-recurring item was recognised at Group level and did not impact the business areas' profit.

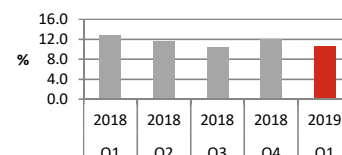
Profit after tax was SEK 131 million (206). Basic earnings per share totalled SEK 4.98 (7.83). The previous year, excluding non-recurring items, basic earnings per share amounted to SEK 7.03. Adjusted basic earnings per share excluding amortisation of intangible assets arising from acquisitions amounted to SEK 5.06 (7.91). The effective tax rate was 21.1% (21.6 excluding non-recurring items).

Return on capital employed was 25.3% for the last 12-month period (29.7% for the 2018 calendar year). Return on equity was 25.9% for the last 12 month period (30.4% for the 2018 calendar year).

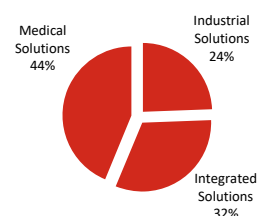
Operating profit (EBITA)



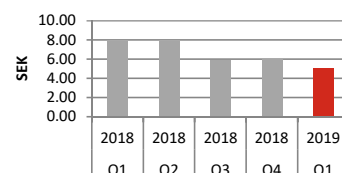
EBITA margin



Business areas' share of operating profit (EBITA)



Adjusted basic earnings per share



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

SEK million	Sales Q1/2019	Sales Q1/2018	Operating profit EBITA Q1/2019	Operating profit EBITA Q1/2018	EBITA margin Q1/2019	EBITA margin Q1/2018
Medical Solutions	611	532	78	69	12.8%	13.0%
Integrated Solutions	512	939	57	120	11.1%	12.8%
Industrial Solutions	533	568	44	57	8.3%	10.0%
Intra-Group adj., Parent Co	—	—	— 4	18*	—	—
Group total	1,656	2,039	175	264	10.6%	12.9%

* Including non-recurring items of SEK 20 million in Q1 2018 that had a positive impact on earnings.

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

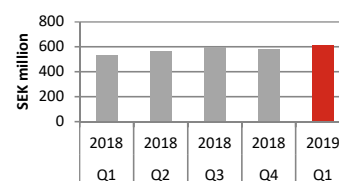
Medical Solutions

Sales and profit Q1 (SEK million)	2019	2018
Sales	611	532
Operating profit (EBITA)	78	69
EBITA margin (%)	12.8	13.0
Operating profit (EBIT)	77	67

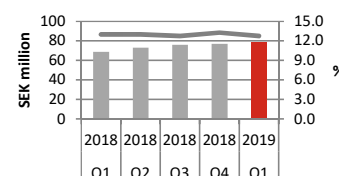
Medical Solutions sales rose to SEK 611 million (532); adjusted for currency, sales grew by a strong 9%. Sales increased in both Medical Devices and Pharma Packaging, and most product areas experienced positive growth.

Operating profit (EBITA) rose to SEK 78 million (69). The EBITA margin was 12.8% (13.0). Expanded production capacity was completed according to plan.

Medical Solutions sales



Medical Solutions operating profit (EBITA) & EBITA margin %



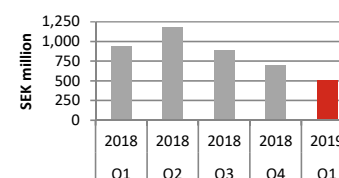
Integrated Solutions

Sales and profit Q1 (SEK million)	2019	2018
Sales	512	939
Operating profit (EBITA)	57	120
EBITA margin (%)	11.1	12.8
Operating profit (EBIT)	57	120

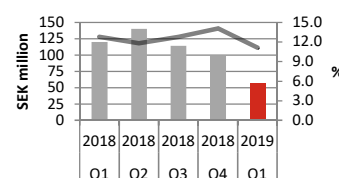
Integrated Solutions sales decreased to SEK 512 million (939); adjusted for currency, sales fell by 51%. As announced, Vaporiser Heating Products (VHP) continued to be negatively affected during the quarter by inventory adjustments. Nolato is seeing signs that the inventory situation has normalized and that second-quarter performance will be better than previously guided. Therefore sales are assessed to exceed the level achieved in the fourth quarter of 2018. Growth for the EMC area has been good, while mobile phone volumes were weak in the quarter.

Operating profit (EBITA) was SEK 57 million (120). The EBITA margin dropped to 11.1% (12.8). The margin has been affected by lower volumes.

Integrated Solutions sales



Integrated Solutions operating profit (EBITA) & EBITA margin %



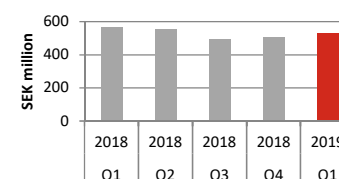
Industrial Solutions

Sales and profit Q1 (SEK million)	2019	2018
Sales	533	568
Operating profit (EBITA)	44	57
EBITA margin (%)	8.3	10.0
Operating profit (EBIT)	43	56

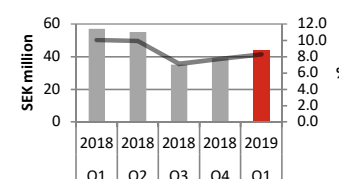
Industrial Solutions sales totalled SEK 533 million (568); adjusted for currency and Group structure, sales decreased by 6%. Inventory adjustments for a customer in the hygiene area have had a temporary negative effect. Furthermore, restructuring of production equipment at a customer in the automotive segment has meant lower volumes in the quarter. These disruptions have also impacted the start of the second quarter.

Operating profit (EBITA) totalled SEK 44 million (57), with an EBITA margin of 8.3% (10.0). The lower margin is due to continued unsatisfactory efficiency for a production facility, combined with lower volumes in general. Measures implemented to improve efficiency are gradually having an effect.

Industrial Solutions sales



Industrial Solutions operating profit (EBITA) & EBITA margin %



Cash flow

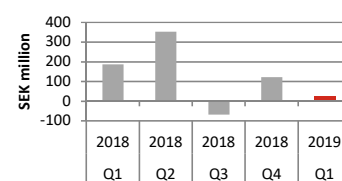
Cash flow after investments in the first quarter was SEK 25 million (187, excl. non-recurring items 158). Lower earnings have had a negative impact. The change in working capital has been negative, which is a common seasonal pattern in the first quarter. In the previous year, the use of the supplier finance programme with the Group's customers had more of an effect in the first quarter, which in turn made a positive contribution to the change in working capital.

Net investments affecting cash flow totalled SEK 105 million (109).

Financial position

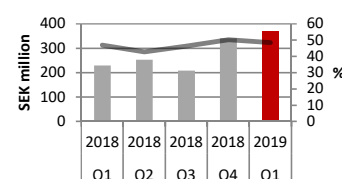
Interest-bearing assets increased to SEK 1,034 million (817), and interest-bearing financial liabilities rose to SEK 661 million (588). Net financial assets consequently totalled SEK 373 million (229). The positive cash flow over the past 12-month period has reduced net debt, even taking account of dividend payments totalling SEK 329 million. There are also interest-bearing pension liabilities of SEK 185 million (189) and interest-bearing lease liabilities of SEK 353 million (0). Shareholders' equity rose to SEK 2,783 million (2,412). The equity/assets ratio was 49% (47). Adjusted for the proposed dividend of SEK 368 million, the equity/assets ratio was 45% (43).

Cash flow after investments



Excluding acquisitions and disposals

Net financial assets & assets/equity ratio



Consolidated performance analysis

SEK million	Note	Q1 2019	Q1 2018	Full year 2018
Net sales	1	1,656	2,039	8,102
Gross profit excl. depreciation/amortisation		353	397	1,493
As a percentage of net sales		21.3	19.5	18.4
Costs		-94	-75	-304
As a percentage of net sales		5.7	3.7	3.8
Operating profit (EBITDA)		259	322	1,189
As a percentage of net sales		15.6	15.8	14.7
Depreciation and amortisation		-84	-58	-240
Operating profit (EBITA)		175	264	949
As a percentage of net sales		10.6	12.9	11.7
Amortisation of intangible assets arising from acquisitions		-2	-3	-8
Operating profit (EBIT)	2	173	261	941
Financial income and expense	2	-7	-5	-20
Profit after financial income and expense	2	166	256	921
Tax		-35	-50	-199
As a percentage of profit after financial income and expense		21.1	19.5	21.6
Profit after tax		131	206	722

Financial position

SEK million	31/03/2019	31/03/2018	31/12/2018
Interest-bearing liabilities, credit institutions	-661	-588	-612
Cash and bank	1,034	817	953
Net financial assets	373	229	341
Interest-bearing pension liabilities	-185	-189	-182
Net financial assets, incl. pension liabilities	188	40	159
Lease liabilities	-353	—	—
Net financial liabilities (-) / assets (+), incl. pension- & lease liabilities	-165	40	159
Working capital	374	340	228
As a percentage of sales (avg.) (%)	4.6	5.1	3.8
Capital employed	3,982	3,188	3,387
Return on capital employed (avg.) (%)	25.3	29.8	29.7
Shareholders' equity	2,783	2,412	2,592
Return on shareholders' equity (avg.) (%)	25.9	32.6	30.4

■ Personnel

The average number of employees during the period was 4,945 people (6,239). The decrease in the number of employees is especially attributable to Integrated Solutions in China.

■ 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 2018 Annual Report on pages 53 – 55, and in Note 30 on pages 79 – 82.

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 Industrial Solutions, and to a certain degree Medical Solutions, 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.

■ 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 Large Cap segment, where they are included in the Industrials sector.

There were 12,448 shareholders at 31 March. The largest shareholders are the Jorlén family with 10%, the Boström family and the Hamrin family with 9% each, Capital Group with 7%, Lannebo Funds with 6%, Handelsbanken Funds with 4% and Didner & Gerge Funds with 3%, of the capital.

■ The Parent Company

For the parent company, which has no operating activities, sales amounted to SEK 19 million (16). Profit after financial income and expense amounted to SEK –18 million (67), owing mainly to lower earnings from investments in group companies.

Contingent liabilities amounted to SEK 125 million (116).

■ Contact:

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

■ Webcast conference call on 8 May:

In connection with the interim report, Nolato will hold a webcast conference call in English at 2.30 p.m. CET. Nolato will be represented by President and CEO Christer Wahlquist and CFO Per-Ola Holmström, who will present the interim report and answer questions. Information regarding telephone numbers and website is available at <https://financialhearings.com/event/11896>. The presentation will be available at www.nolato.com/ir after publication of the interim report. The webcast will be available at the same address after the live broadcast.

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 13:30 CET on 8 May 2019.

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 2018 Annual Report.

Of the new or revised IFRS standards or IFRIC interpretations, which came into effect on 1 January 2019, only IFRS 16 Leases have had a 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.

■ IFRS 16 Leases

In transitioning to IFRS 16 on 1 January 2019 the Group has used a modified retrospective method, meaning that the 2018 financial year is not recalculated. The lease liability is the sum of the net present value of all future lease payments. The simplification rule, that a right-of-use asset (prior to adjustments for any advance payments) should correspond to the lease liability, was applied at transition. All components, with the exception of property tax in Sweden, have been deemed to be a lease component. Exemptions to not recognise short-term leases and low-value assets have also been applied.

The discount rate is based on high-quality mortgage bond yields in Sweden, with reference to the term of leases, which for foreign companies are then adjusted for differences between 10-year government bond yields of Sweden and foreign countries.

The largest asset class for leases is property, such as production plants and offices.

■ Impact on Group from IFRS 16 Leases

The following figures and key performance indicators are Nolato's impact of IFRS 16.

Impact on consolidated balance sheet of IFRS 16 SEK million	Before transition 31/12/2018	Adjustment due to transition	Adj. open. bal. 01/01/2019
Property, plant & equipment	1,518	362	1,880
Total fixed assets (increase of balance sheet item)	1,518	362	1,880
Long-term liabilities and provisions (interest-bearing)	704	292	996
Current liabilities and provisions (interest-bearing)	90	70	160
Total interest-bearing liabilities and provisions (increase of balance sheet item)	794	362	1,156

Impact on consolidated income statement of IFRS 16	Q1 2019	Q1 2018	Rolling 12 months	Full year 2018
SEK million				
Cost of goods sold	20	—	20	—
EBITDA (increase of performance measure)	20	—	20	—
Depreciation in cost of goods sold	– 19	—	– 19	—
EBITA/EBIT (increase of performance measure)	1	—	1	—
Interest expenses	– 3	—	– 3	—
Profit after financial income and expense (decrease of performance measure)	– 2	—	– 2	—
Tax	—	—	—	—
Profit after tax (decrease of performance measure)	– 2	—	– 2	—
Effect on basic earnings per share (SEK)	– 0.08	—	– 0.08	—

Impact on consolidated balance sheet of IFRS 16	31/03/2019	31/03/2018	31/12/2018
SEK million			
Property, plant & equipment	354	—	—
Deferred tax assets	—	—	—
Total fixed assets	354	—	—
Other current assets	– 1	—	—
Total current assets	– 1	—	—
Total assets (increase of balance sheet item)	353	—	—
Shareholders' equity	– 2	—	—
Long-term liabilities and provisions (interest-bearing)	282	—	—
Current liabilities and provisions (interest-bearing)	71	—	—
Current liabilities and provisions (non-interest-bearing)	2	—	—
Total liabilities and provisions	355	—	—
Total shareholders' equity and liabilities (increase of balance sheet item)	353	—	—

Impact on consolidated cash flow statement of IFRS 16	Q1 2019	Q1 2018	Rolling 12 months	Full year 2018
SEK million				
Operating profit	1	—	1	—
<i>Adjustments for items not included in cash flow:</i>				
Depreciation	19	—	19	—
Interest paid	– 3	—	– 3	—
Cash flow from oper. act. before changes in working capital	17	—	17	—
Other changes in working capital	3	—	3	—
Cash flow from operating activities	20	—	20	—
Cash flow from financing activities	– 20	—	– 20	—
Cash flow for the period	—	—	—	—

Financial information schedule

- Six-month interim report 2019: 18 July 2019
- Nine-month interim report 2019: 23 October 2019

Torekov, 8 May 2019

Nolato AB (publ)

Christer Wahlquist, President and CEO

The company in brief

■ Nolato's business

Nolato develops and manufactures products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, consumer electronics, 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	Note	Q1 2019	Q1 2018	Rolling 12 months	Full year 2018
Net sales	1	1,656	2,039	7,719	8,102
Cost of goods sold		– 1,387	– 1,698	– 6,534	– 6,845
Gross profit		269	341	1,185	1,257
Other operating income		—	20	17	37
Selling expenses		– 31	– 31	– 119	– 119
Administrative expenses		– 60	– 50	– 227	– 217
Other operating expenses		– 5	– 19	– 3	– 17
		– 96	– 80	– 332	– 316
Operating profit	2	173	261	853	941
Financial income and expense	2	– 7	– 5	– 22	– 20
Profit after financial income and expense	2	166	256	831	921
Tax		– 35	– 50	– 184	– 199
Profit after tax		131	206	647	722
All earnings are attrib. to the Parent Co.'s shareholders					
Depreciation/amortisation regarding non-current assets		86	61	273	248
Basic earnings per share, SEK*	3	4.98	7.83	24.59	27.44
Diluted earnings per share, SEK*	3	4.97	7.80	24.51	27.37
Number of shares at the end of the period, before dilution*		26,307,408	26,307,408	26,307,408	26,307,408
Number of shares at the end of the period, after dilution*		26,369,708	26,449,857	26,369,708	26,427,262
Average number of shares, before dilution*		26,307,408	26,307,408	26,307,408	26,307,408
Average number of shares, after dilution*		26,374,955	26,396,255	26,400,549	26,384,021

* At the end of the period the Group had three share warrant programmes, Series 1, Series 2 and Series 3. Series 1 has redemptions from 01/05/2019 to 15/12/2019, Series 2 from 01/05/2020 to 15/12/2020 and Series 3 from 01/05/2021 to 15/12/2021. The subscription price is SEK 296.30 for Series 1, SEK 485.10 for Series 2 and SEK 502.00 for Series 3. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 630,200 new class B shares.

Consolidated comprehensive income

SEK million	Q1 2019	Q1 2018	Rolling 12 months	Full year 2018
Profit after tax	131	206	647	722
Other comprehensive income				
<i>Items that cannot be transferred to profit for the period</i>				
Revaluations of defined benefit pension plans	—	—	3	3
Tax attributable to items that cannot be transferred to profit for the period	—	—	– 1	– 1
	—	—	2	2
<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	61	47	50	36
Changes in the fair value of cash flow hedges for the period*	– 1	—	– 2	– 1
Tax attributable to changes in the fair value of cash flow hedges*	—	—	—	—
	60	47	48	35
Other comprehensive income, net of tax	60	47	50	37
Total comp. income for the period attributable to the Parent Co.'s shareholders	191	253	697	759

* 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	31/03/2019	31/03/2018	31/12/2018
Assets			
Non-current assets			
Intangible non-current assets	796	831	780
Property, plant and equipment	1,900	1,329	1,518
Non-current financial assets	2	2	2
Other non-current receivables	1	1	1
Deferred tax assets	77	55	111
Total fixed assets	2,776	2,218	2,412
Current assets			
Inventories	600	590	566
Accounts receivable	1,007	1,213	949
Other current assets* ²⁾	316	310	276
Cash and bank	1,034	817	953
Total current assets	2,957	2,930	2,744
Total assets	5,733	5,148	5,156
Shareholders' equity and liabilities			
Shareholders' equity	2,783	2,412	2,592
Long-term liabilities and provisions ¹⁾	1,095	782	795
Deferred tax liabilities ¹⁾	109	98	116
Current liabilities and provisions* ^{1) 3)}	1,746	1,856	1,653
Total liabilities and provisions	2,950	2,736	2,564
Total shareholders' equity and liabilities	5,733	5,148	5,156
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	1,199	777	794
Non-interest-bearing liabilities and provisions	1,751	1,959	1,770
Total liabilities and provisions	2,950	2,736	2,564
* 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	1	3	5
³⁾ Derivative liabilities are included in current liabilities and provisions at	36	16	4

Changes in consolidated shareholders' equity (summary)

SEK million	Q1 2019	Q1 2018	Full year 2018
Shareholders' equity at the beginning of the period	2,592	2,159	2,159
Total comprehensive income for the period	191	253	759
Dividends	—	—	– 329
Share warrants included in incentive programme	—	—	3
Shareholders' equity at the end of period attrib. to Parent Co's shareholders	2,783	2,412	2,592

In 2018, a dividend totalling SEK 329 million was paid to the Parent Company's shareholders, corresponding to a dividend of SEK 12.50 per share. At the end of the period the Group had three share warrant programmes, Series 1, Series 2 and Series 3. Series 1 has redemptions from 01/05/2019 to 15/12/2019, Series 2 from 01/05/2020 to 15/12/2020 and Series 3 from 01/05/2021 to 15/12/2021. The subscription price is SEK 296.30 for Series 1, SEK 485.10 for Series 2 and SEK 502.00 for Series 3. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 630,200 new class B shares.

Consolidated cash flow statement (summary)

SEK million	Q1 2019	Q1 2018	Rolling 12 months	Full year 2018
Cash flow from operating activities before changes in working capital	194	287	867	960
Changes in working capital	- 64	9	12	85
Cash flow from operating activities	130	296	879	1,045
Cash flow from investment activities	- 105	- 109	- 394	- 398
Cash flow before financing activities	25	187	485	647
Cash flow from financing activities	10	- 73	- 310	- 393
Cash flow for the period	35	114	175	254
Cash and cash equivalents at the beginning of the period	953	669	—	669
Exchange rate difference in liquid assets	46	34	—	30
Cash and cash equivalents at the end of the period	1,034	817	—	953

Note 1 Revenue

SEK million	Q1 - 2019				Q1 - 2018				Full year - 2018			
	Sum	Medical Sol.	Integr. Sol.	Indust. Sol.	Sum	Medical Sol.	Integr. Sol.	Indust. Sol.	Sum	Medical Sol.	Integr. Sol.	Indust. Sol.
Sweden	308	38	11	259	339	43	16	280	1,189	140	51	998
Other Europe	820	417	167	236	639	351	58	230	2,889	1,492	473	924
North America etc.	164	133	7	24	165	119	5	41	716	544	41	131
Asia	364	23	327	14	896	19	860	17	3,315	94	3,155	66
Elimination internal sales	—	—	—	—	—	—	—	—	- 7	—	—	—
Tot. revenues fr. customer contracts	1,656	611	512	533	2,039	532	939	568	8,102	2,270	3,720	2,119

The above table essentially covers products transferred at a specific date.

For the first three months of the year, the Group recognised an increase of impaired trade receivables of SEK 0.2 million. Impairment losses are recognised in the cost of goods sold.

Note 2 Reconciliation of consolidated income before tax

SEK million	Q1 2019	Q1 2018	Rolling 12 months	Full year 2018
Operating profit (EBIT)				
Medical Solutions	77	67	301	291
Integrated Solutions	57	120	410	473
Industrial Solutions	43	56	169	182
Group adjustments, Parent Company*	- 4	18	- 27	- 5
Consolidated operating profit (EBIT)*	173	261	853	941
Financial income and expense (not distributed by business areas)	- 7	- 5	- 22	- 20
Consolidated profit before tax*	166	256	831	921

* Including non-recurring items of SEK +20 million in Q1 2018 and SEK -17 million in Q3 2018, which affected operating profit by a net amount of SEK +3 million.

■ Note 3 Earnings per share (IFRS measures)

SEK million	Q1 2019	Q1 2018	Rolling 12 months	Full year 2018
Profit after tax	131	206	647	722
Average number of shares, before dilution	26,307,408	26,307,408	26,307,408	26,307,408
Basic earnings per share (SEK)	4.98	7.83	24.59	27.44
Non-recurring items	—	– 21	14	– 7
Profit after tax excl. non-recurring items	131	185	661	715
Basic earnings per share excl. non-recurring items (SEK)	4.98	7.03	25.13	27.18
Dilutive shares from Series 1 incentive programme with exercise price SEK 296.30 per share; total 240,500 warrants	67,547	74,880	93,141	76,613
Dilutive shares from Series 2 incentive programme with exercise price SEK 485.10 per share; total 196,200 warrants	—	13,967	—	—
Dilutive shares from Series 3 incentive programme with exercise price SEK 502.00 per share; total 193,500 warrants	—	—	—	—
Average number of shares, after dilution	26,374,955	26,396,255	26,400,549	26,384,021
Diluted earnings per share (SEK)	4.97	7.80	24.51	27.37
Diluted earnings per share excl. non-recurring items (SEK)	4.97	7.01	25.04	27.10
Number of shares at the end of the period, before dilution	26,307,408	26,307,408	26,307,408	26,307,408
Number of shares at the end of the period, after dilution	26,369,708	26,449,857	26,369,708	26,427,262

* At the end of the period the Group had three share warrant programmes, Series 1, Series 2 and Series 3. Series 1 has redemptions from 01/05/2019 to 15/12/2019, Series 2 from 01/05/2020 to 15/12/2020 and Series 3 from 01/05/2021 to 15/12/2021. The subscription price is SEK 296.30 for Series 1, SEK 485.10 for Series 2 and SEK 502.00 for Series 3. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 630,200 new class B shares.

■ Adjusted earnings per share (alternative performance measures)

SEK million	Q1 2019	Q1 2018	Rolling 12 months	Full year 2018
Profit after tax	131	206	647	722
Adjusted earnings:				
Amortisation of intangible assets arising from acquisitions	2	3	7	8
Tax on amortisation	—	– 1	– 1	– 2
Adjusted earnings	133	208	653	728
Average number of shares, before dilution	26,307,408	26,307,408	26,307,408	26,307,408
Adjusted basic earnings per share (SEK)	5.06	7.91	24.82	27.67
Non-recurring items	—	– 21	14	– 7
Adjusted earnings after tax, excl. non-recurring items	133	187	667	721
Adj. basic earnings per share excl. non-recurring items (SEK)	5.06	7.11	25.35	27.41
Average number of shares, after dilution	26,374,955	26,396,255	26,400,549	26,384,021
Adjusted diluted earnings per share (SEK)	5.04	7.88	24.73	27.59
Adj. diluted earnings per share excl. non-recurring items (SEK)	5.04	7.08	25.26	27.33

■ Five-year overview

IFRS measures	2018	2017	2016	2015	2014
Operating profit (EBIT) (SEK million)	941	749	443	556	454
Basic earnings per share (SEK)	27.44	21.74	12.77	15.97	13.84
Diluted earnings per share (SEK)	27.37	21.74	12.77	15.97	13.84
Alternative performance measures					
Net sales (SEK million)	8,102	6,720	4,447	4,726	4,234
Operating profit (EBITA) (SEK million)	949	763	457	570	470
EBITA margin (%)	11.7	11.4	10.3	12.1	11.1
Profit after financial income and expense (SEK million)	921	731	438	555	462
Profit after tax (SEK million)	722	572	336	420	364
Cash flow after investments, excl. acq. and disposals (SEK million)	593	496	245	288	127
Cash conversion (%)	60	66	55	52	28
Return on capital employed (%)	29.7	26.6	20.6	29.6	28.4
Return on shareholders' equity (%)	30.4	29.4	19.0	25.3	25.0
Net financial assets (+) liabilities (–), excl. pension- & lease liab. (SEK million)	341	31	– 206	249	187
Equity/assets ratio (%)	50	45	47	54	54
Adjusted basic earnings per share (SEK)	27.67	22.16	13.19	16.35	14.29
Adjusted diluted earnings per share (SEK)	27.59	22.15	13.19	16.35	14.29
Dividend per share (2018 proposal) (SEK)	14.00	12.50	10.50	10.00	8.50
Average number of employees	6,449	7,249	6,418	7,759	8,020

Including any non-recurring items.

Quarterly data (summary)

IFRS measures	Note		Q1	Q2	Q3	Q4	Full year
Operating profit (EBIT) (SEK million)	2	2019	173	—	—	—	—
	2	2018	261	264	203	213	941
		2017	142	174	206	227	749
Basic earnings per share (SEK)	3	2019	4.98	—	—	—	—
	3	2018	7.83	7.75	5.85	6.01	27.44
		2017	4.11	4.98	5.82	6.84	21.74
Diluted earnings per share (SEK)	3	2019	4.97	—	—	—	—
	3	2018	7.80	7.70	5.81	5.98	27.30
		2017	4.11	4.98	5.82	6.84	21.74
Alternative performance measures							
Net sales (SEK million)	1	2019	1,656	—	—	—	—
	1	2018	2,039	2,302	1,980	1,781	8,102
		2017	1,370	1,675	1,749	1,926	6,720
Operating profit (EBITDA) (SEK million)		2019	259	—	—	—	—
		2018	322	325	267	275	1,189
		2017	199	232	263	286	980
Operating profit (EBITA) (SEK million)		2019	175	—	—	—	—
		2018	264	266	205	214	949
		2017	146	178	209	230	763
EBITA margin (%)		2019	10.6	—	—	—	—
		2018	12.9	11.6	10.4	12.0	11.7
		2017	10.7	10.6	11.9	11.9	11.4
Profit after financial income and expense (SEK million)	2	2019	166	—	—	—	—
	2	2018	256	257	198	210	921
		2017	138	170	198	225	731
Profit after tax (SEK million)		2019	131	—	—	—	—
		2018	206	204	154	158	722
		2017	108	131	153	180	572
Cash flow from operating activities (SEK million)		2019	130	—	—	—	—
		2018	296	472	39	238	1,045
		2017	67	103	381	222	773
Cash flow from operations per share before dilution (SEK)		2019	4.94	—	—	—	—
		2018	11.25	17.94	1.48	9.05	39.72
		2017	2.55	3.92	14.48	8.44	29.38
Cash flow after investments, excl. acq. and disp. (SEK million)		2019	25	—	—	—	—
		2018	187	352	– 68	122	593
		2017	3	28	308	157	496
Cash fl. aft. inv., excl. acq. and disp. per sh. bef. dilut. (SEK)		2019	0.95	—	—	—	—
		2018	7.11	13.38	– 2.58	4.64	22.54
		2017	0.11	1.06	11.71	5.97	18.85
Adjusted basic earnings per share (SEK)	3	2019	5.06	—	—	—	—
	3	2018	7.91	7.83	5.93	6.01	27.67
		2017	4.22	5.09	5.93	6.92	22.16
Shareholders' equity per share, before dilution (SEK)		2019	106	—	—	—	—
		2018	92	87	92	99	99
		2017	74	69	74	82	82
Return on total capital (%)		2019	16.1	—	—	—	—
		2018	18.8	19.6	19.1	18.4	18.4
		2017	14.0	14.8	16.1	17.1	17.1
Return on capital employed (%)		2019	25.3	—	—	—	—
		2018	29.8	32.0	31.2	29.7	29.7
		2017	20.8	22.3	24.7	26.6	26.6
Return on operating capital (%)		2019	34.4	—	—	—	—
		2018	36.8	41.1	41.1	40.0	40.0
		2017	24.3	25.7	29.1	32.1	32.1
Return on shareholders' equity (%)		2019	25.9	—	—	—	—
		2018	32.6	34.9	33.1	30.4	30.4
		2017	20.0	22.9	26.2	29.4	29.4
Closing share price Nolato B (Nasdaq Stockholm)		2019	386.50	—	—	—	—
		2018	609.00	723.00	548.00	366.50	366.50
		2017	267.00	316.50	393.00	539.00	539.00

Including non-recurring items of SEK +20 million in Q1 2018 and SEK –17 million in Q3 2018, which affected operating profit by a net amount of SEK +3 million.

Quarterly data business areas

Alternative performance measures

Net sales (SEK million)	Note		Q1	Q2	Q3	Q4	Full year
Medical Solutions	1	2019	611	—	—	—	—
	1	2018	532	562	596	580	2,270
		2017	487	498	459	511	1,955
Integrated Solutions	1	2019	512	—	—	—	—
	1	2018	939	1,186	892	703	3,720
		2017	399	692	819	900	2,810
Industrial Solutions	1	2019	533	—	—	—	—
	1	2018	568	554	492	505	2,119
		2017	488	489	473	518	1,968
Group adjustments, Parent Company	1	2019	—	—	—	—	—
	1	2018	—	—	—	-7	-7
		2017	-4	-4	-2	-3	-13
Group total	1	2019	1,656	—	—	—	—
	1	2018	2,039	2,302	1,980	1,781	8,102
		2017	1,370	1,675	1,749	1,926	6,720

Operating profit (EBITA) (SEK million)		Q1	Q2	Q3	Q4	Full year
Medical Solutions	2019	78	—	—	—	—
	EBITA margin (%)	12.8	—	—	—	—
	2018	69	73	76	77	295
	EBITA margin (%)	13.0	13.0	12.8	13.3	13.0
	2017	65	64	60	68	257
	EBITA margin (%)	13.3	12.9	13.1	13.3	13.1
Integrated Solutions	2019	57	—	—	—	—
	EBITA margin (%)	11.1	—	—	—	—
	2018	120	140	114	99	473
	EBITA margin (%)	12.8	11.8	12.8	14.1	12.7
	2017	38	73	105	116	332
	EBITA margin (%)	9.5	10.5	12.8	12.9	11.8
Industrial Solutions	2019	44	—	—	—	—
	EBITA margin (%)	8.3	—	—	—	—
	2018	57	55	35	39	186
	EBITA margin (%)	10.0	9.9	7.1	7.7	8.8
	2017	48	48	47	52	195
	EBITA margin (%)	9.8	9.8	9.9	10.0	9.9
Group adjustments, Parent Company*	2019	-4	—	—	—	—
	2018	18	-2	-20	-1	-5
	2017	-5	-7	-3	-6	-21
Group total	2019	175	—	—	—	—
	EBITA margin (%)	10.6	—	—	—	—
	2018	264	266	205	214	949
	EBITA margin (%)	12.9	11.6	10.4	12.0	11.7
	2017	146	178	209	230	763
	EBITA margin (%)	10.7	10.6	11.9	11.9	11.4

* Including non-recurring items of SEK +20 million in Q1 2018 and SEK -17 million in Q3 2018, which affected operating profit by a net amount of SEK +3 million.

Depreciation/amortisation (SEK million)		Q1	Q2	Q3	Q4	Full year
Medical Solutions	2019	39	—	—	—	—
	2018	28	28	28	28	112
	2017	27	27	27	27	108
Integrated Solutions	2019	17	—	—	—	—
	2018	8	8	8	7	31
	2017	9	8	8	8	33
Industrial Solutions	2019	30	—	—	—	—
	2018	25	25	28	26	104
	2017	21	22	23	24	90
Parent Company	2019	—	—	—	—	—
	2018	—	—	—	1	1
	2017	—	—	—	—	—
Group total	2019	86	—	—	—	—
	2018	61	61	64	62	248
	2017	57	57	58	59	231

Group financial highlights

	Note	Q1 2019	Q1 2018*	Rolling 12 months*	Full year 2018*
IFRS measures					
Basic earnings per share (SEK)	3	4.98	7.83	24.59	27.44
Diluted earnings per share (SEK)	3	4.97	7.80	24.51	27.37
Alternative performance measures					
Net sales (SEK million)	1	1,656	2,039	7,719	8,102
Sales growth (%)		– 19	49	4	21
Percentage of sales outside Sweden (%)		81	83	85	86
Operating profit (EBITDA) (SEK million)		259	322	1,126	1,189
Operating profit (EBITA) (SEK million) ¹⁾		175	264	860	949
EBITA margin (%) ¹⁾		10.6	12.9	11.1	11.7
Profit after financial income and expense (SEK million)	2	166	256	831	921
Profit margin (%) ¹⁾		10.0	12.6	10.8	11.4
Profit after tax (SEK million)		131	206	647	722
Return on total capital (%) ¹⁾		16.1	18.8	16.1	18.4
Return on capital employed (%) ¹⁾		25.3	29.8	25.3	29.7
Return on operating capital (%) ¹⁾		34.4	36.8	34.4	40.0
Return on shareholders' equity (%) ¹⁾		25.9	32.6	25.9	30.4
Equity/assets ratio (%)		49	47	49	50
Debt/equity (%)		43	32	43	31
Interest coverage ratio (times)		21	48	33	40
Net investments affecting cash flow, excl. acq. and disposals (SEK million)		105	109	448	452
Cash flow after investments, excl. acq. and disposals (SEK million)		25	187	431	593
Cash conversion (%) ¹⁾		—	—	50	60
Net financial assets, excl. pension- & lease liabilities (SEK million)		373	229	373	341
Adjusted basic earnings per share (SEK)	3	5.06	7.91	24.82	27.67
Adjusted diluted earnings per share (SEK)	3	5.04	7.88	24.73	27.59
Cash flow from operations per share, before dilution (SEK)		4.94	11.25	33.41	39.72
Cash flow from operations per share, after dilution (SEK)		4.93	11.21	33.29	39.52
Cash flow after investments excluding acquisitions and disposals, per share, before dilution (SEK)		0.95	7.11	18.44	22.54
Cash flow after investments excluding acquisitions and disposals, per share, after dilution (SEK)		0.95	7.08	18.37	22.43
Shareholders' equity per share, before dilution (SEK)		106	92	106	99
Shareholders' equity per share, after dilution (SEK)		106	91	106	98
Average number of employees		4,945	6,239	—	6,449

* Including non-recurring items of SEK +20 million in Q1 2018 and SEK –17 million in Q3 2018, which affected operating profit by a net amount of SEK +3 million.

1) KPIs calculated as specified on page 19.

Definitions - IFRS measures

Earnings per share

Earnings for the period that are attributable to the parent company's owners divided by the average number of outstanding shares.

Operating profit (EBIT)

Earnings before financial income and expense and taxes.

Definitions - Alternative performance measures

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.

Adjusted earnings per share

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

Average number of shares

The average basic number of shares comprises the parent company's weighted average number of outstanding shares during the period. After dilution, a weighted average of the shares that may be issued under the ongoing share warrant programme is added, if they are in-the-money, but only insofar as the average listed share price for the period exceeds the subscription price of the warrants.

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.

Cash flow after inv. act. excl. acq. and disposals, per share

Cash flow after investing activities excl. acquisitions and disposals, 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.

Debt/equity ratio

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

EBITA margin

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

Equity/assets ratio

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

Interest coverage ratio

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

Net financial assets (+) / liabilities (–)

Interest-bearing liabilities from credit institutions less interest-bearing assets.

Operating profit (EBITA)

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

Operating profit (EBITDA)

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

Profit margin

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

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.

Return on total capital

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

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.

Alternative performance measures

SEK million unless otherwise specified	Note	Q1 2019	Q1 2018	Rolling 12 months	Full year 2018
Operating profit (EBITDA)		259	322	1,126	1,189
Non-recurring items		—	– 20	17	– 3
Adjusted operating profit (EBITDA)		259	302	1,143	1,186
Operating profit (EBIT)	2	173	261	853	941
Reversal of amortisation of intangible assets arising in connection with acquisitions		2	3	7	8
Operating profit (EBITA)		175	264	860	949
Non-recurring items		—	– 20	17	– 3
Adjusted operating profit (EBITA)		175	244	877	946
EBITA margin (%)		10.6	12.9	11.1	11.7
Adjusted EBITA margin (%)		10.6	12.0	11.4	11.7
Profit after financial income and expense	2	166	256	831	921
Non-recurring items		—	– 20	17	– 3
Adjusted profit after financial income and expense		166	236	848	918
Profit margin (%)		10.0	12.6	10.8	11.4
Adjusted profit margin (%)		10.0	11.6	11.0	11.3
Profit after tax		131	206	647	722
Non-recurring items		—	– 20	17	– 3
Tax on non-recurring items		—	– 1	– 3	– 4
Adjusted profit after tax		131	185	661	715
Cash flow after investments, excluding acquisitions and disposals		—	—	431	593
Non-recurring items (affecting cash flow)		—	—	—	– 29
Adjusted cash flow after investments, excluding acquisitions and disposals		—	—	431	564
Operating profit (EBIT)	2	—	—	853	941
Non-recurring items		—	—	17	– 3
Adjusted operating profit (EBIT)		—	—	870	938
Cash conversion (%)		—	—	50	60

Non-recurring items consist of a distribution from the previous bankruptcy of a customer in 2006 and a capital loss on a divested business. The dividend in Q1 2018 had a positive effect on operating profit of SEK +20 million (0) within other operating income and the capital loss in Q3 2018 had a negative impact on operating profit of SEK –17 million (0) within other operating expenses. These non-recurring items have been recognised at Group level and have consequently not affected the profit of the business areas.

SEK million unless otherwise specified	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Profit after financial income and expense, rolling 12 months	831	921	936	936	849				
Financial expense, rolling 12 months	26	24	23	21	16				
Adjusted profit after financial income and exp., rolling 12 months	857	945	959	957	865				
Total capital, at the end of period	5,733	5,156	5,229	5,381	5,148	4,752	4,612	4,487	3,967
Average total capital, last 5 quarters	5,329	5,133	5,024	4,876	4,593				
Return on total capital (%)	16.1	18.4	19.1	19.6	18.8				
Adjusted profit after financial income and exp., rolling 12 months	857	945	959	957	865				
Capital employed, at the end of period	3,982	3,387	3,225	3,131	3,188	2,980	2,836	2,836	2,676
Average capital employed, last 5 quarters	3,383	3,182	3,072	2,994	2,903				
Return on capital employed (%)	25.3	29.7	31.2	32.0	29.8				
Operating profit (EBIT), rolling 12 months	853	941	955	958	868				
Capital employed, at the end of period	3,982	3,387	3,225	3,131	3,188	2,980	2,836	2,836	2,676
Cash and bank, at the end of period	– 1,034	– 953	– 818	– 891	– 817	– 669	– 561	– 380	– 311
Operating capital, at the end of period	2,948	2,434	2,407	2,240	2,371	2,311	2,275	2,456	2,365
Average operating capital, latest 5 quarters	2,480	2,353	2,321	2,331	2,356				
Return on operating capital (%)	34.4	40.0	41.1	41.1	36.8				
Profit after tax, rolling 12 months	647	722	744	743	670				
Shareholders' equity, at the end of period	2,783	2,592	2,422	2,301	2,412	2,159	1,950	1,815	1,955
Average shareholders' equity, latest 5 quarters	2,502	2,377	2,249	2,127	2,058				
Return on shareholders' equity (%)	25.9	30.4	33.1	34.9	32.6				

■ Parent Company income statement (summary)

SEK million	Q1 2019	Q1 2018	Rolling 12 months	Full year 2018
Net sales	19	16	66	63
Selling expenses	- 2	- 2	- 7	- 7
Administrative expenses	- 12	- 12	- 49	- 49
Other operating income	2	3	4	5
Other operating expenses	- 14	- 9	- 52	- 47
Operating profit	- 7	- 4	- 38	- 35
Profit from participations in Group companies	—	79	416	495
Financial income	4	4	14	14
Financial expenses	- 15	- 12	- 63	- 60
Profit after financial income and expense	- 18	67	329	414
Appropriations	—	—	252	252
Tax	7	—	- 48	- 55
Profit after tax	- 11	67	533	611
Depreciation/amortisation	—	—	1	1

■ Parent Company balance sheet (summary)

SEK million	31/03/2019	31/03/2018	31/12/2018
Assets			
Intangible fixed assets	1	4	1
Property, plant and equipment	1	1	1
Financial assets	1,709	1,623	1,675
Deferred tax assets	1	6	—
Total fixed assets	1,712	1,634	1,677
Other receivables	1,028	735	903
Cash and bank	—	98	59
Total current assets	1,028	833	962
Total assets	2,740	2,467	2,639
Shareholders' equity and liabilities			
Shareholders' equity	1,566	1,362	1,577
Untaxed reserves	199	200	199
Deferred tax liabilities	—	—	6
Other provisions	13	14	12
Long-term liabilities	568	536	556
Current liabilities	394	355	289
Total shareholders' equity and liabilities	2,740	2,467	2,639

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 2019	19	- 2	4	—	—	1,453	358
Subsidiary	Q1 2018	16	- 1	4	—	79	1,098	385

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.

