



Nolato AB (publ) press release 6 August 2020

Nolato acquires US-based medtech manufacturer with annual sales of approximately SEK 1.8 billion

Nolato has signed an agreement to acquire US-based GW Plastics. The company, which was founded in 1955, has annual sales of approximately SEK 1.8 billion and an EBITA margin of around 7%. The acquisition price, including contingent consideration, is estimated at approximately SEK 2 billion. The acquisition provides significant volumes and a strong position in North America for the Medical Solutions business area, offering additional opportunities for growth and underpinning existing core customer relationships. The acquisition means Nolato has a solid global position on the three key continents of Asia, Europe and North America.

“Acquisitions are, and have long been, an important part of our growth strategy, and we are continually looking to generate shareholder value by identifying high-quality companies that will strategically enhance Nolato’s existing business. We have been interested in GW Plastics for some time, and it’s really pleasing to be completing this deal.

“This acquisition provides us with significant volumes and a strong position on the key North American continent. It supports relationships with existing customers, while also creating additional opportunities for growth and expanding our customer base,” said Nolato President and CEO Christer Wahlquist.

GW Plastics was founded in 1955 and has established a position as an industry leader specialising in complex injection-moulded thermoplastic and silicone solutions with a significant degree of innovation and a high-tech standardised global manufacturing platform. The company’s products are mainly used in medical devices and, to a lesser extent, in vehicle systems. The business has annual sales of approximately SEK 1.8 billion with an EBITA margin of around 7%. The acquisition price, including contingent consideration, is estimated to be approximately SEK 2 billion, around SEK 1.8 billion of which is to be paid upon transfer of ownership. Just over four-fifths of GW Plastics business will be reported under the Medical Solutions business area, with the remainder reported under Industrial Solutions.

GW Plastics, which is headquartered in Bethel, Vermont, has around 1,100 employees at its seven manufacturing plants in the US, Mexico, China and Ireland. The company has been under the same ownership since 1983 and the current management will remain with the business. The company has a broad base of customers, the largest of which accounts for just over 20% of sales. GW Plastics has strong, longstanding customer relationships with a raft of market leaders across the globe, especially in the pharmaceutical, healthcare and automotive industries.

“GW Plastics is a well-managed, well-invested company that is a great fit with our corporate culture. The business, which has historically demonstrated healthy organic growth, has extensive know-how in engineering and technology. Together with its size and geographic presence, this provides an ideal strategic combination with Nolato and enables significant market synergies over time,” said Nolato President and CEO Christer Wahlquist.

Following the requisite US regulatory approvals, the transaction is expected to be completed in September, when the business will be consolidated into the Group, resulting in a marginal boost to Nolato’s earnings per share for the current year. The interim report for the third quarter will provide a full acquisition analysis. The acquisition is being funded using own cash funds and new credit agreements.



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Webcast conference call on 6 August:

In connection with the acquisition, Nolato will hold a webcast conference call in English at 08.00 a.m. CET (Information regarding telephone numbers and website is available at <https://financialhearings.com/event/13009>) and at 16.00 p.m. CET (Information regarding telephone numbers and website is available at <https://financialhearings.com/event/13010>). Nolato will be represented by President and CEO Christer Wahlquist and CFO Per-Ola Holmström, who will present the acquisition and answer questions. The presentation will be available at www.nolato.com/ir. The webcast will be available at the same address after the live broadcast.

For further information, please contact:

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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.

This information was prior to this release inside information and is information that Nolato AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 07.05 a.m. CET on 6 August, 2020.

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