

INTERIM REPORT 2022

January - September



Continued challenging operating environment

Third quarter of 2022 in brief

- Sales totaled SEK 2,626 million (3,033)
- Operating profit (EBITA) was SEK 214 million (339)
- EBITA margin of 8.1% (11.2)
- Profit after tax was SEK 160 million (257)
- Diluted earnings per share were SEK 0.59 (0.95)
- Cash flow after investments increased to SEK 166 million (116)

First nine months of 2022 in brief

- Sales totaled SEK 8,410 million (8,464)
- Operating profit (EBITA) was SEK 745 million (SEK 983 million excl. non-recurring item)
- EBITA margin of 8.9% (11.6%, excl. non-recurring item)
- Diluted earnings per share were SEK 2.05 (SEK 2.70 excl. non-recurring item)
- Cash flow after investments amounted to SEK 143 million (533)
- Sustained strong financial position

Comments from the President and CEO - Continued

challenging operating environment and lower VHP volumes

The challenging operating environment is continuing to impact the Group's performance, through inflationary effects with higher manufacturing costs for materials, energy and labor, as well as lower demand from Eastern Europe, which continues to be affected by Russia's invasion of Ukraine. Adjusted for currency, net sales decreased by 24% in the third quarter to SEK 2,626 million, with an EBITA margin of 8.1%.

Adjusted for currency, Medical Solutions sales increased by 13%, due primarily to the charging on of cost increases and healthy growth in the surgery segment. The EBITA margin decreased to 8.4%. This development was due to a change in the sales mix, a time lag in charging on higher manufacturing costs, and the capacity investments we made last year are not yet being fully utilized.

Adjusted for currency, Integrated Solutions sales decreased by some 60%, which was in line with what we previously communicated. The EBITA margin was 10.3% and was impacted by lower volumes. Demand for Vaporiser Heating Products (VHP) in Eastern Europe continues to be adversely affected following Russia's invasion of Ukraine.

Our interim report for the first quarter of this year explained that our customer in the VHP segment was assessing its sourcing strategy, and this has now led to us sharing the manufacture of new products. In addition, in October the Chinese authorities introduced new regulatory requirements for the manufacture of VHP products in China. The processing of licenses has been ongoing since spring 2022. Like several other companies, Nolato has not yet received any such license. We have consequently not manufactured VHP products in China in the current month (see also our press release of October 21). The EMC business is continuing to perform well. Nolato estimates this business area's total sales in the fourth quarter will be in the region of half a billion kronor.

Industrial Solutions volumes increased slightly. Organic growth, however, was 9%, due to the charging on of cost increases. Demand remains healthy but with some negative tendencies, particularly in the consumer discretionary segment. However, the EBITA margin decreased to 5.2% as a result of a continued component shortage, particularly in the automotive segment, leading to volatile production planning from the customers.

Overall, as a global strategic partner with a large number of customers and a strong financial position, we can look ahead with confidence, despite a range of external challenges.



Christer Wahlquist, President and CEO, Nolato AB

Group highlights

SEK million unless otherwise specified	Note	Q3 2022	Q3 2021	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Net sales	1	2,626	3,033	8,410	8,464	11,556	11,610
Operating profit (EBITDA)		343	450	1,115	1,356	1,564	1,805
Operating profit (EBITA)		214	339	745	1,033	1,081	1,369
EBITA margin, %		8.1	11.2	8.9	12.2	9.4	11.8
Operating profit (EBIT)	2	205	331	715	1,007	1,041	1,333
Profit after financial income and expense	2	197	322	689	968	1,122	1,401
Profit after tax		160	257	551	774	937	1,160
Basic earnings per share, SEK	3	0.59	0.96	2.05	2.89	3.48	4.32
Diluted earnings per share, SEK	3	0.59	0.95	2.05	2.88	3.48	4.32
Cash flow after investm., excl. acquis. and disposals		166	116	143	533	56	446
Net investm. affecting cash flow, excl. acq. and disp.		109	245	352	577	557	782
Cash conversion, %		—	—	—	—	5	35
Return on capital employed, %		—	—	16.7	20.6	16.7	22.8
Return on shareholders' equity, %		—	—	19.2	25.1	19.2	28.0
Equity/assets ratio, %		—	—	51	45	51	47
Net financial liabilities (-), excluding pension- & lease liabilities		—	—	- 580	- 72	- 580	- 51

See definitions of IFRS measures and alternative performance measures on page 22.

Including a non-recurring item of SEK 50 million in operating profit and profit after tax in Q2 2021 and full year 2021 and SEK 115 million in profit after financial income and expense in Q4 2021 and full year 2021, which in total impacted profit after tax with SEK 165 million, for full year 2021.

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

Third quarter 2022

- Sales totaled SEK 2,626 million (3,033), which, adjusted for currency, was a decrease of 24%
- Inflationary effects and lower volumes are having an adverse effect on earnings performance
- Operating profit (EBITA) was SEK 214 million (339)
- EBITA margin of 8.1% (11.2)
- Cash flow after investments amounted to SEK 166 million (116)

Sales

Consolidated sales totaled SEK 2,626 million (3,033). Adjusted for currency, this was a decrease of 24%.

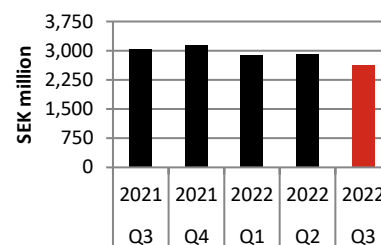
Medical Solutions sales amounted to SEK 1,245 million (977); adjusted for currency, sales increased by 13%. The charging on of higher costs contributed to the increase in sales. The surgery area saw good growth in the quarter, while in vitro diagnostics (IVD) volumes were low during the period due to pandemic-related inventory adjustments, which continued to affect the third quarter.

Integrated Solutions sales totaled SEK 745 million (1,519). Adjusted for currency, this was a decrease of some 60%. Demand for Vaporiser Heating Products (VHP) in Eastern Europe has been adversely affected following Russia's invasion of Ukraine. Nolato believes that the VHP segment will continue to be impacted by the situation in Eastern Europe and by the effects of dual sourcing. In addition, Nolato has not manufactured any VHP products in China in October because of new regulatory requirements relating to VHP products established by Chinese authorities. Licensing by a Chinese authority has been ongoing in 2022, but Nolato has not yet received the relevant license. The license did not affect the third quarter, as it applies to production as of October. See also our press release of 21 October. The EMC segment is continuing to perform well, with sales increasing to SEK 185 million (145). Nolato estimates this business area's total sales in the fourth quarter will be in the region of half a billion kronor.

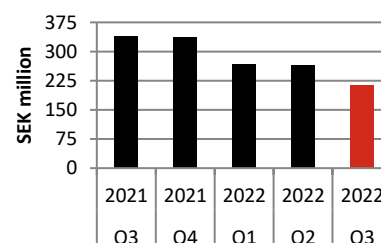
Industrial Solutions sales amounted to SEK 638 million (540); adjusted for currency, sales increased by 9%. Volumes increased slightly from the same quarter last year, while the charging on of cost increases, in particular, contributed positively to sales. Demand remained healthy in most market areas, but there were some indications of reduced demand. It is expected that the economic situation, with high inflation and cost increases, will lead to lower demand, primarily in the consumer discretionary segment.

Inflationary effects and lower volumes are having an adverse effect on earnings performance

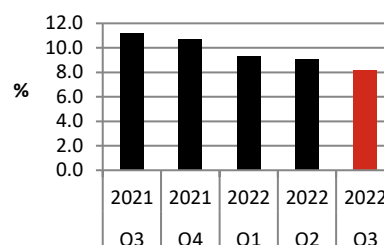
• Sales



• Operating profit (EBITA)



• EBITA margin



Profit

The Group's operating profit (EBITA) was SEK 214 million (339).

Operating profit (EBITA) was SEK 104 million (100) for Medical Solutions, SEK 77 million (200) for Integrated Solutions and SEK 33 million (42) for Industrial Solutions.

The EBITA margin for Medical Solutions was 8.4% (10.2). The combination of a change in the sales mix, with a greater proportion from the surgery area and a lower proportion from IVD, had a negative impact on the margin. It has not yet been possible to fully charge on inflationary effects and higher production costs, the greatest impact from which has been in the US. Investments in capacity made in 2021 are still not being fully used and are consequently having a negative impact on the margin.

For Integrated Solutions, the margin was 10.3% (13.2). Lower VHP volumes had an adverse effect.

The EBITA margin for Industrial Solutions was 5.2% (7.8). A component shortage, particularly in automotive but in other areas too, has continued to impact the demand that our customers are experiencing and has led to fluctuating production planning for Nolato. This has resulted in lower production efficiency, which, together with a time lag in the charging on of cost increases, has adversely affected the margin.

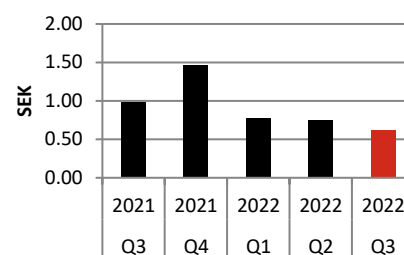
Overall, the Group's EBITA margin was 8.1% (11.2).

Operating profit (EBIT) was SEK 205 million (331).

Profit after net financial income/expense was SEK 197 million (322).

Profit after tax was SEK 160 million (257). Diluted earnings per share were SEK 0.59 (0.95). Adjusted earnings per share after dilution, but excluding amortization of intangible assets arising from acquisitions, amounted to SEK 0.62 (0.98).

Adjusted diluted earnings per share



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

SEK million	Sales		EBITA		EBITA marg.	
	Q3/2022	Q3/2021	Q3/2022	Q3/2021	Q3/2022	Q3/2021
Medical Solutions	1,245	977	104	100	8.4%	10.2%
Integrated Solutions	745	1,519	77	200	10.3%	13.2%
Industrial Solutions	638	540	33	42	5.2%	7.8%
Intra-Group adj., Parent Co	-2	-3	—	-3	—	—
Group total	2,626	3,033	214	339	8.1%	11.2%

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

First nine months 2022

Sales and earnings

Consolidated sales totaled SEK 8,410 million (8,464). Adjusted for currency, this was a decrease of 10%.

Sales for Medical Solutions rose by 18% to SEK 3,547 million (3,004), while for Integrated Solutions they decreased by 23% to SEK 2,904 million (3,750) and increased for Industrial Solutions by 15% to SEK 1,967 million (1,715).

The Group's operating profit (EBITA) was SEK 745 million (SEK 983 million excluding a non-recurring item). Overall, the Group's EBITA margin was 8.9% (11.6% excluding a non-recurring item).

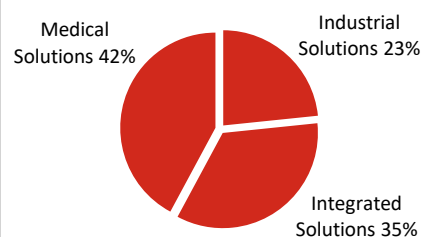
Operating profit (EBIT) amounted to SEK 715 million (SEK 957 million excluding a non-recurring item).

Profit after net financial income and expense was SEK 689 million (SEK 918 million excluding a non-recurring item).

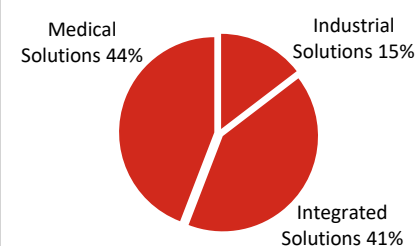
Profit after tax amounted to SEK 551 million (SEK 724 million excluding a non-recurring item). Diluted earnings per share were SEK 2.05 (SEK 2.70 excluding a non-recurring item). Adjusted earnings per share after dilution but excluding amortization of intangible assets arising from acquisitions amounted to SEK 2.13 (SEK 2.77 excluding a non-recurring item). The effective tax rate was 20.0% (20.0).

Return on capital employed was 16.7% for the last 12 months (22.8% for the 2021 calendar year). Return on equity was 19.2% for the last 12 months (28.0% for the 2021 calendar year).

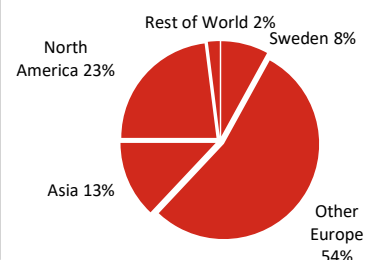
• Business areas' share of sales



• Business areas' share of operating profit (EBITA)



• Sales by geographic markets



Medical Solutions

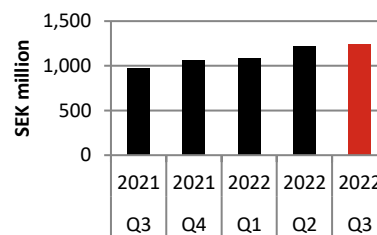
Sales and profit 9 months (SEK million)	2022	2021
Sales	3,547	3,004
Operating profit (EBITA)	331	345
EBITA margin (%)	9.3	11.5
Operating profit (EBIT)	309	326

Medical Solutions sales amounted to SEK 3,547 million (3,004); adjusted for currency, sales increased by 7%. The charging on of higher costs contributed to the increase in sales. The surgery area saw good growth, while in vitro diagnostics (IVD) volumes were low due to pandemic-related inventory adjustments, which have continued to have an impact.

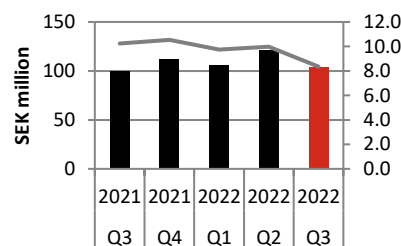
Operating profit (EBITA) was SEK 331 million (345).

The EBITA margin decreased to 9.3% (11.5). The combination of a change in the sales mix, with a greater proportion from the surgery area and a lower proportion from IVD, had a negative impact on the margin. A time lag in the charging on of cost increases also had an effect. Investments in capacity made in 2021 are still not being fully used and are consequently having a negative impact on the margin.

Medical Solutions sales



Medical Solutions operating profit (EBITA) & EBITA margin %



Integrated Solutions

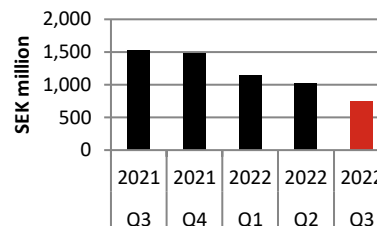
Sales and profit 9 months (SEK million)	2022	2021
Sales	2,904	3,750
Operating profit (EBITA)	309	479
EBITA margin (%)	10.6	12.8
Operating profit (EBIT)	308	478

Integrated Solutions sales totaled SEK 2,904 million (3,750). Adjusted for currency, sales decreased by 33%. Demand for Vaporiser Heating Products (VHP) in Eastern Europe has been adversely affected following Russia's invasion of Ukraine. Nolato believes that the VHP area will continue to be impacted by the situation in Eastern Europe and by the effects of dual sourcing in the second half of the year. In addition, Nolato has not manufactured any VHP products in China in October because of new regulatory requirements relating to VHP products established by Chinese authorities. Licensing by a Chinese authority has been ongoing in 2022, but Nolato has not yet received the relevant license. The EMC business is continuing to perform well. Nolato estimates this business area's total sales in the fourth quarter will be in the region of half a billion kronor.

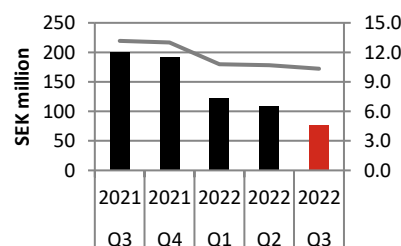
Operating profit (EBITA) was SEK 309 million (479).

The EBITA margin was 10.6% (12.8). Lower VHP volumes had an adverse effect.

Integrated Solutions sales



Integrated Solutions operating profit (EBITA) & EBITA margin %



Industrial Solutions

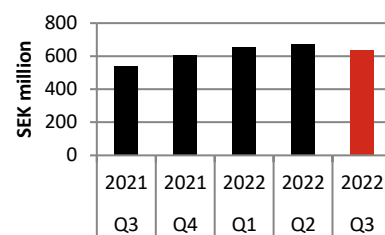
Sales and profit 9 months (SEK million)	2022	2021
Sales	1,967	1,715
Operating profit (EBITA)	110	170
EBITA margin (%)	5.6	9.9
Operating profit (EBIT)	103	164

Industrial Solutions sales amounted to SEK 1,967 million (1,715); adjusted for currency, sales increased by 8%. Volumes were more or less unchanged from the same period last year, while the charging on of cost increases contributed positively to sales. Demand remained good in most market areas, but there were some indications of reduced demand in the third quarter. It is expected that the economic situation, with high inflation and cost increases, will lead to lower demand, primarily in the consumer discretionary segment.

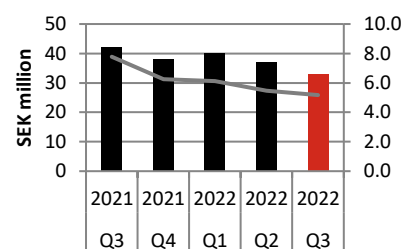
Operating profit (EBITA) was SEK 110 million (170).

The EBITA margin decreased to 5.6% (9.9). A component shortage, particularly in automotive but in other areas too, has continued to impact the demand that our customers are experiencing and has led to fluctuating production planning for Nolato. This has resulted in lower production efficiency, which, together with a time lag in the charging on of cost increases, has adversely affected the margin.

Industrial Solutions sales



Industrial Solutions operating profit (EBITA) & EBITA margin %

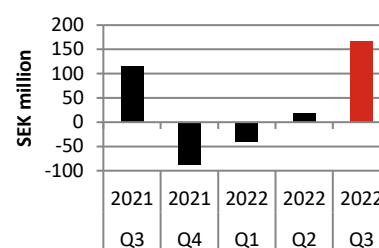


Cash flow

Cash flow after investments in the third quarter amounted to SEK 166 million (116). During the quarter, tied-up working capital increased marginally by SEK 5 million (15). Net investments affecting cash flow decreased in the quarter to SEK 109 million (245).

Accumulated after nine months, cash flow after investments was SEK 143 million (533). Cash flow from operating activities before changes in working capital decreased to SEK 833 million (1,089), primarily impacted by lower earnings. The working capital requirement increased by SEK 338 million (decreased by SEK 21 million during the same period last year) and is adversely affecting cash flow. Among other things, the use of supplier finance for trade receivables has decreased. The net investments affecting cash flow decreased to SEK 352 million (577). Cash conversion for the last 12 months was 5% (35% for the 2021 calendar year). A dividend totaling SEK 512 million (428) was paid to shareholders in the second quarter.

● Cash flow after investments

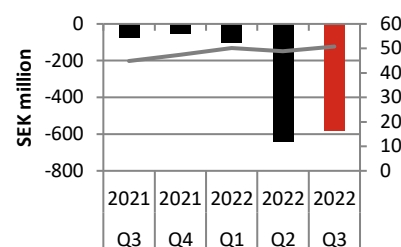


Excluding acquisitions and disposals

Financial position

Interest-bearing assets decreased to SEK 1,193 million (1,400), and interest-bearing financial liabilities rose to SEK 1,773 million (1,472). Net financial liabilities consequently totaled SEK 580 million (72). Higher working capital requirements and the higher dividend have increased financial liabilities and, consequently, net debt too. There are also interest-bearing pension liabilities of SEK 170 million (259) and interest-bearing lease liabilities of SEK 317 million (306). Shareholders' equity rose to SEK 5,398 million (4,280). The equity/assets ratio was 51% (45).

● Net financial liabilities & equity/assets ratio



Financial position

SEK million	30/09/2022	30/09/2021	31/12/2021
Interest-bearing liabilities, credit institutions	-1,773	-1,472	-1,499
Cash and bank	1,193	1,400	1,448
Net financial liabilities (-)	-580	-72	-51
Interest-bearing pension liabilities	-170	-259	-247
Net financial liabilities (-), incl. pension liabilities	-750	-331	-298
Lease liabilities	-317	-306	-295
Net financial liabilities (-), including pension- & lease liabilities	-1,067	-637	-593
Working capital	899	230	480
As a percentage of sales (average) (%)	4.9	2.1	3.7
Capital employed	7,659	6,318	6,809
Return on capital employed (average) (%)	16.7	20.6	22.8
Shareholders' equity	5,398	4,280	4,768
Return on shareholders' equity (average) (%)	19.2	25.1	28.0

Consolidated performance analysis

SEK million	Note	Q3 2022	Q3 2021	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Net sales	1	2,626	3,033	8,410	8,464	11,556	11,610
Gross profit excl. depreciation/amortization		464	563	1,485	1,668	2,067	2,250
<i>As a percentage of net sales</i>		17.7	18.6	17.7	19.7	17.9	19.4
Costs		- 121	- 113	- 370	- 312	- 503	- 445
<i>As a percentage of net sales</i>		4.6	3.7	4.4	3.7	4.4	3.8
Operating profit (EBITDA)		343	450	1,115	1,356	1,564	1,805
<i>As a percentage of net sales</i>		13.1	14.8	13.3	16.0	13.5	15.5
Depreciation and amortization		- 129	- 111	- 370	- 323	- 483	- 436
Operating profit (EBITA)		214	339	745	1,033	1,081	1,369
<i>As a percentage of net sales</i>		8.1	11.2	8.9	12.2	9.4	11.8
Amortization of intangible assets arising fr. acquis.		- 9	- 8	- 30	- 26	- 40	- 36
Operating profit (EBIT)	2	205	331	715	1,007	1,041	1,333
Financial income and expense	2	- 8	- 9	- 26	- 39	81	68
Profit after financial income and expense	2	197	322	689	968	1,122	1,401
Tax		- 37	- 65	- 138	- 194	- 185	- 241
<i>As a perc. of profit after financial inc. and exp.</i>		18.8	20.2	20.0	20.0	16.5	17.2
Profit after tax		160	257	551	774	937	1,160

Personnel

The average number of employees during the period was 7,004 people (8,325). The decrease in the number of employees is mainly attributable to Integrated Solutions' operations in China.

New business area president

Nolato has appointed Anders Björklund as the new President of the Industrial Solutions business area and a member of Nolato's Group management. Over the past decade, Anders Björklund has held a number of senior management positions in the Sandvik Group and was most recently managing director of Kanthal, now part of Alleima. Anders has also previously worked at Gunnebo Industries, Volvo Construction Equipment and Ericsson. He will begin in his new role no later than the turn of the year. The former business area President Johan Arvidsson decided in April to take up a new position outside Nolato. Group President Christer Wahlquist will be acting President of Industrial Solutions until Anders Björklund assumes the role.

Significant risks and uncertainty factors

The Group and parent company's business risks and risk management, as well as the management of financial risks, are described on pages 59–61 and in Note 30 on pages 89–92 of the 2021 annual accounts.

High inflation, geopolitical effects of the invasion of Ukraine and Covid-19 naturally also affect Nolato's operations and its customers. At present, it is not possible to predict the duration or scope and thus not quantify these effects for the Group.

No other events of material significance occurred in the period that materially affect or change these descriptions of the Group and parent company's risks and their management.

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.

• Contact:

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

• Webcast conference call on 27 October:

In connection with the interim report, Nolato will hold a webcast conference call in English at 2.45 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/43264>. The presentation will be available at www.nolato.com/ir after publication of the interim report. The webcast will be available at the same address after the live broadcast.

Events after the balance sheet date

High inflation, geopolitical impact from the invasion of Ukraine and the Covid-19 pandemic are, of course, also affecting Nolato's business and its customers. It is not currently possible to foresee the extent of this or how long it is likely to continue, nor is it possible to quantify its effects on the Group. Nolato has not yet received a license to manufacture VHP products in China on the basis of new regulatory requirements as of October. See also our press release of 21 October. No other significant events have occurred since the end of the period.

Prior to publication this information constituted inside information that Nolato AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the above contact persons, at 1:45 p.m. CET on 27 October 2022.

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

Ownership and legal structure

Nolato AB (publ), with Swedish corporate identity number 556080-4592, is the parent company of the Nolato Group.

Nolato's Class B shares are listed on Nasdaq Stockholm in the Large Cap segment, where they are included in the Industrials sector.

There were 17,188 shareholders at 30 September. The largest shareholders are the Jorlén family, the Boström family and the Hamrin family with 9% each, Lannebo Fonder with 7%, Första AP-fonden with 6% and Andra AP-fonden with 4% of capital.

The Parent Company

For the parent company, which has no operating activities, sales amounted to SEK 53 million (53). Profit after financial income and expense amounted to SEK 44 million (257).

Contingent liabilities amounted to SEK 322 million (316).

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 2021.

IASB and the IFRS Interpretations Committee have issued new standards and statements that apply to financial years starting January 1, 2022, 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.

Nomination Committee

In accordance with a decision at Nolato's AGM on May 3, 2022, the largest shareholders in terms of the number of votes at the end of September 2022 have appointed the following individuals to be included in Nolato's Nomination Committee ahead of the 2023 AGM: Henrik Jorlén, chairman (Jorlén family), Gun Boström (Boström family), Lovisa Hamrin (Hamrin family), Hjalmar Ek (Lannebo Fonder) and Ossian Ekdahl (AP1 Fund).

Shareholders who would like to submit proposals to the Nomination Committee can contact the chairman of the Nomination Committee, Henrik Jorlén, by email at henrik.jorlen@gmail.com or by mail at Kommendörsgatan 4, 269 77 Torekov, Sweden.

Annual General Meeting

The Annual General Meeting will be held on May 3, 2023.

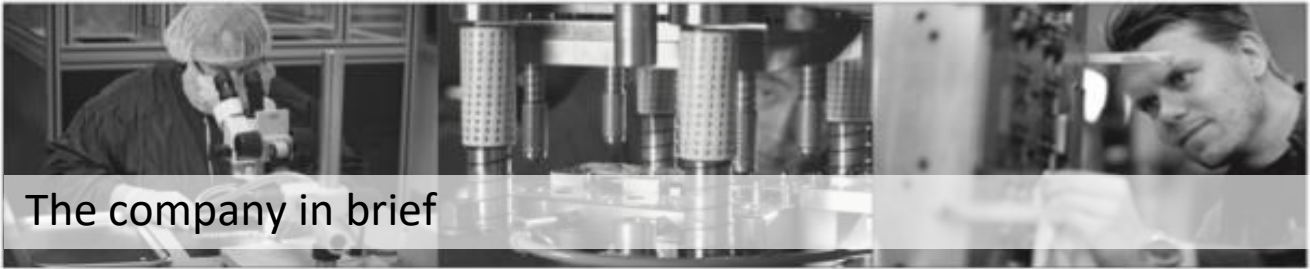
Financial information schedule

- 2022 year-end report: 8 February 2023
- Three-month interim report 2023: 3 May 2023
- 2023 Annual General Meeting: 3 May 2023
- Six-month interim report 2023: 20 July 2023
- Nine-month interim report 2023: 26 October 2023
- 2023 year-end report: 6 February 2024

Torekov, 27 October 2022

Nolato AB (publ)

Christer Wahlquist, President and CEO



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

Consolidated income statement (summary)

SEK million	Note	Q3 2022	Q3 2021	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Net sales	1	2,626	3,033	8,410	8,464	11,556	11,610
Cost of goods sold		- 2,285	- 2,577	- 7,290	- 7,115	- 9,968	- 9,793
Gross profit		341	456	1,120	1,349	1,588	1,817
Other operating income		15	1	41	55	56	70
Selling expenses		- 53	- 44	- 157	- 131	- 204	- 178
Administrative expenses		- 98	- 84	- 289	- 260	- 386	- 357
Other operating expenses		—	2	—	- 6	- 13	- 19
		- 136	- 125	- 405	- 342	- 547	- 484
Operating profit	2	205	331	715	1,007	1,041	1,333
Financial income and expense	2	- 8	- 9	- 26	- 39	81	68
Profit after financial income and expense	2	197	322	689	968	1,122	1,401
Tax		- 37	- 65	- 138	- 194	- 185	- 241
Profit after tax		160	257	551	774	937	1,160
All earnings are attrib. to the Parent Co.'s shareh.							
Depreciation/amortization reg. non-current assets		138	119	400	349	523	472
Basic earnings per share, SEK	3	0.59	0.96	2.05	2.89	3.48	4.32
Diluted earnings per share, SEK	3	0.59	0.95	2.05	2.88	3.48	4.32
Number of shares at the end of the period, bef. dil.		269,377,080	269,282,080	269,377,080	269,282,080	269,377,080	269,377,080
Number of shares at the end of the period, after dil.		269,377,080	269,323,327	269,377,080	269,323,327	269,377,080	269,379,505
Average number of shares, before dilution		269,377,080	269,098,330	269,377,080	268,270,205	269,358,080	268,491,580
Average number of shares, after dilution		269,377,080	269,227,427	269,377,080	268,629,519	269,366,814	268,779,516

At the end of the period, the Group had two incentive programmes: Incentive Programme 2019/2024 and Incentive Programme 2022/2028. For more information please see Note 3 Earnings per share on page 16.

Consolidated comprehensive income

SEK million	Q3 2022	Q3 2021	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Profit after tax	160	257	551	774	937	1,160
Other comprehensive income						
<i>Items that cannot be transferred to profit for the period</i>						
Revaluations of defined benefit pension plans	9	1	96	22	115	41
Tax attrib. to items that cannot be transf. to profit for the per.	- 1	—	- 15	- 3	- 18	- 6
	8	1	81	19	97	35
<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	229	54	516	117	594	195
Changes in the fair value of cash flow hedges for the period	2	- 1	- 9	9	- 9	9
Tax attrib. to changes in the fair value of cash flow hedges	1	—	3	- 2	3	- 2
	232	53	510	124	588	202
Other comprehensive income, net of tax	240	54	591	143	685	237
Total comp. inc. for the per. attrib. to the Parent Co.'s shareh.	400	311	1,142	917	1,622	1,397

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	30/09/2022	30/09/2021	31/12/2021
Assets			
Non-current assets			
Intangible non-current assets	2,598	2,182	2,234
Property, plant and equipment	3,235	2,739	2,868
Non-current financial assets	2	2	2
Other non-current receivables	1	2	2
Deferred tax assets	76	54	69
Total fixed assets	5,912	4,979	5,175
Current assets			
Inventories	1,266	1,194	1,340
Accounts receivable	1,658	1,422	1,574
Other current assets ²⁾	606	547	518
Cash and bank	1,193	1,400	1,448
Total current assets	4,723	4,563	4,880
Total assets	10,635	9,542	10,055
Shareholders' equity and liabilities			
Shareholders' equity	5,398	4,280	4,768
Long-term liabilities and provisions ¹⁾	2,173	2,058	1,921
Deferred tax liabilities ¹⁾	264	205	254
Current liabilities and provisions ^{1) 3)}	2,800	2,999	3,112
Total liabilities and provisions	5,237	5,262	5,287
Total shareholders' equity and liabilities	10,635	9,542	10,055
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	2,260	2,037	2,041
Non-interest-bearing liabilities and provisions	2,977	3,225	3,246
Total liabilities and provisions	5,237	5,262	5,287

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

²⁾ Derivative assets are included in other current assets at

³⁾ Derivative liabilities are included in current liabilities and provisions at

1	1	1
83	44	5

Changes in consolidated shareholders' equity (summary)

SEK million	Q1 - Q3 2022	Q1 - Q3 2021	Full year 2021
Shareholders' equity at the beginning of the period	4,768	3,699	3,699
Total comprehensive income for the period	1,142	917	1,397
Dividends	- 512	- 428	- 428
Share warrants included in incentive programmes	—	—	3
Exercise of warrants included in incentive programmes	—	92	97
Shareholders' equity at the end of period attrib. to Parent Co's shareh.	5,398	4,280	4,768

At the end of the period, the Group had two incentive programmes: Incentive Programme 2019/2024 and Incentive Programme 2022/2028. In Incentive Programme 2019/2024, Series 2020/2023 has redemptions from 01/05/2023 to 15/12/2023 and Series 2021/2024 has redemptions from 01/05/2024 to 15/12/2024. The subscription price is SEK 92.88 for Series 2020/2023 and SEK 140.20 for Series 2021/2024. In Incentive Programme 2022/2028, Series 2022/2026 has redemptions from 15/12/2025 to 15/06/2026, Series 2023/2027 has redemptions from 15/12/2026 to 15/06/2027 and Series 2024/2028 has redemptions from 15/12/2027 to 15/06/2028. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 8,524,500 new class B shares.

Consolidated cash flow statement (summary)

SEK million	Q3 2022	Q3 2021	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Cash fl. from oper. activities bef. changes in work. cap.	280	376	833	1,089	1,146	1,402
Changes in working capital	- 5	- 15	- 338	21	- 533	- 174
Cash flow from operating activities	275	361	495	1,110	613	1,228
Cash flow from investment activities	- 109	- 245	- 352	- 577	- 557	- 782
Cash flow before financing activities	166	116	143	533	56	446
Cash flow from financing activities	- 131	- 4	- 539	- 711	- 462	- 634
Cash flow for the period	35	112	- 396	- 178	- 406	- 188
Cash and cash equiv. at the beginning of the period	1,115	1,248	1,448	1,487	—	1,487
Exchange rate difference in liquid assets	43	40	141	91	—	149
Cash and cash equivalents at the end of the period	1,193	1,400	1,193	1,400	—	1,448

Note 1 Revenue

SEK million	Q1 - Q3 - 2022				Q1 - Q3 - 2021				Full year - 2021			
	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.
Sweden	711	103	26	582	689	90	20	579	914	117	29	768
Other Europe	4,558	1,688	1,808	1,062	4,105	1,498	1,732	875	5,839	1,998	2,638	1,203
North America	1,918	1,517	139	262	1,515	1,200	119	196	2,083	1,668	154	261
Asia	1,103	127	924	52	2,008	115	1,834	59	2,588	153	2,352	83
Rest of world	128	112	7	9	152	101	45	6	193	131	53	9
Elimination internal sales	- 8				- 5				- 7			
Tot. revenues fr. customer contracts	8,410	3,547	2,904	1,967	8,464	3,004	3,750	1,715	11,610	4,067	5,226	2,324

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

For the first nine months of the year, the Group recognised increased provision of impaired trade receivables of SEK 11 million. Impairment losses are recognised in the cost of goods sold.

Note 2 Reconciliation of consolidated income before tax

SEK million	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Operating profit (EBIT)				
Medical Solutions	309	326	413	430
Integrated Solutions	308	478	500	670
Industrial Solutions	103	164	139	200
Group adjustments, Parent Company	- 5	39	- 11	33
Consolidated operating profit (EBIT)	715	1,007	1,041	1,333
Financial income and expense (not distributed by business areas)	- 26	- 39	81	68
Consolidated profit before tax	689	968	1,122	1,401

Including a non-recurring item of SEK 50 million in operating profit in Q2 2021. 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 115 million in financial income and expense in Q4 2021. 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/alternative performance measures)

SEK million	Q3 2022	Q3 2021	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Profit after tax	160	257	551	774	937	1,160
Average number of shares, before dilution	269,377,080	269,098,330	269,377,080	268,270,205	269,358,080	268,491,580
Basic earnings per share (SEK)	0.59	0.96	2.05	2.89	3.48	4.32
Non-recurring items	—	—	—	- 50	- 115	- 165
Profit after tax excl. non-recurring items	160	257	551	724	822	995
Basic earnings per share excl. non-recurring items (SEK)	0.59	0.96	2.05	2.70	3.48	3.71
Dilutive shares from Series 2018/2021 incentive progr. with exercise price SEK 50.20 per share; total 1,935,000 warrants	—	119,506	—	359,314	8,249	287,451
Dilutive shares from Series 2020/2023 incentive progr. with exercise price SEK 92.88 per share; total 287,500 warrants	—	9,591	—	—	485	485
Average number of shares, after dilution	269,377,080	269,227,427	269,377,080	268,629,519	269,366,814	268,779,516
Diluted earnings per share (SEK)	0.59	0.95	2.05	2.88	3.48	4.32
Diluted earnings per share excl. non-rec. items (SEK)	0.59	0.95	2.05	2.70	3.05	3.70
Numb. of shares at the end of the per., before dilution	269,377,080	269,282,080	269,377,080	269,282,080	269,377,080	269,377,080
Numb. of shares at the end of the period, after dilution	269,377,080	269,323,327	269,377,080	269,323,327	269,377,080	269,379,505

At the end of the period, the Group had two incentive programmes: Incentive Programme 2019/2024 and Incentive Programme 2022/2028. In Incentive Programme 2019/2024, Series 2020/2023 has redemptions from 01/05/2023 to 15/12/2023 and Series 2021/2024 has redemptions from 01/05/2024 to 15/12/2024. The subscription price is SEK 92.88 for Series 2020/2023 and SEK 140.20 for Series 2021/2024. In Incentive Programme 2022/2028, Series 2022/2026 has redemptions from 15/12/2025 to 15/06/2026, Series 2023/2027 has redemptions from 15/12/2026 to 15/06/2027 and Series 2024/2028 has redemptions from 15/12/2027 to 15/06/2028. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 8,524,500 new class B shares.

Adjusted earnings per share (alternative performance measures)

SEK million	Q3 2022	Q3 2021	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Profit after tax	160	257	551	774	937	1,160
Adjusted earnings:						
Amort. of intangible assets arising from acquisitions	9	8	30	26	40	36
Tax on amortization	- 2	- 1	- 6	- 5	- 8	- 7
Adjusted earnings	167	264	575	795	969	1,189
Average number of shares, before dilution	269,377,080	269,098,330	269,377,080	268,270,205	269,358,080	268,491,580
Adjusted basic earnings per share (SEK)	0.62	0.98	2.13	2.96	3.60	4.43
Non-recurring items	—	—	—	- 50	- 115	- 165
Adjusted earnings after tax, excl. non-recurring items	167	264	575	745	854	1,024
Adj. basic earnings per share excl. non-rec. items (SEK)	0.62	0.98	2.13	2.78	3.17	3.81
Average number of shares, after dilution	269,377,080	269,227,427	269,377,080	268,629,519	269,366,814	268,779,516
Adjusted diluted earnings per share (SEK)	0.62	0.98	2.13	2.96	3.60	4.42
Adj. diluted earn. per share excl. non-rec. items (SEK)	0.62	0.98	2.13	2.77	3.17	3.81

Five-year overview

IFRS measures	2021	2020	2019	2018	2017
Operating profit (EBIT) (SEK million)	1,333	1,048	887	941	749
Basic earnings per share (SEK)	4.32	3.03	2.66	2.74	2.17
Diluted earnings per share (SEK)	4.32	3.02	2.66	2.74	2.17

Alternative performance measures	2021	2020	2019	2018	2017
Net sales (SEK million)	11,610	9,359	7,919	8,102	6,720
Operating profit (EBITA) (SEK million)	1,369	1,066	895	949	763
EBITA margin (%)	11.8	11.4	11.3	11.7	11.4
Profit after financial income and expense (SEK million)	1,401	1,014	857	921	731
Profit after tax (SEK million)	1,160	806	703	722	572
Cash flow after investments, excl. acq. and disposals (SEK million)	446	905	800	593	496
Cash conversion (%)	35	87	88	60	66
Return on capital employed (%)	22.8	20.7	23.1	29.7	26.6
Return on shareholders' equity (%)	28.0	23.9	25.5	30.4	29.4
Net financial liabilities (-) / assets (+), excl. pension- & lease liabilities (SEK million)	- 51	- 298	666	341	31
Equity/assets ratio (%)	47	43	48	50	45
Adjusted basic earnings per share (SEK)	4.43	3.08	2.68	2.77	2.22
Adjusted diluted earnings per share (SEK)	4.42	3.08	2.68	2.76	2.22
Dividend per share (SEK)	1.90	1.60	—	1.40	1.25
Average number of employees	8,669	6,721	5,941	6,449	7,249

Including any non-recurring items.

Quarterly data (summary)

IFRS measures		Note	Q1	Q2	Q3	Q4	Full year
Operating profit (EBIT) (SEK million)	2	2022	258	252	205	—	—
	2	2021	299	377	331	326	1,333
		2020	225	267	282	274	1,048
Basic earnings per share (SEK)	3	2022	0.75	0.71	0.59	—	—
	3	2021	0.85	1.09	0.96	1.43	4.32
		2020	0.67	0.78	0.79	0.79	3.03
Diluted earnings per share (SEK)	3	2022	0.75	0.71	0.59	—	—
	3	2021	0.84	1.08	0.95	1.43	4.32
		2020	0.67	0.78	0.79	0.79	3.02
Alternative performance measures		Note	Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	1	2022	2,879	2,905	2,626	—	—
	1	2021	2,645	2,786	3,033	3,146	11,610
		2020	2,065	2,307	2,500	2,487	9,359
Operating profit (EBITDA) (SEK million)		2022	386	386	343	—	—
		2021	414	492	450	449	1,805
		2020	319	360	388	389	1,456
Operating profit (EBITA) (SEK million)		2022	267	264	214	—	—
		2021	308	386	339	336	1,369
		2020	227	269	287	283	1,066
EBITA margin (%)		2022	9.3	9.1	8.1	—	—
		2021	11.6	13.9	11.2	10.7	11.8
		2020	11.0	11.7	11.5	11.4	11.4
Profit after financial income and exp. (SEK million)	2	2022	251	241	197	—	—
	2	2021	286	360	322	433	1,401
		2020	221	257	267	269	1,014
Profit after tax (SEK million)		2022	201	190	160	—	—
		2021	226	291	257	386	1,160
		2020	177	207	211	211	806
Cash flow from operating activities (SEK million)		2022	89	131	275	—	—
		2021	249	500	361	118	1,228
		2020	–3	748	76	343	1,164
Cash fl. from operations per share bef. dilution (SEK)		2022	0.33	0.49	1.02	—	—
		2021	0.93	1.86	1.34	0.44	4.58
		2020	–0.01	2.82	0.29	1.28	4.37
Cash flow after investments, excluding acquisitions and disposals (SEK million)		2022	–41	18	166	—	—
		2021	71	346	116	–87	446
		2020	–73	685	82	211	905
Cash flow after investments, excl. acquisitions and disposals per share before dilution (SEK)		2022	–0.15	0.07	0.62	—	—
		2021	0.27	1.29	0.43	–0.32	1.66
		2020	–0.27	2.58	0.31	0.79	3.40
Adjusted basic earnings per share (SEK)	3	2022	0.77	0.74	0.62	—	—
	3	2021	0.87	1.11	0.98	1.46	4.43
		2020	0.67	0.78	0.81	0.82	3.08
Shareholders' equity per share, before dilution (SEK)		2022	19	19	20	—	—
		2021	15	15	16	18	18
		2020	12	13	14	14	14
Return on total capital (%)		2022	14.8	13.3	11.6	—	—
		2021	14.0	14.6	14.3	15.7	15.7
		2020	15.7	15.8	14.8	14.3	14.3

Alternative performance measures		Q1	Q2	Q3	Q4	Full year
Return on capital employed (%)	2022	21.6	19.4	16.7	—	—
	2021	20.2	21.0	20.6	22.8	22.8
	2020	23.2	23.4	21.8	20.7	20.7
Return on operating capital (%)	2022	25.3	21.8	18.3	—	—
	2021	28.0	28.5	26.8	27.1	27.1
	2020	31.2	33.1	30.9	29.2	29.2
Return on shareholders' equity (%)	2022	25.8	22.5	19.2	—	—
	2021	23.8	25.1	25.1	28.0	28.0
	2020	26.0	25.9	25.0	23.9	23.9
Closing share price Nolato B (Nasdaq Stockholm)	2022	70.00	55.00	50.85	—	—
	2021	77.80	84.20	104.70	107.90	107.90
	2020	44.94	62.80	87.30	83.20	83.20

Including a non-recurring item of SEK 50 million in operating income and profit after tax in Q2 2021 and a non-recurring item of SEK 115 million in profit after financial income and expense and profit after tax in Q4 2021.

Including a non-recurring item of SEK -17 million in operating profit in Q3 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -14 million.

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.

Quarterly data business areas

Alternative performance measures			Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	Note						
Medical Solutions	1	2022	1,088	1,214	1,245	—	—
	1	2021	1,006	1,021	977	1,063	4,067
		2020	642	700	796	951	3,089
Integrated Solutions	1	2022	1,140	1,019	745	—	—
	1	2021	1,045	1,186	1,519	1,476	5,226
		2020	854	1,149	1,158	907	4,068
Industrial Solutions	1	2022	653	676	638	—	—
	1	2021	595	580	540	609	2,324
		2020	570	459	547	629	2,205
Group adjustments, Parent Company	1	2022	-2	-4	-2	—	—
	1	2021	-1	-1	-3	-2	-7
		2020	-1	-1	-1	—	-3
Group total	1	2022	2,879	2,905	2,626	—	—
	1	2021	2,645	2,786	3,033	3,146	11,610
		2020	2,065	2,307	2,500	2,487	9,359

Alternative performance measures		Q1	Q2	Q3	Q4	Full year
Operating profit (EBITA) (SEK million)						
Medical Solutions	2022	106	121	104	—	—
	<i>EBITA margin (%)</i>	9.7	10.0	8.4	—	—
	2021	121	124	100	112	457
	<i>EBITA margin (%)</i>	12.0	12.1	10.2	10.5	11.2
	2020	87	100	103	112	402
	<i>EBITA margin (%)</i>	13.6	14.3	12.9	11.8	13.0
Integrated Solutions	2022	123	109	77	—	—
	<i>EBITA margin (%)</i>	10.8	10.7	10.3	—	—
	2021	125	154	200	192	671
	<i>EBITA margin (%)</i>	12.0	13.0	13.2	13.0	12.8
	2020	111	166	160	111	548
	<i>EBITA margin (%)</i>	13.0	14.4	13.8	12.2	13.5
Industrial Solutions	2022	40	37	33	—	—
	<i>EBITA margin (%)</i>	6.1	5.5	5.2	—	—
	2021	66	62	42	38	208
	<i>EBITA margin (%)</i>	11.1	10.7	7.8	6.2	9.0
	2020	47	11	48	62	168
	<i>EBITA margin (%)</i>	8.2	2.4	8.8	9.9	7.6
Group adjustments, Parent Company	2022	-2	-3	—	—	—
	2021	-4	46	-3	-6	33
	2020	-18	-8	-24	-2	-52
Group total	2022	267	264	214	—	—
	<i>EBITA margin (%)</i>	9.3	9.1	8.1	—	—
	2021	308	386	339	336	1,369
	<i>EBITA margin (%)</i>	11.6	13.9	11.2	10.7	11.8
	2020	227	269	287	283	1,066
	<i>EBITA margin (%)</i>	11.0	11.7	11.5	11.4	11.4

Including a non-recurring item of SEK 50 million in operating profit in Q2 2021. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK -17 million in operating profit in Q3 2020. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

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

Depreciation/write-downs/amortization (SEK million)		Q1	Q2	Q3	Q4	Full year
Medical Solutions	2022	69	74	79	—	—
	2021	61	61	63	64	249
	2020	41	41	48	63	193
Integrated Solutions	2022	15	17	16	—	—
	2021	15	16	15	16	62
	2020	17	16	15	15	63
Industrial Solutions	2022	43	43	43	—	—
	2021	39	38	41	42	160
	2020	36	36	43	36	151
Group adjustments, Parent Company	2022	1	—	—	—	—
	2021	—	—	—	1	1
	2020	—	—	—	1	1
Group total	2022	128	134	138	—	—
	2021	115	115	119	123	472
	2020	94	93	106	115	408

Group financial highlights

IFRS measures	Note	Q3 2022	Q3 2021	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Basic earnings per share (SEK)	3	0.59	0.96	2.05	2.89	3.48	4.32
Diluted earnings per share (SEK)	3	0.59	0.95	2.05	2.88	3.48	4.32
Alternative performance measures							
Net sales (SEK million)	1	2,626	3,033	8,410	8,464	11,556	11,610
Sales growth (%)		- 13	21	- 1	23	6	24
Percentage of sales outside Sweden (%)		92	94	92	92	92	92
Operating profit (EBITDA) (SEK million)		343	450	1,115	1,356	1,564	1,805
Operating profit (EBITA) (SEK million) ¹⁾		214	339	745	1,033	1,081	1,369
EBITA margin (%) ¹⁾		8.1	11.2	8.9	12.2	9.4	11.8
Profit after financial income and exp. (SEK million)	2	197	322	689	968	1,122	1,401
Profit margin (%) ¹⁾		7.5	10.6	8.2	11.4	9.7	12.1
Profit after tax (SEK million)		160	257	551	774	937	1,160
Return on total capital (%) ¹⁾		—	—	11.6	14.3	11.6	15.7
Return on capital employed (%) ¹⁾		—	—	16.7	20.6	16.7	22.8
Return on operating capital (%) ¹⁾		—	—	18.3	26.8	18.3	27.1
Return on shareholders' equity (%) ¹⁾		—	—	19.2	25.1	19.2	28.0
Equity/assets ratio (%)		—	—	51	45	51	47
Debt/equity (%)		—	—	42	48	42	43
Interest coverage ratio (times)		13	30	17	30	23	34
Net investments affecting cash flow, excl. acquisitions and disposals (SEK million)		109	245	352	577	557	782
Cash flow after investments, excl. acquisitions and disposals (SEK million)		166	116	143	533	56	446
Cash conversion (%) ¹⁾		—	—	—	—	5	35
Net financial liabilities, excl. pension- & lease liabilities (SEK million)		—	—	- 580	- 72	- 580	- 51
Adjusted basic earnings per share (SEK)	3	0.62	0.98	2.13	2.96	3.60	4.43
Adjusted diluted earnings per share (SEK)	3	0.62	0.98	2.13	2.96	3.60	4.42
Cash flow from operations per share, before dilution (SEK)		1.02	1.34	1.84	4.14	2.28	4.58
Cash flow from operations per share, after dilution (SEK)		1.02	1.34	1.84	4.13	2.28	4.57
Cash flow after investments excluding acquisitions and disposals, per share, before dilution (SEK)		0.62	0.43	0.53	1.99	0.21	1.66
Cash flow after investments excluding acquisitions and disposals, per share, after dilution (SEK)		0.62	0.43	0.53	1.98	0.21	1.66
Shareholders' equity per share, before dilution (SEK)		—	—	20	16	—	18
Shareholders' equity per share, after dilution (SEK)		—	—	20	16	—	18
Average number of employees		—	—	7,004	8,325	—	8,669

See definitions of IFRS measures and alternative performance measures on page 22.

¹⁾ KPIs calculated as specified on pages 23 and 24.

Including a non-recurring item of SEK 50 million in operating profit and profit after tax in Q2 2021 and full year 2021 and SEK 115 million in profit after financial income and expense in Q4 2021 and full year 2021, which in total impacted profit after tax with SEK 165 million, for full year 2021.

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 amortization 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 liabilities (-) / financial assets (+)

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

Operating profit (EBITA)

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

Operating profit (EBITDA)

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

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	Q3 2022	Q3 2021	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Operating profit (EBITDA)		343	450	1,115	1,356	1,564	1,805
Non-recurring items		—	—	—	– 50	—	– 50
Adjusted operating profit (EBITDA)		343	450	1,115	1,306	1,564	1,755
Operating profit (EBIT)	2	205	331	715	1,007	1,041	1,333
Reversal of amort. of intangible assets arising in connection with acquisitions		9	8	30	26	40	36
Operating profit (EBITA)		214	339	745	1,033	1,081	1,369
Non-recurring items		—	—	—	– 50	—	– 50
Adjusted operating profit (EBITA)		214	339	745	983	1,081	1,319
EBITA margin (%)		8.1	11.2	8.9	12.2	9.4	11.8
Adjusted EBITA margin (%)		8.1	11.2	8.9	11.6	9.4	11.4
Profit after financial income and expense	2	197	322	689	968	1,122	1,401
Non-recurring items		—	—	—	– 50	– 115	– 165
Adjusted profit after financial income and expense		197	322	689	918	1,007	1,236
Profit margin (%)		7.5	10.6	8.2	11.4	9.7	12.1
Adjusted profit margin (%)		7.5	10.6	8.2	10.8	8.7	10.6
Profit after tax		160	257	551	774	937	1,160
Non-recurring items		—	—	—	– 50	– 115	– 165
Tax on non-recurring items		—	—	—	—	—	—
Adjusted profit after tax		160	257	551	724	822	995
Cash fl. after investm., excl. acquisitions and dispos.		—	—	—	—	56	446
Non-recurring items (affecting cash flow)		—	—	—	—	—	—
Adj. cash fl. after investments, excl. acq. and disp.		—	—	—	—	56	446
Operating profit (EBIT)	2	—	—	—	—	1,041	1,333
Non-recurring items		—	—	—	—	—	– 50
Adjusted operating profit (EBIT)		—	—	—	—	1,041	1,283
Cash conversion (%)		—	—	—	—	5	35

Including a non-recurring item of SEK 50 million in operating profit and profit after tax in Q2 2021 and full year 2021 and SEK 115 million in profit after financial income and expense in Q4 2021 and full year 2021, which in total impacted profit after tax with SEK 165 million. The non-recurring items have been recognised at Group level and have therefore not affected the earnings of the business areas.

Alternative performance measures SEK million unless otherwise specified	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Profit after financial income and exp., rolling 12 months	1,122	1,247	1,367	1,401	1,238				
Financial expense, rolling 12 months	51	46	43	43	44				
Adj. profit after financial inc. and exp., rolling 12 months	1,173	1,293	1,410	1,444	1,282				
Total capital, at the end of period	10,635	10,220	9,984	10,056	9,542	8,784	9,191	8,482	8,899
Average total capital, last 5 quarters	10,087	9,717	9,511	9,211	8,980				
Return on total capital (%)	11.6	13.3	14.8	15.7	14.3				
Adj. profit after financial inc. and exp., rolling 12 months	1,173	1,293	1,410	1,444	1,282				
Capital employed, at the end of period	7,659	7,220	7,074	6,809	6,318	5,984	6,479	6,116	6,167
Average capital employed, last 5 quarters	7,016	6,681	6,533	6,341	6,213				
Return on capital employed (%)	16.7	19.4	21.6	22.8	20.6				
Operating profit (EBIT), rolling 12 months	1,041	1,167	1,293	1,333	1,281				
Capital employed, at the end of period	7,659	7,220	7,074	6,809	6,318	5,984	6,479	6,116	6,167
Cash and bank, at the end of period	-1,193	-1,115	-1,408	-1,448	-1,400	-1,248	-1,563	-1,487	-1,438
Operating capital, at the end of period	6,466	6,105	5,666	5,361	4,918	4,736	4,916	4,629	4,729
Average operating capital, latest 5 quarters	5,703	5,357	5,119	4,912	4,786				
Return on operating capital (%)	18.3	21.8	25.3	27.1	26.8				
Profit after tax, rolling 12 months	937	1,034	1,135	1,160	985				
Shareholders' equity, at the end of period	5,398	4,998	5,010	4,768	4,280	3,951	4,025	3,699	3,653
Average shareholders' equity, latest 5 quarters	4,891	4,601	4,407	4,145	3,922				
Return on shareholders' equity (%)	19.2	22.5	25.8	28.0	25.1				

Parent Company income statement (summary)

SEK million	Q3 2022	Q3 2021	Q1 - Q3 2022	Q1 - Q3 2021	Rolling 12 months	Full year 2021
Net sales	16	16	53	53	69	69
Selling expenses	- 1	- 1	- 5	- 5	- 8	- 8
Administrative expenses	- 14	- 13	- 44	- 40	- 61	- 57
Other operating income	1	1	3	9	4	10
Other operating expenses	- 16	- 8	- 48	- 28	- 58	- 38
Operating profit	- 14	- 5	- 41	- 11	- 54	- 24
Profit from participations in Group companies	26	64	141	233	598	690
Financial income	12	14	46	54	66	74
Financial expenses	- 43	- 8	- 102	- 19	- 136	- 53
Profit after financial income and expense	- 19	65	44	257	474	687
Appropriations	—	—	—	—	255	255
Tax	2	6	15	9	- 74	- 80
Profit after tax	- 17	71	59	266	655	862
Depreciation/amortization	—	—	—	—	—	—

Parent Company balance sheet (summary)

SEK million	30/09/2022	30/09/2021	31/12/2021
Assets			
Intangible fixed assets	—	1	—
Property, plant and equipment	1	1	1
Financial assets	4,096	3,671	3,821
Deferred tax assets	21	16	—
Total fixed assets	4,118	3,689	3,822
Other receivables	608	360	1,104
Cash and bank	—	130	60
Total current assets	608	490	1,164
Total assets	4,726	4,179	4,986
Shareholders' equity and liabilities			
Shareholders' equity	2,654	2,503	3,107
Untaxed reserves	285	269	285
Deferred tax liabilities	—	—	17
Other provisions	7	8	6
Long-term liabilities	1,571	1,232	1,275
Current liabilities	209	167	296
Total shareholders' equity and liabilities	4,726	4,179	4,986

Transactions with related parties	Period	Services sold	Services bought	Interest income	Interest expenses	Result from shares in Group com	Rec fr rel part on bal sheet date	Liab to rel part on bal sheet date
SEK million								
Subsidiary	Q1 - Q3 2022	53	- 17	46	—	141	1,563	140
Subsidiary	Q1 - Q3 2021	53	- 18	54	—	233	2,013	143

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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