

Nolato optimises production at its UK business

Nolato's Medical Solutions business area plans to consolidate the operations of UK-based Nolato Jaycare in 2020. This will result in one of the company's production plants, located in Portsmouth, being closed by December 2020, when the current tenancy agreement expires. Much of the customer base will be transferred to Nolato's modern, well-invested production facility in Newcastle. The cost of the closure is estimated to be approximately SEK 35 million.

"Our Portsmouth plant has mainly produced standardised pharmaceutical packaging with relatively low added value. We have a modern, well-invested facility in Newcastle focusing on more complex operations that has gradually increased production capacity, including through new cleanrooms," said Nolato President and CEO Christer Wahlquist.

"The aim is to transfer much of the customer base to this facility. That will provide us with a more integrated offering across the business area, and we also see a number of synergies that will boost efficiency and earnings capability over time at Nolato Jaycare."

The cost of the closure is estimated to be approximately SEK 35 million, of which around SEK 30 million will affect cash flow. Just over half of the costs will be recognised in the accounts for the fourth quarter of 2019 and the remainder in the first quarter of 2020. The Portsmouth plant has annual sales of approximately SEK 140 million and employs 115 people. Nolato will assist those people who are made redundant to find new work by providing employment support programmes.

Nolato Jaycare has been part of Nolato's Medical Solutions business area since April 2012 when the company was acquired.

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Nolato is a Swedish group with operations in Europe, Asia and North America. We develop and manufacture products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors. Nolato's shares are listed on Nasdaq Stockholm in the Large Cap segment, where they are included in the Industrials sector.

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