

# INTERIM REPORT

## 2020

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January - June

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

#### Second quarter of 2020 in brief

- 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)

#### First six months of 2020 in brief

- Sales increased to SEK 4,372 million (3,643)
- Operating profit (EBITA) rose to SEK 496 million (408)
- Diluted earnings per share were SEK 14.45 (11.77)
- Cash flow after investment amounted to SEK 612 million (203)
- Sustained strong financial position

# Nolato AB (publ) six-month interim report 2020



## Comments from the President and CEO

All three of our business areas performed well in the second quarter, given the current operating climate. The Group achieved strong growth of 12% adjusted for currency and acquisitions, and EBITA increased to SEK 269 million (233), which is the best ever quarter in Nolato's history.

Medical Solutions' overall performance was strong. 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. Sales growth, adjusted for currency, was a strong 9% on the back of increased production volumes. The margin was a substantial 14.3% as a result of higher volumes and a favourable sales mix.

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 vapouriser heating products (VHP). Adjusted for currency and acquisitions, sales rose by 32% with a very strong margin of 14.4%. The build-up of inventory is believed to be a contingency amid the ongoing pandemic as new product variants are rolled out. 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. Mobile phone volumes remained weak in the quarter as a result of the coronavirus situation in Asia.

The quarter began for Industrial Solutions with its customers in the automotive industry, which account for around 40% of its sales, halting operations because of coronavirus. 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. Overall, and taking account of the slowdown in the automotive industry in the quarter, Industrial Solutions achieved expected performance with sustained good market positions.



Christer Wahlquist, President and CEO, Nolato AB

"Nolato is a profitable, sustainable and innovative company at the cutting edge of technology. Supported by a strong financial position that provides us with flexibility, we are well equipped to respond to the opportunities of the future with continued good profitability and growth."

## Group highlights

| SEK million unless otherwise specified                   | Note | Q2 2020 | Q2 2019 | Q1 - Q2 2020 | Q1 - Q2 2019 | Rolling 12 months | Full year 2019 |
|--|------|---------|---------|--------------|--------------|-------------------|----------------|
| Net sales  | 1    | 2,307   | 1,987   | 4,372        | 3,643        | 8,648             | 7,919          |
| Operating profit (EBITDA)                                |      | 360     | 321     | 679          | 580          | 1,362             | 1,263          |
| Operating profit (EBITA)                                 |      | 269     | 233     | 496          | 408          | 983               | 895            |
| EBITA margin, %  |      | 11.7    | 11.7    | 11.3         | 11.2         | 11.4              | 11.3           |
| Operating profit (EBIT)                                  | 2    | 267     | 232     | 492          | 405          | 974               | 887            |
| Profit after financial income and expense                | 2    | 257     | 223     | 478          | 389          | 946               | 857            |
| Profit after tax   |      | 207     | 180     | 384          | 311          | 776               | 703            |
| Basic earnings per share, SEK                            | 3    | 7.79    | 6.82    | 14.46        | 11.80        | 29.24             | 26.60          |
| Diluted earnings per share, SEK                          | 3    | 7.79    | 6.81    | 14.45        | 11.77        | 29.24             | 26.60          |
| Basic adjusted earnings per share, SEK                   | 3    | 7.83    | 6.82    | 14.57        | 11.88        | 29.51             | 26.82          |
| Diluted adjusted earnings per share, SEK                 | 3    | 7.82    | 6.81    | 14.57        | 11.84        | 29.50             | 26.82          |
| Cash flow after investm., excl. acquis. and disposals    |      | 685     | 178     | 612          | 203          | 1,209             | 800            |
| Net investm affecting cash flow, excl. acq. and disp.    |      | 63      | 87      | 133          | 192          | 301               | 360            |
| Cash conversion, %                                       |      | —       | —       | —            | —            | 120               | 88             |
| Return on capital employed, %                            |      | 23.4    | 23.6    | 23.4         | 23.6         | 23.4              | 23.1           |
| Return on shareholders' equity, %                        |      | 25.9    | 24.5    | 25.9         | 24.5         | 25.9              | 25.5           |
| Equity/assets ratio, %                                   |      | 51      | 47      | 51           | 47           | 51                | 48             |
| Net financial assets, excl. pension- & lease liabilities |      | 1,245   | 190     | 1,245        | 190          | 1,245             | 666            |

See definitions of IFRS measures and alternative performance measures on page 23.

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -11 million.

Including a non-recurring item of SEK -22 million in operating profit in Q4 2019 and tax effects of SEK +6 million, which impacted profit after tax by SEK -16 million.

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

## Second quarter 2020

- Sales totalled SEK 2,307 million (1,987); adjusted for currency and acquisitions, sales increased by a substantial 12%
- Strong performance by Medical Solutions and Integrated Solutions
- Operating profit (EBITA) rose to SEK 269 million (233)
- EBITA margin of 11.7% (11.7)
- Very strong cash flow after investment of SEK 685 million (178)

### Sales

Consolidated sales totalled SEK 2,307 million (1,987). Adjusted for currency and acquisitions, this was an increase of a substantial 12%.

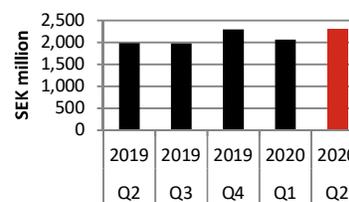
Medical Solutions sales amounted to SEK 700 million (634); adjusted for currency, sales increased by a strong 9%. Growth in production volumes was robust, primarily in segments that have benefitted as a result of the coronavirus situation, including diagnostics.

Integrated Solutions sales increased significantly to SEK 1,149 million (821), driven mainly by high demand for vaporiser heating products (VHP). Adjusted for currency and acquisitions, sales increased by a substantial 32%. Inventory build-up by VHP customers continued to make a positive contribution in the quarter. This has taken place in conjunction with the roll-out of new product variants. Nolato believes the inventory build-up situation is returning to normal levels from the third quarter, but at sustained healthy volumes. Growth in the EMC area was good, while volumes for mobile phones remained weak in the quarter.

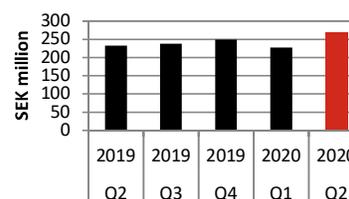
Industrial Solutions sales amounted to SEK 459 million (541); adjusted for currency, sales decreased by 16%. As previously assessed by Nolato, demand from automotive industry customers was significantly impacted by the suspension of operations for periods of the quarter. Production subsequently resumed at low volumes, and gradually increased over the quarter. Nolato believes that, in combination with the summer holiday period, the coronavirus situation will continue to have a negative impact on demand in this business area over the third quarter.

### Strong performance by Medical and Integrated

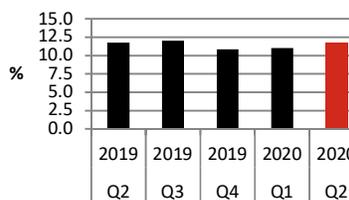
#### • Sales



#### • Operating profit (EBITA)



#### • EBITA margin



## Profit

The Group's operating profit (EBITA) increased to SEK 269 million (233).

Operating profit (EBITA) increased to SEK 100 million (82) for Medical Solutions and to SEK 166 million (107) for Integrated Solutions. Industrial Solutions operating profit decreased to SEK 11 million (46).

The EBITA margin for Medical Solutions rose to a very strong 14.3% (12.9).

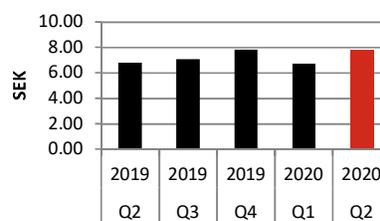
The increase was due to high volumes and a favourable sales mix. For Integrated Solutions, the margin was a very strong 14.4% (13.0). Higher volumes have contributed to the increased margin, along with the business area receiving a general contribution equivalent to just over SEK 10 million from Chinese authorities. This compensation boosted the margin by slightly more than 1 percentage point. The EBITA margin for Industrial Solutions was 2.4% (8.5). The lower volumes, in particular for the automotive industry, affected the margin. In addition, redundancy costs of close to SEK 10 million have had a negative impact of just under 2 percentage points. Overall, the Group's EBITA margin was a very strong 11.7% (11.7).

Operating profit (EBIT) was SEK 267 million (232).

Profit after net financial income/expense rose to SEK 257 million (223).

Profit after tax was SEK 207 million (180). Diluted earnings per share stood at SEK 7.79 (6.81). Adjusted earnings per share after dilution but excluding amortisation of intangible assets arising from acquisitions amounted to SEK 7.82 (6.81).

### ● Adjusted basic earnings per share



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

| SEK million                 | Sales<br>Q2/2020 | Sales<br>Q2/2019 | Oper. prof.<br>Q2/2020 | Oper. prof.<br>Q2/2019 | EBITA marg.<br>Q2/2020 | EBITA marg.<br>Q2/2019 |
|-----------------------------|------------------|------------------|------------------------|------------------------|------------------------|------------------------|
| Medical Solutions           | 700              | 634              | 100                    | 82                     | 14.3%                  | 12.9%                  |
| Integrated Solutions        | 1,149            | 821              | 166                    | 107                    | 14.4%                  | 13.0%                  |
| Industrial Solutions        | 459              | 541              | 11                     | 46                     | 2.4%                   | 8.5%                   |
| Intra-Group adj., Parent Co | -1               | -9               | -8                     | -2                     | —                      | —                      |
| <b>Group total</b>          | <b>2,307</b>     | <b>1,987</b>     | <b>269</b>             | <b>233</b>             | <b>11.7%</b>           | <b>11.7%</b>           |

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

## First six months 2020

### Sales and earnings

Consolidated sales totalled SEK 4,372 million (3,643) for the first six months of 2020. Adjusted for currency and acquisitions, this was a substantial increase of 14%.

Sales for Medical Solutions rose by 8% to SEK 1,342 million (1,245), while for Integrated Solutions they increased by an exceptional 50% to SEK 2,003 million (1,333) and decreased for Industrial Solutions by 4% to SEK 1,029 million (1,074).

The Group's operating profit (EBITA) increased to SEK 510 million (408), excluding a non-recurring item of SEK -14 million. Including non-recurring items, profit amounted to SEK 496 million (408). Overall, the Group's EBITA margin was 11.7% (11.2%) excluding non-recurring items.

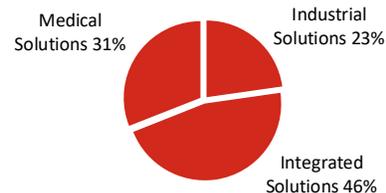
Operating profit (EBIT) rose to SEK 506 million (405), excluding non-recurring items. Including non-recurring items, profit amounted to SEK 492 million (405). In January Nolato announced that it plans to consolidate operations in UK-based Nolato Jaycare and that one of its production plants is to be closed by December 2020. The cost of the closure is estimated at approximately SEK 36 million, of which around SEK 30 million affects cash flow. Non-recurring costs of SEK 22 million were expensed in the fourth quarter of 2019 and the remaining SEK 14 million was expensed in the first quarter of 2020. These non-recurring items were recognised at Group level and have consequently not affected the profit of the business areas.

Profit after net financial income/expense was SEK 478 million (389).

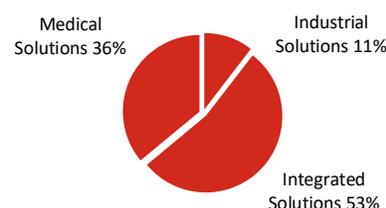
Profit after tax was SEK 384 million (311). Diluted earnings per share were SEK 14.45 (11.77). Excluding non-recurring items, diluted earnings per share were SEK 14.87 (11.77). Adjusted earnings per share after dilution but excluding amortisation of intangible assets arising from acquisitions amounted to SEK 14.57 (11.84). The effective tax rate was 19.7% (20.1).

Return on capital employed was 23.4% for the last 12-month period (23.1% for the 2019 calendar year). Return on equity was 25.9% for the last 12 months (25.5% for the 2019 calendar year).

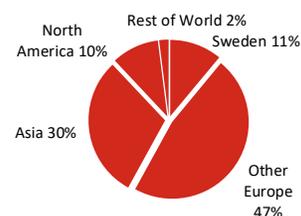
#### ● Business areas' share of sales



#### ● Business areas' share of operating profit (EBITA)



#### ● Sales by geographic markets



## Medical Solutions

| Sales and profit 6 months (SEK million) | 2020  | 2019  |
|---|-------|-------|
| Sales                                   | 1,342 | 1,245 |
| Operating profit (EBITA)                | 187   | 160   |
| EBITA margin (%)                        | 13.9  | 12.9  |
| Operating profit (EBIT)                 | 186   | 159   |

Medical Solutions sales amounted to SEK 1,342 million (1,245); adjusted for currency, sales increased by 5%. Growth in production volumes was robust, primarily in segments that have benefitted as a result of the coronavirus situation, including diagnostics. Project revenues have decreased as projects for new products that Nolato is involved in have been delayed owing to the coronavirus situation.

Operating profit (EBITA) rose to SEK 187 million (160).

The EBITA margin grew to a strong 13.9% (12.9). The increase was due to high volumes and a favourable sales mix.

## Integrated Solutions

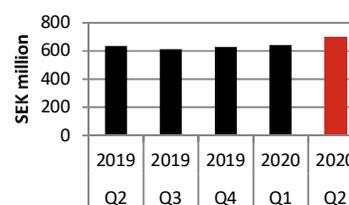
| Sales and profit 6 months (SEK million) | 2020  | 2019  |
|---|-------|-------|
| Sales                                   | 2,003 | 1,333 |
| Operating profit (EBITA)                | 277   | 164   |
| EBITA margin (%)                        | 13.8  | 12.3  |
| Operating profit (EBIT)                 | 276   | 164   |

Integrated Solutions sales increased sharply to SEK 2,003 million (1,333), driven mainly by high demand in vaporiser heating products (VHP). Adjusted for currency and acquisitions, sales increased by an exceptional 39%. Inventory build-up by VHP customers made a positive contribution in the period. This has taken place in conjunction with the roll-out of new product variants. Nolato believes the inventory build-up situation is returning to normal levels from the third quarter, but at sustained healthy volumes. Growth in the EMC area was good, while mobile phone volumes remained weak.

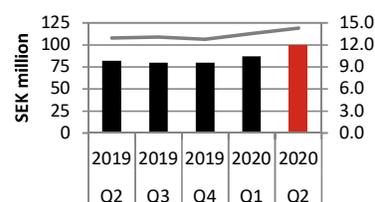
Operating profit (EBITA) rose to SEK 277 million (164).

The EBITA margin grew to a very strong 13.8% (12.3). Higher volumes contributed to the increased margin, along with the business area receiving a general contribution from Chinese authorities. This contribution boosted the margin by more than half a percentage point.

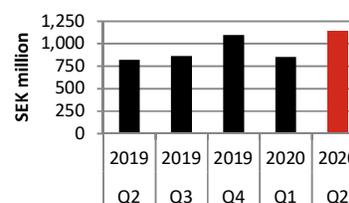
### Medical Solutions sales



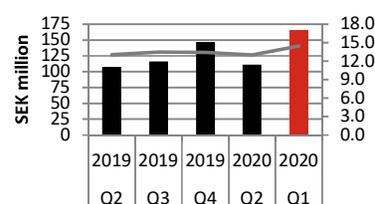
### Medical Solutions operating profit (EBITA) & EBITA margin %



### Integrated Solutions sales



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



## Industrial Solutions

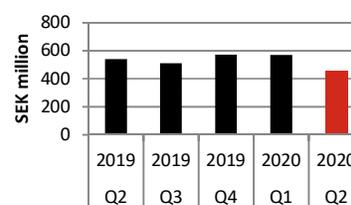
| Sales and profit 6 months (SEK million) | 2020  | 2019  |
|---|-------|-------|
| Sales                                   | 1,029 | 1,074 |
| Operating profit (EBITA)                | 58    | 90    |
| EBITA margin (%)                        | 5.6   | 8.4   |
| Operating profit (EBIT)                 | 56    | 88    |

Industrial Solutions sales amounted to SEK 1,029 million (1,074); adjusted for currency, sales decreased by 6%. New customer projects within general industry that started late last year continued to make a positive contribution. The hygiene area, which saw low volumes in the first half of last year, has returned to normal levels. As previously assessed by Nolato, demand from automotive industry customers was significantly impacted by the suspension of operations for periods during the second quarter. Production resumed in the second half of May at low volumes, and gradually increased over the quarter. Nolato believes that, in combination with the summer holiday period, the coronavirus situation will continue to have a negative impact on demand in this business area in the third quarter.

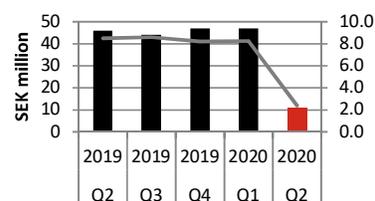
Operating profit (EBITA) was SEK 58 million (90).

The EBITA margin was 5.6% (8.4). The lower volumes, in particular for the automotive industry, affected the margin. In addition, redundancy costs had a negative impact of just under 1 percentage point.

### Industrial Solutions sales



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



## Cash flow

Cash flow after investment in the second quarter amounted to a very strong SEK 685 million (178). The strong cash flow was mainly due to a temporary sharp decrease in tied-up working capital. The inventory levels have normalised following the temporary rise in the first quarter that resulted from the coronavirus situation. Trade receivables were relatively low at the end of the period owing to a mix of fairly high sales with short credit periods in the second quarter, and through accrual effects with quicker settlement of sold trade receivables. Strong earnings and a low level of investment also contributed.

Net investment affecting cash flow decreased to SEK 63 million (87). Cash flow in the first half of the year rose to SEK 612 million (203). The change in cash flow was due to strong earnings, reduced investment, and in particular to the decrease in tied-up working capital. On an accumulated basis, investment affecting cash flow totalled SEK 133 million (192). Cash conversion for the last 12 months increased to 120% (88% for the 2019 calendar year). Nolato's annual general meeting resolved to postpone any decision regarding a dividend. Consequently, no dividend was paid in the second quarter, which has affected cash flow in terms of financing activities compared with the same period last year, when SEK 368 million was paid to shareholders.

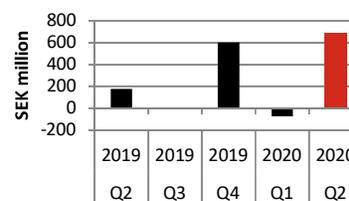
## Financial position

Interest-bearing assets increased to SEK 1,906 million (828), and interest-bearing financial liabilities rose to SEK 661 million (638). Net financial assets consequently totalled SEK 1,245 million (190). The positive cash flow over the past 12-month period has increased net financial assets, and no dividend has been paid. There are also interest-bearing pension liabilities of SEK 256 million (196) and interest-bearing lease liabilities of SEK 245 million (331). Shareholders' equity rose to SEK 3,353 million (2,604). The equity/assets ratio was 51% (47).

## Financial position

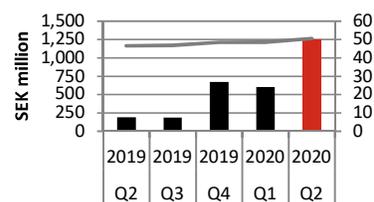
| SEK million  | 30/06/2020 | 30/06/2019 | 31/12/2019 |
|--|------------|------------|------------|
| Interest-bearing liabilities, credit institutions                                  | - 661      | - 638      | - 696      |
| Cash and bank  | 1,906      | 828        | 1,362      |
| Net financial assets   | 1,245      | 190        | 666        |
| Interest-bearing pension liabilities   | - 256      | - 196      | - 246      |
| Net financial assets (+) / liabilities (-), incl. pension liabilities              | 989        | - 6        | 420        |
| Lease liabilities  | - 245      | - 331      | - 277      |
| Net financial assets (+) / liabilities (-), including pension- & lease liabilities | 744        | - 337      | 143        |
| Working capital  | 93         | 361        | 280        |
| <i>As a percentage of sales (average) (%)</i>                                      | 2.6        | 3.1        | 3.2        |
| Capital employed   | 4,514      | 3,771      | 4,184      |
| <i>Return on capital employed (average) (%)</i>                                    | 23.4       | 23.6       | 23.1       |
| Shareholders' equity   | 3,353      | 2,604      | 2,966      |
| <i>Return on shareholders' equity (average) (%)</i>                                | 25.9       | 24.5       | 25.5       |

### • Cash flow after investments



Excluding acquisitions and disposals

### • Net financial assets & equity/assets ratio



## Consolidated performance analysis

| SEK million   | Note | Q2<br>2020 | Q2<br>2019 | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Rolling<br>12 months | Full year<br>2019 |
|---|------|------------|------------|-----------------|-----------------|----------------------|-------------------|
| Net sales   | 1    | 2,307      | 1,987      | 4,372           | 3,643           | 8,648                | 7,919             |
| Gross profit excl. depreciation/amortisation              |      | 454        | 402        | 860             | 755             | 1,717                | 1,612             |
| <i>As a percentage of net sales</i>                       |      | 19.7       | 20.2       | 19.7            | 20.7            | 19.9                 | 20.4              |
| Costs   |      | -94        | -81        | -181            | -175            | -355                 | -349              |
| <i>As a percentage of net sales</i>                       |      | 4.1        | 4.1        | 4.1             | 4.8             | 4.1                  | 4.4               |
| Operating profit (EBITDA)                                 |      | 360        | 321        | 679             | 580             | 1,362                | 1,263             |
| <i>As a percentage of net sales</i>                       |      | 15.6       | 16.2       | 15.5            | 15.9            | 15.7                 | 15.9              |
| Depreciation and amortisation                             |      | -91        | -88        | -183            | -172            | -379                 | -368              |
| Operating profit (EBITA)                                  |      | 269        | 233        | 496             | 408             | 983                  | 895               |
| <i>As a percentage of net sales</i>                       |      | 11.7       | 11.7       | 11.3            | 11.2            | 11.4                 | 11.3              |
| Amortisation of intangible assets arising fr. acquis.     |      | -2         | -1         | -4              | -3              | -9                   | -8                |
| Operating profit (EBIT)                                   | 2    | 267        | 232        | 492             | 405             | 974                  | 887               |
| Financial income and expense                              | 2    | -10        | -9         | -14             | -16             | -28                  | -30               |
| Profit after financial income and expense                 | 2    | 257        | 223        | 478             | 389             | 946                  | 857               |
| Tax   |      | -50        | -43        | -94             | -78             | -170                 | -154              |
| <i>As a perc. of profit after financial inc. and exp.</i> |      | 19.5       | 19.3       | 19.7            | 20.1            | 18.0                 | 18.0              |
| Profit after tax  |      | 207        | 180        | 384             | 311             | 776                  | 703               |

### Personnel

The average number of employees during the period was 6,118 people (5,521). The increase 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 2019 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, but Nolato is operating in an environment that at the time of this report's publication is affecting the Group in various ways by Covid-19, particularly the Industrial Solutions business area.

#### • Contact:

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

#### • Webcast conference call on 17 July:

In connection with the interim report, Nolato will hold a webcast conference call in English at 3.15 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/12326>. The presentation will be available at [www.nolato.com/ir](http://www.nolato.com/ir) after publication of the interim report. The webcast will be available at the same address after the live broadcast.

## 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 11,486 shareholders at 30 June. The largest shareholders are the Jorlén family with 10%, the Boström family with 9%, the Hamrin family and Capital Group with 8% each and Lannebo Funds with 7%, of the capital.

*Prior to publication this information constituted inside information that Nolato AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 2:30 p.m. CET on 17 July 2020.*

## The Parent Company

For the parent company, which has no operating activities, sales amounted to SEK 33 million (35). Profit after financial income and expense amounted to SEK 159 million (143).

Contingent liabilities amounted to SEK 252 million (107).

## 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 interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. Publication of this interim report is subject to the Swedish Securities Market Act.

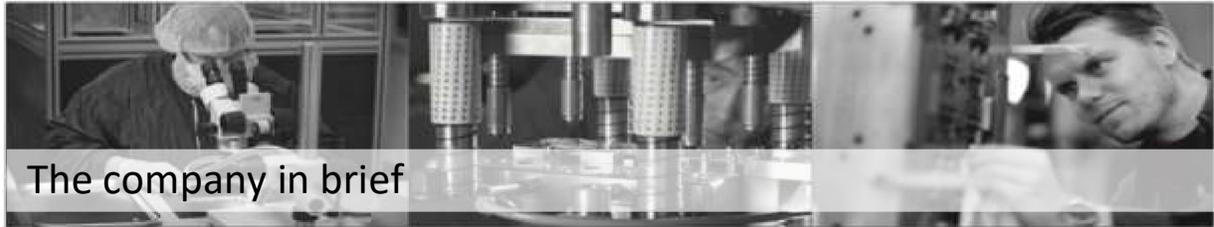
The consolidated accounts have been prepared according to the same principles as in the most recent annual accounts, as set out in the Annual Report 2019.

IASB and the IFRS Interpretations Committee have issued new standards and statements that apply to financial years starting 1 January 2020 or later. There are no plans for the early application of new or amended standards for future application. None of the standards or interpretations published by IASB are expected to have a material impact on the Group or Parent Company's financial statements.

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

## Financial information schedule

- Nine-month interim report 2020: 23 October 2020
- 2020 year-end report: 10 February 2021
- Three-month interim report 2021: 4 May 2021
- 2021 Annual General Meeting: 4 May 2021
- Six-month interim report 2021: 20 July 2021
- Nine-month interim report 2021: 28 October 2021
- 2021 year-end report: 7 February 2022



## The company in brief

### Nolato's business

Nolato is a global, advanced high-tech cooperation partner and manufacturer of polymer products and systems for leading customers in well-defined market areas such as medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors.

With its many years of experience, in-depth materials and processes expertise, early involvement in customer projects, advanced project management and detailed knowledge of each customer's specific requirements, Nolato is an effective and innovative partner.

### Nolato's business model

Our business model is based on three decentralised business areas, which with their own decision-making and shared ambitions endeavour to fulfil our vision and financial targets.

The sharing of experience between our business areas, leading-edge technology, wide-ranging development and design know-how, advanced project management and efficient production allow us to establish long-term, innovative cooperation with our customers and partners and generate added value for both them and our shareholders.

Our shared values of being professional, well organised and responsible are reflected in everything we do.

### 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

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)

The Board of Directors and the President give their assurance that this interim report provides a true and fair view of the operations, financial position and earnings of the company and the Group, and describe the significant risks and uncertainty factors faced by the company and the companies included in the Group.

Torekov 17 July 2020

Fredrik Arp  
*Chairman of the Board*

Sven Boström-Svensson  
*Board member*

Lovisa Hamrin  
*Board member*

Åsa Hedin  
*Board member*

Erik Lyngé-Jorlén  
*Board member*

Lars-Åke Rydh  
*Board member*

Jenny Sjö Dahl  
*Board member*

Björn Jacobsson  
*Board member*  
*Employee representative*

Håkan Svensson  
*Board member*  
*Employee representative*

Christer Wahlquist  
*President and CEO*

## Review report

Nolato AB, corporate identity number 556080-4592

### Introduction

We have reviewed the condensed interim report for Nolato AB as at June 30, 2020 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Torekov 17 July 2020

Ernst & Young AB  
Joakim Falck  
*Authorised public accountant*

## Consolidated income statement (summary)

| SEK million   | Note | Q2<br>2020 | Q2<br>2019 | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Rolling<br>12 months | Full year<br>2019 |
|---|------|------------|------------|-----------------|-----------------|----------------------|-------------------|
| Net sales   | 1    | 2,307      | 1,987      | 4,372           | 3,643           | 8,648                | 7,919             |
| Cost of goods sold                                    |      | - 1,945    | - 1,670    | - 3,694         | - 3,057         | - 7,308              | - 6,671           |
| <b>Gross profit</b>                                   |      | <b>362</b> | <b>317</b> | <b>678</b>      | <b>586</b>      | <b>1,340</b>         | <b>1,248</b>      |
| Other operating income                                |      | 6          | 1          | 22              | 1               | 23                   | 2                 |
| Selling expenses                                      |      | - 30       | - 32       | - 65            | - 63            | - 128                | - 126             |
| Administrative expenses                               |      | - 71       | - 59       | - 143           | - 119           | - 255                | - 231             |
| Other operating expenses                              |      | —          | 5          | —               | —               | - 6                  | - 6               |
|   |      | - 95       | - 85       | - 186           | - 181           | - 366                | - 361             |
| <b>Operating profit</b>                               | 2    | <b>267</b> | <b>232</b> | <b>492</b>      | <b>405</b>      | <b>974</b>           | <b>887</b>        |
| Financial income and expense                          | 2    | - 10       | - 9        | - 14            | - 16            | - 28                 | - 30              |
| <b>Profit after financial income and expense</b>      | 2    | <b>257</b> | <b>223</b> | <b>478</b>      | <b>389</b>      | <b>946</b>           | <b>857</b>        |
| Tax   |      | - 50       | - 43       | - 94            | - 78            | - 170                | - 154             |
| <b>Profit after tax</b>                               |      | <b>207</b> | <b>180</b> | <b>384</b>      | <b>311</b>      | <b>776</b>           | <b>703</b>        |
| All earnings are attrib. to the Parent Co.'s shareh.  |      |            |            |                 |                 |                      |                   |
| Depreciation/amortisation reg. non-current assets     |      | 93         | 89         | 187             | 175             | 388                  | 376               |
| Basic earnings per share, SEK                         | 3    | 7.79       | 6.82       | 14.46           | 11.80           | 29.24                | 26.60             |
| Diluted earnings per share, SEK                       | 3    | 7.79       | 6.81       | 14.45           | 11.77           | 29.24                | 26.60             |
| Number of shares at the end of the period, bef. dil.  |      | 26,581,308 | 26,456,658 | 26,581,308      | 26,456,658      | 26,581,308           | 26,548,008        |
| Number of shares at the end of the period, after dil. |      | 26,614,401 | 26,485,524 | 26,614,401      | 26,485,524      | 26,614,401           | 26,548,982        |
| Average number of shares, before dilution             |      | 26,564,658 | 26,382,033 | 26,559,108      | 26,357,158      | 26,534,706           | 26,431,806        |
| Average number of shares, after dilution              |      | 26,585,973 | 26,429,995 | 26,570,464      | 26,427,448      | 26,541,520           | 26,432,001        |

At the end of the period, the Group had two incentive programmes: Incentive Programme 2016/2021 and Incentive Programme 2019/2024. For more information please see Note 3 Earnings per share on page 17.

## Consolidated comprehensive income

| SEK million   |  | Q2<br>2020  | Q2<br>2019  | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Rolling<br>12 months | Full year<br>2019 |
|---|--|-------------|-------------|-----------------|-----------------|----------------------|-------------------|
| <b>Profit after tax</b>   |  | <b>207</b>  | <b>180</b>  | <b>384</b>      | <b>311</b>      | <b>776</b>           | <b>703</b>        |
| <b>Other comprehensive income</b>   |  |             |             |                 |                 |                      |                   |
| <i>Items that cannot be transferred to profit for the period</i>          |  |             |             |                 |                 |                      |                   |
| Revaluations of defined benefit pension plans                             |  | - 3         | - 10        | - 3             | - 10            | - 59                 | - 66              |
| Tax attrib. to items that cannot be transf. to profit for the per.        |  | 1           | 2           | 1               | 2               | 10                   | 11                |
|   |  | - 2         | - 8         | - 2             | - 8             | - 49                 | - 55              |
| <i>Items that have been conv. or can be conv. into prof. for the per.</i> |  |             |             |                 |                 |                      |                   |
| Transl. diff. for the period on transl. of foreign operations             |  | - 90        | - 28        | - 12            | 33              | - 24                 | 21                |
| Changes in the fair value of cash flow hedges for the period              |  | 3           | 1           | 2               | —               | 4                    | 2                 |
| Tax attrib. to changes in the fair value of cash flow hedges              |  | - 1         | —           | - 1             | —               | - 1                  | —                 |
|   |  | - 88        | - 27        | - 11            | 33              | - 21                 | 23                |
| <b>Other comprehensive income, net of tax</b>                             |  | <b>- 90</b> | <b>- 35</b> | <b>- 13</b>     | <b>25</b>       | <b>- 70</b>          | <b>- 32</b>       |
| <b>Total comp. inc. for the per. attrib. to the Parent Co.'s shareh.</b>  |  | <b>117</b>  | <b>145</b>  | <b>371</b>      | <b>336</b>      | <b>706</b>           | <b>671</b>        |

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   | 30/06/2020   | 30/06/2019   | 31/12/2019   |
|---|--------------|--------------|--------------|
| <b>Assets</b>   |              |              |              |
| <b>Non-current assets</b>   |              |              |              |
| Intangible non-current assets   | 848          | 798          | 852          |
| Property, plant and equipment   | 1,800        | 1,892        | 1,839        |
| Non-current financial assets  | 2            | 2            | 2            |
| Other non-current receivables   | 2            | 1            | 1            |
| Deferred tax assets   | 57           | 76           | 58           |
| <b>Total fixed assets</b>   | <b>2,709</b> | <b>2,769</b> | <b>2,752</b> |
| <b>Current assets</b>   |              |              |              |
| Inventories   | 743          | 553          | 667          |
| Accounts receivable   | 974          | 1,105        | 1,051        |
| Other current assets <sup>2)</sup>  | 306          | 338          | 302          |
| Cash and bank   | 1,906        | 828          | 1,362        |
| <b>Total current assets</b>   | <b>3,929</b> | <b>2,824</b> | <b>3,382</b> |
| <b>Total assets</b>   | <b>6,638</b> | <b>5,593</b> | <b>6,134</b> |
| <b>Shareholders' equity and liabilities</b>                                     |              |              |              |
| <b>Shareholders' equity</b>   | <b>3,353</b> | <b>2,604</b> | <b>2,966</b> |
| Long-term liabilities and provisions <sup>1)</sup>                              | 1,171        | 1,098        | 1,179        |
| Deferred tax liabilities <sup>1)</sup>  | 94           | 95           | 110          |
| Current liabilities and provisions <sup>1) 3)</sup>                             | 2,020        | 1,796        | 1,879        |
| <b>Total liabilities and provisions</b>   | <b>3,285</b> | <b>2,989</b> | <b>3,168</b> |
| <b>Total shareholders' equity and liabilities</b>                               | <b>6,638</b> | <b>5,593</b> | <b>6,134</b> |
| <sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions: |              |              |              |
| Interest-bearing liabilities and provisions                                     | 1,162        | 1,165        | 1,219        |
| Non-interest-bearing liabilities and provisions                                 | 2,123        | 1,824        | 1,949        |
| <b>Total liabilities and provisions</b>   | <b>3,285</b> | <b>2,989</b> | <b>3,168</b> |

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

<sup>2)</sup> Derivative assets are included in other current assets at

<sup>3)</sup> Derivative liabilities are included in current liabilities and provisions at

|    |    |   |
|----|----|---|
| 10 | 1  | 5 |
| 5  | 12 | 1 |

## Changes in consolidated shareholders' equity (summary)

| SEK million  | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Full year<br>2019 |
|--|-----------------|-----------------|-------------------|
| Shareholders' equity at the beginning of the period                      | 2,966           | 2,592           | 2,592             |
| Total comprehensive income for the period                                | 371             | 336             | 671               |
| Dividends  | —               | – 368           | – 368             |
| Exercise of warrants included in incentive programmes                    | 16              | 44              | 71                |
| Shareholders' equity at the end of period attrib. to Parent Co's shareh. | 3,353           | 2,604           | 2,966             |

At the end of the period, the Group had two incentive programmes: Incentive Programme 2016/2021 and Incentive Programme 2019/2024. In Incentive Programme 2016/2021, Series 2017/2020 has redemptions from 01/05/2020 to 15/12/2020 and Series 2018/2021 from 01/05/2021 to 15/12/2021. The subscription price is SEK 485.10 for Series 2017/2020 and SEK 502.00 for Series 2018/2021. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 888,400 new class B shares.

## Consolidated cash flow statement (summary)

| SEK million   | Q2<br>2020 | Q2<br>2019 | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Rolling<br>12 months | Full year<br>2019 |
|---|------------|------------|-----------------|-----------------|----------------------|-------------------|
| Cash fl. from oper. activities bef. changes in work. cap. | 277        | 201        | 576             | 395             | 1,186                | 1,005             |
| Changes in working capital                                | 471        | 64         | 169             | —               | 324                  | 155               |
| Cash flow from operating activities                       | 748        | 265        | 745             | 395             | 1,510                | 1,160             |
| Cash flow from investment activities                      | – 63       | – 87       | – 133           | – 192           | – 394                | – 453             |
| Cash flow before financing activities                     | 685        | 178        | 612             | 203             | 1,116                | 707               |
| Cash flow from financing activities                       | – 32       | – 372      | – 68            | – 362           | – 21                 | – 315             |
| Cash flow for the period                                  | 653        | – 194      | 544             | – 159           | 1,095                | 392               |
| Cash and cash equiv. at the beginning of the period       | 1,333      | 1,034      | 1,362           | 953             | —                    | 953               |
| Exchange rate difference in liquid assets                 | – 80       | – 12       | —               | 34              | —                    | 17                |
| Cash and cash equivalents at the end of the period        | 1,906      | 828        | 1,906           | 828             | —                    | 1,362             |

## Note 1 Revenue

| SEK million                          | Q1 - Q2 - 2020 |           |              |              | Q1 - Q2 - 2019 |           |              |              | Full year - 2019 |           |              |              |
|--------------------------------------|----------------|-----------|--------------|--------------|----------------|-----------|--------------|--------------|------------------|-----------|--------------|--------------|
|                                      | Sum            | Med. Sol. | Integr. Sol. | Indust. Sol. | Sum            | Med. Sol. | Integr. Sol. | Indust. Sol. | Sum              | Med. Sol. | Integr. Sol. | Indust. Sol. |
| Sweden                               | 496            | 87        | 6            | 403          | 595            | 77        | 14           | 504          | 1,173            | 157       | 35           | 981          |
| Other Europe                         | 2,056          | 888       | 652          | 516          | 1,588          | 826       | 277          | 485          | 3,148            | 1,620     | 548          | 980          |
| North America                        | 413            | 246       | 86           | 81           | 278            | 221       | 6            | 51           | 608              | 464       | 14           | 130          |
| Asia                                 | 1,324          | 47        | 1,251        | 26           | 1,108          | 47        | 1,030        | 31           | 2,852            | 105       | 2,683        | 64           |
| Rest of world                        | 85             | 74        | 8            | 3            | 83             | 74        | 6            | 3            | 154              | 138       | 12           | 4            |
| Elimination internal sales           | – 2            |           |              |              | – 9            |           |              |              | – 16             |           |              |              |
| Tot. revenues fr. customer contracts | 4,372          | 1,342     | 2,003        | 1,029        | 3,643          | 1,245     | 1,333        | 1,074        | 7,919            | 2,484     | 3,292        | 2,159        |

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

For the first six months of the year, the Group recognised increased provision of previously impaired trade receivables of SEK 1 million.

Impairment losses are recognised in the cost of goods sold.

## Note 2 Reconciliation of consolidated income before tax

| SEK million  | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Rolling<br>12 months | Full year<br>2019 |
|--|-----------------|-----------------|----------------------|-------------------|
| <b>Operating profit (EBIT)</b>                                   |                 |                 |                      |                   |
| Medical Solutions  | 186             | 159             | 344                  | 317               |
| Integrated Solutions   | 276             | 164             | 539                  | 427               |
| Industrial Solutions   | 56              | 88              | 144                  | 176               |
| Group adjustments, Parent Company                                | - 26            | - 6             | - 53                 | - 33              |
| <b>Consolidated operating profit (EBIT)</b>                      | <b>492</b>      | <b>405</b>      | <b>974</b>           | <b>887</b>        |
| Financial income and expense (not distributed by business areas) | - 14            | - 16            | - 28                 | - 30              |
| <b>Consolidated profit before tax</b>                            | <b>478</b>      | <b>389</b>      | <b>946</b>           | <b>857</b>        |

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK -22 million in operating profit in Q4 2019. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

## Note 3 Earnings per share (IFRS measures)

| SEK million   | Q2<br>2020  | Q2<br>2019  | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Rolling<br>12 months | Full year<br>2019 |
|---|-------------|-------------|-----------------|-----------------|----------------------|-------------------|
| Profit after tax  | 207         | 180         | 384             | 311             | 776                  | 703               |
| Average number of shares, before dilution   | 26,564,658  | 26,382,033  | 26,559,108      | 26,357,158      | 26,534,706           | 26,431,806        |
| <b>Basic earnings per share (SEK)</b>   | <b>7.79</b> | <b>6.82</b> | <b>14.46</b>    | <b>11.80</b>    | <b>29.24</b>         | <b>26.60</b>      |
| Non-recurring items   | —           | —           | 11              | —               | 27                   | 16                |
| Profit after tax excl. non-recurring items  | 207         | 180         | 395             | 311             | 803                  | 719               |
| <b>Basic earnings per share excl. non-recurring items (SEK)</b>   | <b>7.79</b> | <b>6.82</b> | <b>14.87</b>    | <b>11.80</b>    | <b>30.26</b>         | <b>27.20</b>      |
| Dilutive shares from Series 2016/2019 incentive progr. with exercise price SEK 296.30 per share; total 240,600 warrants | —           | 47,962      | —               | 70,290          | —                    | —                 |
| Dilutive shares from Series 2017/2020 incentive progr. with exercise price SEK 485.10 per share; total 196,200 warrants | 11,074      | —           | 6,281           | —               | 3,769                | 195               |
| Dilutive shares from Series 2018/2021 incentive progr. with exercise price SEK 502.00 per share; total 193,500 warrants | 10,241      | —           | 5,075           | —               | 3,045                | —                 |
| Average number of shares, after dilution  | 26,585,973  | 26,429,995  | 26,570,464      | 26,427,448      | 26,541,520           | 26,432,001        |
| <b>Diluted earnings per share (SEK)</b>   | <b>7.79</b> | <b>6.81</b> | <b>14.45</b>    | <b>11.77</b>    | <b>29.24</b>         | <b>26.60</b>      |
| <b>Diluted earnings per share excl. non-rec. items (SEK)</b>  | <b>7.79</b> | <b>6.81</b> | <b>14.87</b>    | <b>11.77</b>    | <b>30.25</b>         | <b>27.20</b>      |
| Numb. of shares at the end of the per., before dilution   | 26,581,308  | 26,456,658  | 26,581,308      | 26,456,658      | 26,581,308           | 26,548,008        |
| Numb. of shares at the end of the period, after dilution  | 26,614,401  | 26,485,524  | 26,614,401      | 26,485,524      | 26,614,401           | 26,548,982        |

At the end of the period, the Group had two incentive programmes: Incentive Programme 2016/2021 and Incentive Programme 2019/2024. In Incentive Programme 2016/2021, Series 2017/2020 has redemptions from 01/05/2020 to 15/12/2020 and Series 2018/2021 from 01/05/2021 to 15/12/2021. The subscription price is SEK 485.10 for Series 2017/2020 and SEK 502.00 for Series 2018/2021. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 888,400 new class B shares.

## Adjusted earnings per share (alternative performance measures)

| SEK million   | Q2<br>2020  | Q2<br>2019  | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Rolling<br>12 months | Full year<br>2019 |
|---|-------------|-------------|-----------------|-----------------|----------------------|-------------------|
| <b>Profit after tax</b>   | <b>207</b>  | <b>180</b>  | <b>384</b>      | <b>311</b>      | <b>776</b>           | <b>703</b>        |
| Adjusted earnings:  |             |             |                 |                 |                      |                   |
| Amort. of intangible assets arising from acquisitions           | 2           | 1           | 4               | 3               | 9                    | 8                 |
| Tax on amortisation   | -1          | -1          | -1              | -1              | -2                   | -2                |
| <b>Adjusted earnings</b>  | <b>208</b>  | <b>180</b>  | <b>387</b>      | <b>313</b>      | <b>783</b>           | <b>709</b>        |
| Average number of shares, before dilution                       | 26,564,658  | 26,382,033  | 26,559,108      | 26,357,158      | 26,534,706           | 26,431,806        |
| <b>Adjusted basic earnings per share (SEK)</b>                  | <b>7.83</b> | <b>6.82</b> | <b>14.57</b>    | <b>11.88</b>    | <b>29.51</b>         | <b>26.82</b>      |
| Non-recurring items   | —           | —           | 11              | —               | 27                   | 16                |
| Adjusted earnings after tax, excl. non-recurring items          | 208         | 180         | 398             | 313             | 810                  | 725               |
| <b>Adj. basic earnings per share excl. non-rec. items (SEK)</b> | <b>7.83</b> | <b>6.82</b> | <b>14.99</b>    | <b>11.88</b>    | <b>30.53</b>         | <b>27.43</b>      |
| Average number of shares, after dilution                        | 26,585,973  | 26,429,995  | 26,570,464      | 26,427,448      | 26,541,520           | 26,432,001        |
| <b>Adjusted diluted earnings per share (SEK)</b>                | <b>7.82</b> | <b>6.81</b> | <b>14.57</b>    | <b>11.84</b>    | <b>29.50</b>         | <b>26.82</b>      |
| <b>Adj. diluted earn. per share excl. non-rec. items (SEK)</b>  | <b>7.82</b> | <b>6.81</b> | <b>14.98</b>    | <b>11.84</b>    | <b>30.52</b>         | <b>27.43</b>      |

## Five-year overview

| IFRS measures                         | 2019  | 2018  | 2017  | 2016  | 2015  |
|---------------------------------------|-------|-------|-------|-------|-------|
| Operating profit (EBIT) (SEK million) | 887   | 941   | 749   | 443   | 556   |
| Basic earnings per share (SEK)        | 26.60 | 27.44 | 21.74 | 12.77 | 15.97 |
| Diluted earnings per share (SEK)      | 26.60 | 27.37 | 21.74 | 12.77 | 15.97 |

| Alternative performance measures   |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| Net sales (SEK million)  | 7,919 | 8,102 | 6,720 | 4,447 | 4,726 |
| Operating profit (EBITA) (SEK million)   | 895   | 949   | 763   | 457   | 570   |
| EBITA margin (%)   | 11.3  | 11.7  | 11.4  | 10.3  | 12.1  |
| Profit after financial income and expense (SEK million)                                    | 857   | 921   | 731   | 438   | 555   |
| Profit after tax (SEK million)   | 703   | 722   | 572   | 336   | 420   |
| Cash flow after investments, excl. acq. and disposals (SEK million)                        | 800   | 593   | 496   | 245   | 288   |
| Cash conversion (%)  | 88    | 60    | 66    | 55    | 52    |
| Return on capital employed (%)   | 23.1  | 29.7  | 26.6  | 20.6  | 29.6  |
| Return on shareholders' equity (%)   | 25.5  | 30.4  | 29.4  | 19.0  | 25.3  |
| Net financial assets (+) liabilities (-), excl. pension- & lease liabilities (SEK million) | 666   | 341   | 31    | -206  | 249   |
| Equity/assets ratio (%)  | 48    | 50    | 45    | 47    | 54    |
| Adjusted basic earnings per share (SEK)  | 26.82 | 27.67 | 22.16 | 13.19 | 16.35 |
| Adjusted diluted earnings per share (SEK)  | 26.82 | 27.59 | 22.15 | 13.19 | 16.35 |
| Dividend per share (SEK)   | —     | 14.00 | 12.50 | 10.50 | 10.00 |
| Average number of employees  | 5,941 | 6,449 | 7,249 | 6,418 | 7,759 |

Including any non-recurring items.

## Quarterly data (summary)

| IFRS measures   |   | Note | Q1     | Q2    | Q3     | Q4    | Full year |
|---|---|------|--------|-------|--------|-------|-----------|
| Operating profit (EBIT) (SEK million)   | 2 | 2020 | 225    | 267   | —      | —     | —         |
|   | 2 | 2019 | 173    | 232   | 236    | 246   | 887       |
|   |   | 2018 | 261    | 264   | 203    | 213   | 941       |
| Basic earnings per share (SEK)  | 3 | 2020 | 6.67   | 7.79  | —      | —     | —         |
|   | 3 | 2019 | 4.98   | 6.82  | 7.02   | 7.76  | 26.60     |
|   |   | 2018 | 7.83   | 7.75  | 5.85   | 6.01  | 27.44     |
| Diluted earnings per share (SEK)  | 3 | 2020 | 6.67   | 7.79  | —      | —     | —         |
|   | 3 | 2019 | 4.97   | 6.81  | 7.01   | 7.75  | 26.60     |
|   |   | 2018 | 7.80   | 7.70  | 5.81   | 5.98  | 27.37     |
| Alternative performance measures  |   | Note | Q1     | Q2    | Q3     | Q4    | Full year |
| Net sales (SEK million)   | 1 | 2020 | 2,065  | 2,307 | —      | —     | —         |
|   | 1 | 2019 | 1,656  | 1,987 | 1,980  | 2,296 | 7,919     |
|   |   | 2018 | 2,039  | 2,302 | 1,980  | 1,781 | 8,102     |
| Operating profit (EBITDA) (SEK million)   |   | 2020 | 319    | 360   | —      | —     | —         |
|   |   | 2019 | 259    | 321   | 326    | 357   | 1,263     |
|   |   | 2018 | 322    | 325   | 267    | 275   | 1,189     |
| Operating profit (EBITA) (SEK million)  |   | 2020 | 227    | 269   | —      | —     | —         |
|   |   | 2019 | 175    | 233   | 238    | 249   | 895       |
|   |   | 2018 | 264    | 266   | 205    | 214   | 949       |
| EBITA margin (%)  |   | 2020 | 11.0   | 11.7  | —      | —     | —         |
|   |   | 2019 | 10.6   | 11.7  | 12.0   | 10.8  | 11.3      |
|   |   | 2018 | 12.9   | 11.6  | 10.4   | 12.0  | 11.7      |
| Profit after financial income and exp. (SEK million)  | 2 | 2020 | 221    | 257   | —      | —     | —         |
|   | 2 | 2019 | 166    | 223   | 232    | 236   | 857       |
|   |   | 2018 | 256    | 257   | 198    | 210   | 921       |
| Profit after tax (SEK million)  |   | 2020 | 177    | 207   | —      | —     | —         |
|   |   | 2019 | 131    | 180   | 186    | 206   | 703       |
|   |   | 2018 | 206    | 204   | 154    | 158   | 722       |
| Cash flow from operating activities (SEK million)   |   | 2020 | – 3    | 748   | —      | —     | —         |
|   |   | 2019 | 130    | 265   | 83     | 682   | 1,160     |
|   |   | 2018 | 296    | 472   | 39     | 238   | 1,045     |
| Cash fl. from operations per share bef. dilution (SEK)  |   | 2020 | – 0.11 | 28.16 | —      | —     | —         |
|   |   | 2019 | 4.94   | 10.04 | 3.13   | 25.69 | 43.81     |
|   |   | 2018 | 11.25  | 17.94 | 1.48   | 9.05  | 39.72     |
| Cash flow after investments, excluding acquisitions and disposals (SEK million)               |   | 2020 | – 73   | 685   | —      | —     | —         |
|   |   | 2019 | 25     | 178   | – 4    | 601   | 800       |
|   |   | 2018 | 187    | 352   | – 68   | 122   | 593       |
| Cash flow after investments, excl. acquisitions and disposals per share before dilution (SEK) |   | 2020 | – 2.75 | 25.79 | —      | —     | —         |
|   |   | 2019 | 0.95   | 6.75  | – 0.15 | 22.64 | 30.19     |
|   |   | 2018 | 7.11   | 13.38 | – 2.58 | 4.64  | 22.54     |
| Adjusted basic earnings per share (SEK)   | 3 | 2020 | 6.74   | 7.83  | —      | —     | —         |
|   | 3 | 2019 | 5.06   | 6.82  | 7.09   | 7.84  | 26.82     |
|   |   | 2018 | 7.91   | 7.83  | 5.93   | 6.01  | 27.67     |
| Shareholders' equity per share, before dilution (SEK)   |   | 2020 | 121    | 126   | —      | —     | —         |
|   |   | 2019 | 106    | 98    | 107    | 112   | 112       |
|   |   | 2018 | 92     | 87    | 92     | 99    | 99        |
| Return on total capital (%)   |   | 2020 | 15.7   | 15.8  | —      | —     | —         |
|   |   | 2019 | 16.1   | 15.2  | 15.5   | 15.6  | 15.6      |
|   |   | 2018 | 18.8   | 19.6  | 19.1   | 18.4  | 18.4      |

| Alternative performance measures                |      | Q1     | Q2     | Q3     | Q4     | Full year |
|---|------|--------|--------|--------|--------|-----------|
| Return on capital employed (%)                  | 2020 | 23.2   | 23.4   | —      | —      | —         |
|   | 2019 | 25.3   | 23.6   | 23.4   | 23.1   | 23.1      |
|   | 2018 | 29.8   | 32.0   | 31.2   | 29.7   | 29.7      |
| Return on operating capital (%)                 | 2020 | 31.2   | 33.1   | —      | —      | —         |
|   | 2019 | 34.4   | 31.6   | 30.7   | 31.0   | 31.0      |
|   | 2018 | 36.8   | 41.1   | 41.1   | 40.0   | 40.0      |
| Return on shareholders' equity (%)              | 2020 | 26.0   | 25.9   | —      | —      | —         |
|   | 2019 | 25.9   | 24.5   | 24.7   | 25.5   | 25.5      |
|   | 2018 | 32.6   | 34.9   | 33.1   | 30.4   | 30.4      |
| Closing share price Nolato B (Nasdaq Stockholm) | 2020 | 449.40 | 628.00 | —      | —      | —         |
|   | 2019 | 386.50 | 566.50 | 525.50 | 550.00 | 550.00    |
|   | 2018 | 609.00 | 723.00 | 548.00 | 366.50 | 366.50    |

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -11 million.

Including a non-recurring item of SEK -22 million in operating profit in Q4 2019 and tax effects of SEK +6 million, which impacted profit after tax by SEK -16 million.

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  |   |      | Q1    | Q2    | Q3    | Q4    | Full year |
|-----------------------------------|---|------|-------|-------|-------|-------|-----------|
| Net sales (SEK million)           |   | Note |       |       |       |       |           |
| Medical Solutions                 | 1 | 2020 | 642   | 700   | —     | —     | —         |
|                                   | 1 | 2019 | 611   | 634   | 612   | 627   | 2,484     |
|                                   |   | 2018 | 532   | 562   | 596   | 580   | 2,270     |
| Integrated Solutions              | 1 | 2020 | 854   | 1,149 | —     | —     | —         |
|                                   | 1 | 2019 | 512   | 821   | 862   | 1,097 | 3,292     |
|                                   |   | 2018 | 939   | 1,186 | 892   | 703   | 3,720     |
| Industrial Solutions              | 1 | 2020 | 570   | 459   | —     | —     | —         |
|                                   | 1 | 2019 | 533   | 541   | 512   | 573   | 2,159     |
|                                   |   | 2018 | 568   | 554   | 492   | 505   | 2,119     |
| Group adjustments, Parent Company | 1 | 2020 | -1    | -1    | —     | —     | —         |
|                                   | 1 | 2019 | —     | -9    | -6    | -1    | -16       |
|                                   |   | 2018 | —     | —     | —     | -7    | -7        |
| Group total                       | 1 | 2020 | 2,065 | 2,307 | —     | —     | —         |
|                                   | 1 | 2019 | 1,656 | 1,987 | 1,980 | 2,296 | 7,919     |
|                                   |   | 2018 | 2,039 | 2,302 | 1,980 | 1,781 | 8,102     |

| Alternative performance measures       |                         |      |      |      |      |           |
|--|-------------------------|------|------|------|------|-----------|
| Operating profit (EBITA) (SEK million) |                         | Q1   | Q2   | Q3   | Q4   | Full year |
| Medical Solutions                      | 2020                    | 87   | 100  | —    | —    | —         |
|  | <i>EBITA margin (%)</i> | 13.6 | 14.3 | —    | —    | —         |
|  | 2019                    | 78   | 82   | 80   | 80   | 320       |
|  | <i>EBITA margin (%)</i> | 12.8 | 12.9 | 13.1 | 12.8 | 12.9      |
| Integrated Solutions                   | 2020                    | 111  | 166  | —    | —    | —         |
|  | <i>EBITA margin (%)</i> | 13.0 | 14.4 | —    | —    | —         |
|  | 2019                    | 57   | 107  | 116  | 147  | 427       |
|  | <i>EBITA margin (%)</i> | 11.1 | 13.0 | 13.5 | 13.4 | 13.0      |
| Industrial Solutions                   | 2020                    | 47   | 11   | —    | —    | —         |
|  | <i>EBITA margin (%)</i> | 8.2  | 2.4  | —    | —    | —         |
|  | 2019                    | 44   | 46   | 44   | 47   | 181       |
|  | <i>EBITA margin (%)</i> | 8.3  | 8.5  | 8.6  | 8.2  | 8.4       |
| Group adjustments, Parent Company      | 2020                    | – 18 | – 8  | —    | —    | —         |
|  | 2019                    | – 4  | – 2  | – 2  | – 25 | – 33      |
|  | 2018                    | 18   | – 2  | – 20 | – 1  | – 5       |
|  | <i>EBITA margin (%)</i> | 10.0 | 9.9  | 7.1  | 7.7  | 8.8       |
| Group total                            | 2020                    | 227  | 269  | —    | —    | —         |
|  | <i>EBITA margin (%)</i> | 11.0 | 11.7 | —    | —    | —         |
|  | 2019                    | 175  | 233  | 238  | 249  | 895       |
|  | <i>EBITA margin (%)</i> | 10.6 | 11.7 | 12.0 | 10.8 | 11.3      |
| 2018                                   | 264                     | 266  | 205  | 214  | 949  |           |
|  | <i>EBITA margin (%)</i> | 12.9 | 11.6 | 10.4 | 12.0 | 11.7      |

Including a non-recurring item of SEK –14 million in operating profit in Q1 2020. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK –22 million in operating profit in Q4 2019. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

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. The non-recurring items has been recognised at Group level and has therefore not affected the earnings of the business areas.

| Depreciation/write-downs/amortisation (SEK million) |      | Q1 | Q2 | Q3 | Q4  | Full year |
|---|------|----|----|----|-----|-----------|
| Medical Solutions                                   | 2020 | 41 | 41 | —  | —   | —         |
|   | 2019 | 39 | 40 | 40 | 41  | 160       |
|   | 2018 | 28 | 28 | 28 | 28  | 112       |
| Integrated Solutions                                | 2020 | 17 | 16 | —  | —   | —         |
|   | 2019 | 17 | 17 | 16 | 16  | 66        |
|   | 2018 | 8  | 8  | 8  | 7   | 31        |
| Industrial Solutions                                | 2020 | 36 | 36 | —  | —   | —         |
|   | 2019 | 30 | 32 | 34 | 35  | 131       |
|   | 2018 | 25 | 25 | 28 | 26  | 104       |
| Parent Company                                      | 2020 | —  | —  | —  | —   | —         |
|   | 2019 | —  | —  | —  | 19  | 19        |
|   | 2018 | —  | —  | —  | 1   | 1         |
| Group total   | 2020 | 94 | 93 | —  | —   | —         |
|   | 2019 | 86 | 89 | 90 | 111 | 376       |
|   | 2018 | 61 | 61 | 64 | 62  | 248       |

## Group financial highlights

| IFRS measures  | Note | Q2<br>2020 | Q2<br>2019 | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Rolling<br>12 months | Full year<br>2019 |
|--|------|------------|------------|-----------------|-----------------|----------------------|-------------------|
| Basic earnings per share (SEK)   | 3    | 7.79       | 6.82       | 14.46           | 11.80           | 29.24                | 26.60             |
| Diluted earnings per share (SEK)   | 3    | 7.79       | 6.81       | 14.45           | 11.77           | 29.24                | 26.60             |
| <b>Alternative performance measures</b>  |      |            |            |                 |                 |                      |                   |
| Net sales (SEK million)  | 1    | 2,307      | 1,987      | 4,372           | 3,643           | 8,648                | 7,919             |
| Sales growth (%)   |      | 16         | - 14       | 20              | - 16            | 17                   | - 2               |
| Percentage of sales outside Sweden (%)   |      | 91         | 86         | 89              | 84              | 88                   | 85                |
| Operating profit (EBITDA) (SEK million)  |      | 360        | 321        | 679             | 580             | 1,362                | 1,263             |
| Operating profit (EBITA) (SEK million) <sup>1)</sup>   |      | 269        | 233        | 496             | 408             | 983                  | 895               |
| EBITA margin (%) <sup>1)</sup>   |      | 11.7       | 11.7       | 11.3            | 11.2            | 11.4                 | 11.3              |
| Profit after financial income and exp. (SEK million)   | 2    | 257        | 223        | 478             | 389             | 946                  | 857               |
| Profit margin (%) <sup>1)</sup>  |      | 11.1       | 11.2       | 10.9            | 10.7            | 10.9                 | 10.8              |
| Profit after tax (SEK million)   |      | 207        | 180        | 384             | 311             | 776                  | 703               |
| Return on total capital (%) <sup>1)</sup>  |      | 15.8       | 15.2       | 15.8            | 15.2            | 15.8                 | 15.6              |
| Return on capital employed (%) <sup>1)</sup>   |      | 23.4       | 23.6       | 23.4            | 23.6            | 23.4                 | 23.1              |
| Return on operating capital (%) <sup>1)</sup>  |      | 33.1       | 31.6       | 33.1            | 31.6            | 33.1                 | 31.0              |
| Return on shareholders' equity (%) <sup>1)</sup>   |      | 25.9       | 24.5       | 25.9            | 24.5            | 25.9                 | 25.5              |
| Equity/assets ratio (%)  |      | 51         | 47         | 51              | 47              | 51                   | 48                |
| Debt/equity (%)  |      | 35         | 45         | 35              | 45              | 35                   | 41                |
| Interest coverage ratio (times)  |      | 30         | 24         | 30              | 23              | 28                   | 25                |
| Net investments affecting cash flow, excl. acquisitions and disposals (SEK million)                |      | 63         | 87         | 133             | 192             | 301                  | 360               |
| Cash flow after investments, excl. acquisitions and disposals (SEK million)                        |      | 685        | 178        | 612             | 203             | 1,209                | 800               |
| Cash conversion (%) <sup>1)</sup>  |      | —          | —          | —               | —               | 120                  | 88                |
| Net financial assets, excl. pension- & lease liabilities (SEK million)                             |      | 1,245      | 190        | 1,245           | 190             | 1,245                | 666               |
| Adjusted basic earnings per share (SEK)  | 3    | 7.83       | 6.82       | 14.57           | 11.88           | 29.51                | 26.82             |
| Adjusted diluted earnings per share (SEK)  | 3    | 7.82       | 6.81       | 14.57           | 11.84           | 29.50                | 26.82             |
| Cash flow from operations per share, before dilution (SEK)   |      | 28.16      | 10.04      | 28.04           | 14.99           | 56.87                | 43.81             |
| Cash flow from operations per share, after dilution (SEK)  |      | 28.14      | 10.03      | 28.02           | 14.96           | 56.89                | 43.75             |
| Cash flow after investments excluding acquisitions and disposals, per share, before dilution (SEK) |      | 25.79      | 6.75       | 23.04           | 7.70            | 42.06                | 30.19             |
| Cash flow after investments excluding acquisitions and disposals, per share, after dilution (SEK)  |      | 25.77      | 6.73       | 23.02           | 7.68            | 42.05                | 30.15             |
| Shareholders' equity per share, before dilution (SEK)  |      | —          | —          | 126             | 98              | —                    | 112               |
| Shareholders' equity per share, after dilution (SEK)   |      | —          | —          | 126             | 98              | —                    | 112               |
| Average number of employees  |      | —          | —          | 6,118           | 5,521           | —                    | 5,941             |

<sup>1)</sup> KPIs calculated as specified on pages 24 and 25.

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -11 million.

Including a non-recurring item of SEK -22 million in operating profit in Q4 2019 and tax effects of SEK +6 million, which impacted profit after tax by SEK -16 million.

## 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 investments, excl. acquisitions 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 | Q2<br>2020  | Q2<br>2019  | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Rolling<br>12 months | Full year<br>2019 |
|--|------|-------------|-------------|-----------------|-----------------|----------------------|-------------------|
| Operating profit (EBITDA)  |      | 360         | 321         | 679             | 580             | 1,362                | 1,263             |
| Non-recurring items  |      | —           | —           | 14              | —               | 18                   | 4                 |
| <b>Adjusted operating profit (EBITDA)</b>  |      | <b>360</b>  | <b>321</b>  | <b>693</b>      | <b>580</b>      | <b>1,380</b>         | <b>1,267</b>      |
| Operating profit (EBIT)  | 2    | 267         | 232         | 492             | 405             | 974                  | 887               |
| Reversal of amort. of intangible assets arising<br>in connection with acquisitions |      | 2           | 1           | 4               | 3               | 9                    | 8                 |
| Operating profit (EBITA)   |      | 269         | 233         | 496             | 408             | 983                  | 895               |
| Non-recurring items  |      | —           | —           | 14              | —               | 36                   | 22                |
| <b>Adjusted operating profit (EBITA)</b>   |      | <b>269</b>  | <b>233</b>  | <b>510</b>      | <b>408</b>      | <b>1,019</b>         | <b>917</b>        |
| EBITA margin (%)   |      | 11.7        | 11.7        | 11.3            | 11.2            | 11.4                 | 11.3              |
| <b>Adjusted EBITA margin (%)</b>   |      | <b>11.7</b> | <b>11.7</b> | <b>11.7</b>     | <b>11.2</b>     | <b>11.8</b>          | <b>11.6</b>       |
| Profit after financial income and expense  | 2    | 257         | 223         | 478             | 389             | 946                  | 857               |
| Non-recurring items  |      | —           | —           | 14              | —               | 36                   | 22                |
| <b>Adjusted profit after financial income and expense</b>                          |      | <b>257</b>  | <b>223</b>  | <b>492</b>      | <b>389</b>      | <b>982</b>           | <b>879</b>        |
| Profit margin (%)  |      | 11.1        | 11.2        | 10.9            | 10.7            | 10.9                 | 10.8              |
| <b>Adjusted profit margin (%)</b>  |      | <b>11.1</b> | <b>11.2</b> | <b>11.3</b>     | <b>10.7</b>     | <b>11.4</b>          | <b>11.1</b>       |
| Profit after tax   |      | 207         | 180         | 384             | 311             | 776                  | 703               |
| Non-recurring items  |      | —           | —           | 14              | —               | 36                   | 22                |
| Tax on non-recurring items   |      | —           | —           | -3              | —               | -9                   | -6                |
| <b>Adjusted profit after tax</b>   |      | <b>207</b>  | <b>180</b>  | <b>395</b>      | <b>311</b>      | <b>803</b>           | <b>719</b>        |
| Cash fl. after investm., excl. acquisitions and dispos.                            |      | —           | —           | —               | —               | 1,209                | 800               |
| Non-recurring items (affecting cash flow)  |      | —           | —           | —               | —               | —                    | —                 |
| Adj. cash fl. after investments, excl. acq. and disp.                              |      | —           | —           | —               | —               | 1,209                | 800               |
| Operating profit (EBIT)  | 2    | —           | —           | —               | —               | 974                  | 887               |
| Non-recurring items  |      | —           | —           | —               | —               | 36                   | 22                |
| Adjusted operating profit (EBIT)   |      | —           | —           | —               | —               | 1,010                | 909               |
| <b>Cash conversion (%)</b>   |      | <b>—</b>    | <b>—</b>    | <b>—</b>        | <b>—</b>        | <b>120</b>           | <b>88</b>         |

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -11 million. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK -22 million in operating profit in Q4 2019 and tax effects of SEK +6 million, which impacted profit after tax by SEK -16 million. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

| Alternative performance measures<br>SEK million unless otherwise specified | Q2<br>2020  | Q1<br>2020  | Q4<br>2019  | Q3<br>2019  | Q2<br>2019  | Q1<br>2019 | Q4<br>2018 | Q3<br>2018 | Q2<br>2018 |
|--|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|
| Profit after financial income and exp., rolling 12 months                  | 945         | 912         | 856         | 831         | 797         |            |            |            |            |
| Financial expense, rolling 12 months                                       | 35          | 36          | 36          | 30          | 29          |            |            |            |            |
| Adj. profit after financial inc. and exp., rolling 12 months               | 980         | 948         | 892         | 861         | 826         |            |            |            |            |
| Total capital, at the end of period  | 6,638       | 6,630       | 6,134       | 6,051       | 5,593       | 5,733      | 5,156      | 5,229      | 5,381      |
| Average total capital, last 5 quarters                                     | 6,209       | 6,028       | 5,733       | 5,552       | 5,418       |            |            |            |            |
| <b>Return on total capital (%)</b>   | <b>15.8</b> | <b>15.7</b> | <b>15.6</b> | <b>15.5</b> | <b>15.2</b> |            |            |            |            |
| Adj. profit after financial inc. and exp., rolling 12 months               | 980         | 948         | 892         | 861         | 826         |            |            |            |            |
| Capital employed, at the end of period                                     | 4,514       | 4,480       | 4,184       | 4,022       | 3,771       | 3,982      | 3,387      | 3,225      | 3,131      |
| Average capital employed, last 5 quarters                                  | 4,194       | 4,088       | 3,869       | 3,677       | 3,499       |            |            |            |            |
| <b>Return on capital employed (%)</b>                                      | <b>23.4</b> | <b>23.2</b> | <b>23.1</b> | <b>23.4</b> | <b>23.6</b> |            |            |            |            |
| Operating profit (EBIT), rolling 12 months                                 | 974         | 939         | 887         | 855         | 821         |            |            |            |            |
| Capital employed, at the end of period                                     | 4,514       | 4,480       | 4,184       | 4,022       | 3,771       | 3,982      | 3,387      | 3,225      | 3,131      |
| Cash and bank, at the end of period  | -1,906      | -1,333      | -1,362      | -851        | -828        | -1,034     | -953       | -818       | -891       |
| Operating capital, at the end of period                                    | 2,608       | 3,147       | 2,822       | 3,171       | 2,943       | 2,948      | 2,434      | 2,407      | 2,240      |
| Average operating capital, latest 5 quarters                               | 2,938       | 3,006       | 2,864       | 2,781       | 2,594       |            |            |            |            |
| <b>Return on operating capital (%)</b>                                     | <b>33.1</b> | <b>31.2</b> | <b>31.0</b> | <b>30.7</b> | <b>31.6</b> |            |            |            |            |
| Profit after tax, rolling 12 months  | 776         | 749         | 703         | 655         | 623         |            |            |            |            |
| Shareholders' equity, at the end of period                                 | 3,353       | 3,220       | 2,966       | 2,833       | 2,604       | 2,783      | 2,592      | 2,422      | 2,301      |
| Average shareholders' equity, latest 5 quarters                            | 2,995       | 2,881       | 2,756       | 2,647       | 2,540       |            |            |            |            |
| <b>Return on shareholders' equity (%)</b>                                  | <b>25.9</b> | <b>26.0</b> | <b>25.5</b> | <b>24.7</b> | <b>24.5</b> |            |            |            |            |

## Parent Company income statement (summary)

| SEK million                                      | Q2<br>2020 | Q2<br>2019 | Q1 - Q2<br>2020 | Q1 - Q2<br>2019 | Rolling<br>12 months | Full year<br>2019 |
|--|------------|------------|-----------------|-----------------|----------------------|-------------------|
| Net sales  | 15         | 16         | 33              | 35              | 58                   | 60                |
| Selling expenses                                 | -2         | -2         | -3              | -4              | -6                   | -7                |
| Administrative expenses                          | -16        | -13        | -31             | -25             | -54                  | -48               |
| Other operating income                           | 1          | —          | 3               | 2               | 4                    | 3                 |
| Other operating expenses                         | -10        | -11        | -22             | -25             | -45                  | -48               |
| <b>Operating profit</b>                          | <b>-12</b> | <b>-10</b> | <b>-20</b>      | <b>-17</b>      | <b>-43</b>           | <b>-40</b>        |
| Profit from participations in Group companies    | 200        | 182        | 200             | 182             | 486                  | 468               |
| Financial income                                 | 3          | 4          | 6               | 8               | 8                    | 10                |
| Financial expenses                               | 23         | -15        | -27             | -30             | -39                  | -42               |
| <b>Profit after financial income and expense</b> | <b>214</b> | <b>161</b> | <b>159</b>      | <b>143</b>      | <b>412</b>           | <b>396</b>        |
| Appropriations                                   | —          | —          | —               | —               | 210                  | 210               |
| Tax  | -7         | -5         | 1               | 2               | -44                  | -43               |
| <b>Profit after tax</b>                          | <b>207</b> | <b>156</b> | <b>160</b>      | <b>145</b>      | <b>578</b>           | <b>563</b>        |
| Depreciation/amortisation                        | —          | —          | —               | —               | —                    | —                 |

## Parent Company balance sheet (summary)

| SEK million                                       | 30/06/2020   | 30/06/2019   | 31/12/2019   |
|---|--------------|--------------|--------------|
| <b>Assets</b>                                     |              |              |              |
| Intangible fixed assets                           | 1            | 1            | 1            |
| Property, plant and equipment                     | 1            | 1            | 1            |
| Financial assets                                  | 1,818        | 1,734        | 1,854        |
| Deferred tax assets                               | 10           | 14           | —            |
| <b>Total fixed assets</b>                         | <b>1,830</b> | <b>1,750</b> | <b>1,856</b> |
| Other receivables                                 | 518          | 468          | 954          |
| Cash and bank                                     | 932          | 101          | 218          |
| <b>Total current assets</b>                       | <b>1,450</b> | <b>569</b>   | <b>1,172</b> |
| <b>Total assets</b>                               | <b>3,280</b> | <b>2,319</b> | <b>3,028</b> |
| <b>Shareholders' equity and liabilities</b>       |              |              |              |
| <b>Shareholders' equity</b>                       | <b>2,018</b> | <b>1,398</b> | <b>1,842</b> |
| Untaxed reserves                                  | 229          | 199          | 229          |
| Deferred tax liabilities                          | —            | —            | 5            |
| Other provisions                                  | 11           | 14           | 11           |
| Long-term liabilities                             | 684          | 578          | 670          |
| Current liabilities                               | 338          | 130          | 271          |
| <b>Total shareholders' equity and liabilities</b> | <b>3,280</b> | <b>2,319</b> | <b>3,028</b> |

| Transactions with related parties | Period       | Services<br>sold | Services<br>bought | Interest<br>income | Interest<br>expenses | Result from<br>shares in<br>Group com. | Rec. fr. rel.<br>part. on bal.<br>sheet date | Liab. to rel.<br>part. on bal.<br>sheet date |
|-----------------------------------|--------------|------------------|--------------------|--------------------|----------------------|--|--|--|
| SEK million                       |              |                  |                    |                    |                      |  |  |  |
| Subsidiary                        | Q1 - Q2 2020 | 33               | -4                 | 6                  | —                    | 200                                    | 855  | 354  |
| Subsidiary                        | Q1 - Q2 2019 | 35               | -3                 | 8                  | —                    | 182                                    | 901  | 145  |

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.



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