

INTERIM REPORT 2023

January - September



Continued adaptation of total costs and concentration of the Chinese business

Third quarter of 2023 in brief

- Sales totaled SEK 2,340 million (2,626)
- Operating profit (EBITA) was SEK 193 million (214), excluding a non-recurring item of SEK 60 million (0)
- EBITA margin of 8.2% (8.1), excl. a non-recurring item
- Profit after tax amounted to SEK 129 million (160), excl. a non-recurring item
- Diluted earnings per share were SEK 0.48 (0.59), excl. a non-recurring item
- Cash flow after investments rose to SEK 188 million (166), excl. acquisitions

First nine months of 2023 in brief

- Sales totaled SEK 7,294 million (8,410)
- Operating profit (EBITA) was SEK 584 million (745), excl. a non-recurring item
- EBITA margin of 8.0% (8.9) excl. a non-recurring item
- Profit after tax was SEK 420 million (551), excl. a non-recurring item
- Diluted earnings per share totaled SEK 1.56 (2.05), excl. a non-recurring item
- Cash flow after investments rose to SEK 366 million (196), excl. acquisitions
- Sustained strong financial position

Comments from the President and CEO - Adaptation of total costs and strategic price increases

Adjusted for currency, the Group's net sales decreased by 15% in the third quarter to SEK 2,340 million, which was somewhat lower than in the second quarter of this year due to the vacation period. The decline in sales relative to last year is entirely attributable to markedly lower volumes in Integrated Solutions, and means that VHP products now account for less than 5% of the Group's total sales. The adjusted EBITA margin increased slightly compared with the second quarter of this year, amounting to 8.2%, and we are continuing to adapt total costs to boost profitability in all our units. One of the measures we are taking is to concentrate our Chinese business, which resulted in the third quarter being impacted by a non-recurring cost of SEK 60 million at Group level. We are also looking at how we can achieve sales synergies between Integrated and Industrial Solutions by working together to market our offering to a broader section of the value chain, thus taking on even larger contracts. Cash flow after investments, excluding acquisitions, grew to SEK 188 million, owing to reduced inventory and lower trade receivables.

Medical Solutions sales increased by 1%, adjusted for currency. Most of our market areas are continuing to expand, while sales in the surgery area and particularly in vitro diagnostics (IVD) declined. The latter was due to ongoing inventory adjustments and a slight change in the customer mix compared with last year. The EBITA margin was 9.5% and this business area now accounts for two-thirds of Group earnings.

The decline in Integrated Solutions sales compared with last year was mainly attributable to a change in the sourcing strategy of a previously significant customer in the VHP area. At the same time, several of our consumer electronics customers have seen reduced end-customer demand due to the economic slowdown. The significantly lower volumes resulted in the EBITA margin falling to 3.0%. Our EMC business continues to perform well in a number of areas, particularly within automotive, which is offset by the telecom area due to a markedly slower 5G roll-out.

Industrial Solutions sales increased by 2%, adjusted for currency. Supply chain disruptions, particularly at our automotive customers, are now having less of an impact than previously. However, we saw a decline in demand for consumer discretionary goods owing to weaker economic conditions, which we believe will impact the fourth quarter as well. The EBITA margin rose to 9.3%.

In the near future, our focus is on improving our margins by adapting total costs in each unit and introducing strategic price increases, which will lay the ground for profitable and sustainable growth over time. Our in-depth production expertise, strong customer relationships and a presence on three continents allow us to harness business opportunities, expand our customer base and continually advance our market positions.



Christer Wahlquist, President and CEO, Nolato AB

Group highlights

SEK million unless otherwise specified	Note	Q3 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022	Rolling 12 months	Full year 2022
Net sales	1	2,340	2,626	7,294	8,410	9,658	10,774
Operating profit (EBITDA)		276	343	935	1,115	1,231	1,411
Operating profit (EBITA)		133	214	524	745	687	908
EBITA margin, %		5.7	8.1	7.2	8.9	7.1	8.4
Operating profit (EBIT)	2	123	205	492	715	644	867
Profit after financial income and expense	2	102	197	467	689	653	875
Profit after tax		69	160	360	551	506	697
Earnings per share, basic and diluted, SEK	3	0.26	0.59	1.34	2.05	1.88	2.59
Adjusted earnings per share, basic and diluted, SEK	3	0.29	0.62	1.43	2.13	2.00	2.70
Cash flow after investm., excl. acquis. and disposals		188	166	366	196	178	8
Net investm. affecting cash flow, excl. acq. and disp.		92	109	319	352	418	451
Cash conversion, %		—	—	—	—	25	1
Return on capital employed, %		—	—	9.4	16.7	9.4	12.8
Return on shareholders' equity, %		—	—	9.4	19.2	9.4	13.6
Equity/assets ratio, %		—	—	54	51	54	54
Net financial liabilities (-), excluding pension- & lease liabilities		—	—	-1,003	-580	-1,003	-708

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

Including a non-recurring item of SEK -60 million in operating profit and profit after tax in Q3 2023. Including a non-recurring item of SEK 41 million in profit after financial items in rolling 12 months and full year 2022, which also impacted the profit after tax.

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 2023

- Sales totaled SEK 2,340 million (2,626), which, adjusted for currency, was a decrease of 15%
- Concentration of the Chinese business and a non-recurring item of SEK 60 million expensed in the quarter
- Operating profit (EBITA) was SEK 193 million (214), excluding a non-recurring item of SEK 60 million (0)
- SEK 20 million in electricity subsidies from Swedish authorities included in earnings
- EBITA margin of 8.2% (8.1), excluding a non-recurring item
- Cash flow after investments rose to SEK 188 million (166), excluding acquisitions

Sales

Consolidated sales totaled SEK 2,340 million (2,626). Adjusted for currency, this was a decrease of 15%. Medical Solutions and Industrial Solutions contributed to net sales performance, while a sharp decline in volumes in Integrated Solutions had an adverse impact.

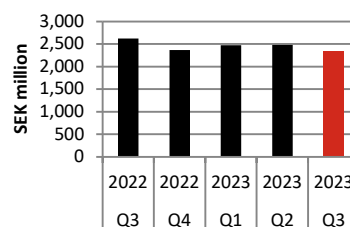
Medical Solutions sales amounted to SEK 1,320 million (1,245); adjusted for currency, sales increased by 1%. In vitro diagnostics (IVD) volumes declined further in the quarter due to continued inventory adjustments and a change in the customer mix. The surgery area also saw slightly lower volumes in the quarter, while other areas experienced healthy growth.

Integrated Solutions sales totaled SEK 330 million (745). This was a decrease of some 57%, adjusted for currency and acquisitions. Low volumes and a change in sourcing strategy at a previously significant customer were the main reasons for the lower sales in the quarter. Furthermore, sales were impacted by reduced end-customer demand at most other consumer electronics customers. Sales in the EMC business totaled SEK 170 million (185). The automotive area increased significantly, while the telecom area experienced lower volumes. There is hesitancy over investments in the telecom equipment market, which is having a negative impact, while Nolato is continuing to win market share in other segments.

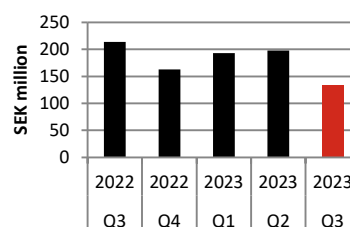
Industrial Solutions sales amounted to SEK 691 million (638); adjusted for currency, sales increased by 2%. Automotive volumes increased and supply chain disruptions had less of an impact than previously. Demand for products supplied in the consumer discretionary sector was slightly lower, and this is expected to continue in the fourth quarter due to weaker economic conditions.

Continued adaptation of total costs, including through concentration of the Chinese business

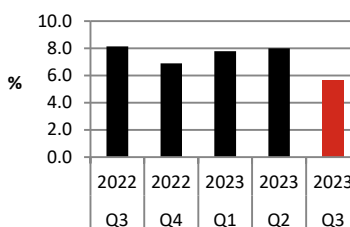
• Sales



• Operating profit (EBITA)



• EBITA margin



Profit

The Group's operating profit (EBITA) was SEK 193 million (214), excluding a non-recurring item of SEK 60 million. The non-recurring item relates to costs in connection with the concentration of the Chinese business, as detailed in the press release of August 24. These costs have been charged at Group level in the quarter and are not included in the business areas' earnings.

Operating profit (EBITA) increased to SEK 126 million (104) for Medical Solutions, while for Integrated Solutions it declined to SEK 10 million (77), and for Industrial Solutions it rose to SEK 64 million (33). Nolato received SEK 20 million in electricity subsidies from Swedish authorities, half of which is included in Medical Solutions earnings and half in Industrial Solutions.

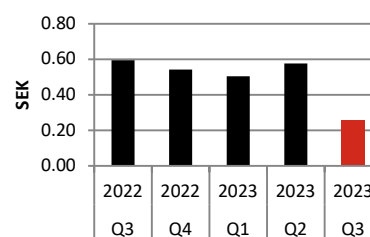
The EBITA margin for Medical Solutions rose to 9.5% (8.4), with a positive impact from electricity subsidies. For Integrated Solutions, the margin was 3.0% (10.3). Significantly lower volumes had a negative impact on the margin. The EBITA margin for Industrial Solutions increased to 9.3% (5.2). Less disruption in the automotive supply chain has boosted production efficiency, which combined with electricity subsidies had a positive impact on the margin. Overall, the Group's EBITA margin was 8.2% (8.1), excluding a non-recurring item.

Operating profit (EBIT) amounted to SEK 183 million (205), excluding a non-recurring item.

Operating profit after net financial income/expense was SEK 162 million (197), excluding a non-recurring item.

Profit after tax was SEK 129 million (160), excluding a non-recurring item. Basic and diluted earnings per share amounted to SEK 0.48 (0.59), excluding a non-recurring item. Adjusted basic and diluted earnings per share, excluding amortization of intangible assets arising from acquisitions, amounted to SEK 0.51 (0.62), excluding a non-recurring item.

● Earnings per share



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

SEK million	Sales Q3/2023	Sales Q3/2022	EBITA Q3/2023	EBITA Q3/2022	EBITA marg. Q3/2023	EBITA marg. Q3/2022
Medical Solutions	1,320	1,245	126	104	9.5%	8.4%
Integrated Solutions	330	745	10	77	3.0%	10.3%
Industrial Solutions	691	638	64	33	9.3%	5.2%
Intra-Group adj., Parent Co	- 1	- 2	- 67	-	-	-
Group total	2,340	2,626	133	214	5.7%	8.1%

Operating profit (EBITA): Earnings before financial income and expense, taxes and amortization of intangible assets arising from acquisitions. Including a non-recurring item of SEK -60 million in operating profit (EBITA) in Q3 2023.

First nine months 2023

Sales and earnings

Consolidated sales totaled SEK 7,294 million (8,410); a decrease of 18% adjusted for currency and acquisitions.

Sales for Medical Solutions rose by 6% to SEK 4,008 million (3,547), while for Integrated Solutions they decreased by 63% to SEK 1,136 million (2,904) and increased for Industrial Solutions by 3% to SEK 2,155 million (1,967), all percentages adjusted for currency and acquisitions.

The Group's operating profit (EBITA) was SEK 584 million (745), excluding a non-recurring item. Including the non-recurring item, operating profit (EBITA) amounted to SEK 524 million (745). Overall, the Group's EBITA margin was 8.0% (8.9) excluding a non-recurring item.

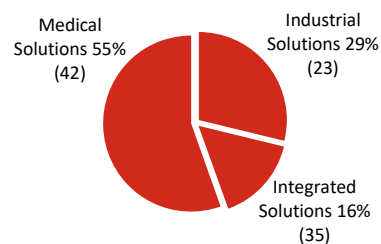
Operating profit (EBIT) amounted to SEK 552 million (715), excluding a non-recurring item.

Profit after net financial income/expense was SEK 527 million (689) excluding a non-recurring item.

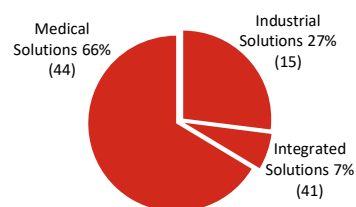
Profit after tax amounted to SEK 420 million (551), excluding a non-recurring item. Diluted earnings per share were SEK 1.56 (2.05), excluding a non-recurring item. Including the non-recurring item, earnings per share amounted to SEK 1.34 (2.05). Adjusted earnings per share after dilution but excluding amortization of intangible assets arising from acquisitions amounted to SEK 1.65 (2.13), excluding a non-recurring item. The effective tax rate was 20.3% (20.0), excluding a non-recurring item.

Return on capital employed was 9.4% for the last 12 months (12.8% for the 2022 calendar year). Return on equity was 9.4% for the last 12 months (13.6% for the 2022 calendar year).

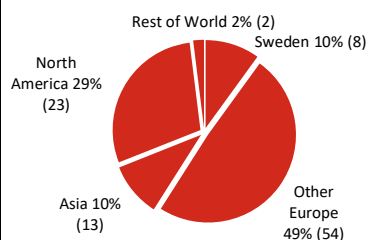
• Business areas' share of sales



• Business areas' share of operating profit (EBITA)



• Sales by geographic markets



Medical Solutions

Sales and profit 9 months (SEK million)	2023	2022
Sales	4,008	3,547
Operating profit (EBITA)	396	331
EBITA margin (%)	9.9	9.3
Operating profit (EBIT)	372	309

Medical Solutions sales amounted to SEK 4,008 million (3,547); adjusted for currency, sales increased by 6%. Most market areas experienced good growth, apart from in vitro diagnostics (IVD), which was at a lower level compared with the same period last year due to continued inventory adjustments in the value chain and a change in the customer mix at the end of the period. The charging on of price increases in materials only had a marginally positive effect.

Operating profit (EBITA) for Medical Solutions rose to SEK 396 million (331).

The EBITA margin for Medical Solutions was 9.9% (9.3).

Integrated Solutions

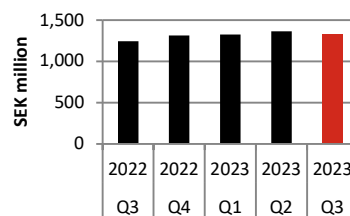
Sales and profit 9 months (SEK million)	2023	2022
Sales	1,136	2,904
Operating profit (EBITA)	48	309
EBITA margin (%)	4.2	10.6
Operating profit (EBIT)	47	308

Integrated Solutions sales amounted to SEK 1,136 million (2,904); adjusted for currency and acquisitions, sales decreased by some 63%. Most consumer electronics customers were affected by reduced demand from end-customers, but it was a change in the sourcing strategy of a previously significant customer that primarily resulted in lower volumes. The EMC business increased sales to SEK 515 million (508), SEK 11 million of which was attributable to acquisitions. Increased market share in automotive made a positive contribution to growth, while sluggish activity and inventory adjustments in 5G roll-out had an adverse impact on telecom. Nolato acquired UK-based P&P Technology in April. The company, which has annual sales equivalent to approximately SEK 25 million with good profitability, provides component- and materials-based electronics shielding solutions. The acquisition provides Nolato with complementary production technologies, an expanded customer base and a stronger presence in the UK.

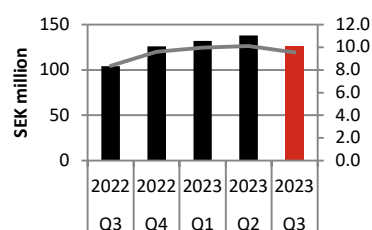
Operating profit (EBITA) for Integrated Solutions was SEK 48 million (309).

The EBITA margin for Integrated Solutions was 4.2% (10.6). Significantly lower volumes had a negative impact on the margin.

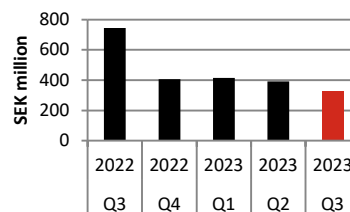
Medical Solutions sales



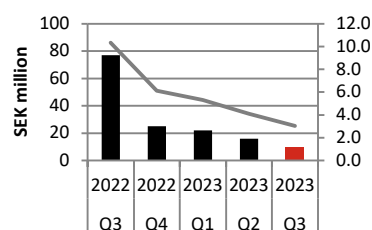
Medical Solutions operating profit (EBITA) & EBITA margin %



Integrated Solutions sales



Integrated Solutions operating profit (EBITA) & EBITA margin %



Industrial Solutions

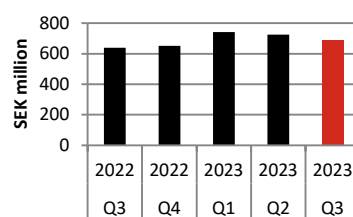
Sales and profit 9 months (SEK million)	2023	2022
Sales	2,155	1,967
Operating profit (EBITA)	166	110
EBITA margin (%)	7.7	5.6
Operating profit (EBIT)	159	103

Industrial Solutions sales amounted to SEK 2,155 million (1,967); adjusted for currency, sales increased by 3%. Automotive volumes increased, while supply chain disruptions had less of an impact than previously. The charging on of cost increases has gradually contributed less to the increase in sales. Demand for products supplied in the consumer discretionary sector was slightly lower, and this is expected to continue in the fourth quarter due to weaker economic conditions and more restrained consumer spending.

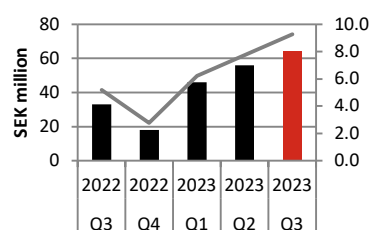
Operating profit (EBITA) increased to SEK 166 million (110).

The EBITA margin for Industrial Solutions increased to 7.7% (5.6). Less disruption in the supply chain for automotive has meant more efficient production, which has primarily had a positive impact on the margin.

Industrial Solutions sales



Industrial Solutions operating profit (EBITA) & EBITA margin %



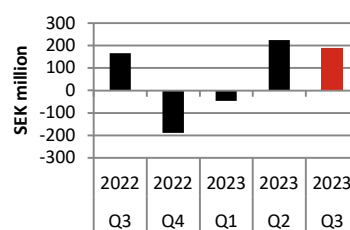
Cash flow

Cash flow after investments, excluding acquisitions, was SEK 188 million (166) in the third quarter. The improvement in cash flow was primarily due to a more favorable change in working capital via reduced inventory and trade receivables.

Net investments affecting cash flow, excluding acquisitions, decreased to SEK 92 million (109).

Accumulated after nine months, cash flow after investments, excluding acquisitions, was SEK 366 million (143). Including acquisitions, cash flow amounted to SEK 257 million (143). The improvement in cash flow is primarily due to a more favorable change in working capital. On an accumulated basis, net investments affecting cash flow, excluding acquisitions, declined to SEK 319 million (352). Cash conversion for the last 12 months was 25% (1% for the 2022 calendar year). A dividend totaling SEK 512 million (512) was paid to shareholders in the second quarter. Other items in financing activities include amortization of loans of SEK 37 million.

• Cash flow after investments

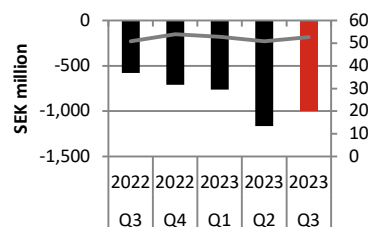


Excluding acquisitions and disposals

Financial position

Interest-bearing assets decreased to SEK 720 million (1,193), and interest-bearing financial liabilities declined to SEK 1,723 million (1,773). Net financial liabilities consequently totaled SEK 1,003 million (580). Payment of dividends and an increase in working capital requirements have been the main contributors to increased net debt. There are also interest-bearing pension liabilities of SEK 172 million (170) and interest-bearing lease liabilities of SEK 305 million (317). Shareholders' equity decreased to SEK 5,382 million (5,398). The equity/assets ratio was 54% (51).

• Net financial liabilities & equity/assets ratio



Financial position

SEK million	30/09/2023	30/09/2022	31/12/2022
Interest-bearing liabilities, credit institutions	-1,723	-1,773	-1,719
Cash and bank	720	1,193	1,011
Net financial liabilities (-)	-1,003	-580	-708
Interest-bearing pension liabilities	-172	-170	-173
Net financial liabilities (-), incl. pension liabilities	-1,175	-750	-881
Lease liabilities	-305	-317	-314
Net financial liabilities (-), including pension- & lease liabilities	-1,480	-1,067	-1,195
Working capital	1,359	899	1,108
<i>As a percentage of sales (average) (%)</i>	11.7	4.9	7.4
Capital employed	7,581	7,659	7,597
<i>Return on capital employed (average) (%)</i>	9.4	16.7	12.8
Shareholders' equity	5,382	5,398	5,392
<i>Return on shareholders' equity (average) (%)</i>	9.4	19.2	13.6

Personnel

The average number of employees during the period was 5,727 people (7,004). The decrease in the number of employees is mainly attributable to Integrated Solutions' operations in China.

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 71–73 and in Note 30 on pages 101–104 of the 2022 annual accounts.

No 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.

Events after the balance sheet date

No significant events have occurred since the end of the period, but high inflation and the geopolitical impact from the invasion of Ukraine 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.

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 16,800 shareholders at 30 September. The largest shareholders are the Jorlén family, the Boström family, the Hamrin family and Första AP-fonden with 9% each, the Nordea Funds and Lannebo Funds with 6% each, and Andra AP-fonden with 4% of capital.

The Parent Company

For the parent company, which has no operating activities, sales amounted to SEK 58 million (53). Profit after financial income and expense amounted to SEK –30 million (44) and was mainly affected by lower profit from participations in Group companies.

Contingent liabilities amounted to SEK 275 million (322).

• Contact:

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

• Webcast conference call on 26 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://www.finwire.tv/webcast/nolato/g3-2023/>

The presentation will be available at:

www.nolato.com/reports

after publication of the interim report.

The webcast will be available at the same address after the live broadcast.

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 2:00 p.m. CET on 26 October 2023.

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

Accounting and valuation principles

Nolato's consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The 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 2022.

IASB and the IFRS Interpretations Committee have issued new standards and statements that apply to financial years starting January 1, 2023, or later. There are no plans for early adoption 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, 2023, the largest shareholders in terms of the number of votes at the end of September 2023 have appointed the following individuals as members of Nolato's Nomination Committee ahead of the 2024 AGM: Henrik Jorlén, chairman (Jorlén family), Gun Boström (Boström family), Lovisa Hamrin (Hamrin family), Anna Magnusson (First AP Fund AP1) and Katarina Hammar (Nordea Funds).

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 6, 2024.

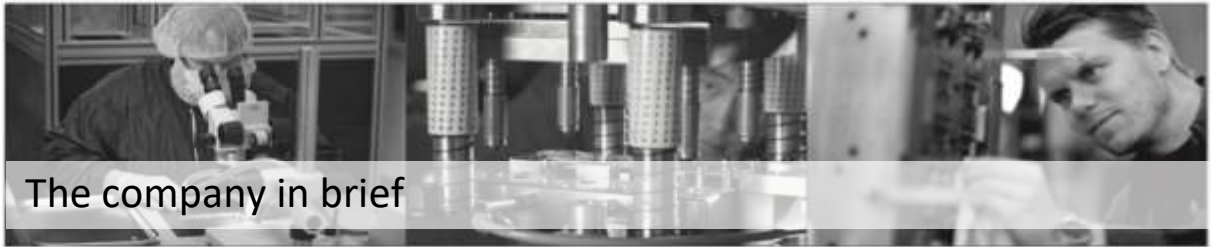
Financial information schedule

- 2023 year-end report: February 6, 2024
- Three-month interim report 2024: May 6, 2024
- 2024 Annual General Meeting: May 6, 2024
- Six-month interim report 2024: July 18, 2024
- Nine-month interim report 2024: October 24, 2024
- 2024 year-end report: February 6, 2025

Torekov, 26 October 2023

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 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022	Rolling 12 months	Full year 2022
Net sales	1	2,340	2,626	7,294	8,410	9,658	10,774
Cost of goods sold		-2,054	-2,285	-6,300	-7,290	-8,356	-9,346
Gross profit		286	341	994	1,120	1,302	1,428
Selling expenses		-58	-53	-171	-157	-227	-213
Administrative expenses		-108	-98	-341	-289	-441	-389
Other operating income and operating expenses, net		3	15	10	41	10	41
		-163	-136	-502	-405	-658	-561
Operating profit	2	123	205	492	715	644	867
Financial income and expense	2	-21	-8	-25	-26	9	8
Profit after financial income and expense	2	102	197	467	689	653	875
Tax		-33	-37	-107	-138	-147	-178
Profit after tax		69	160	360	551	506	697
All earnings are attrib. to the Parent Co.'s shareh.							
Depreciation/amortization reg. non-current assets		153	138	443	400	587	544
Basic earnings per share, SEK	3	0.26	0.59	1.34	2.05	1.88	2.59
Diluted earnings per share, SEK	3	0.26	0.59	1.34	2.05	1.88	2.59
Number of shares at the end of the period, bef. dil.		269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
Number of shares at the end of the period, after dil.		269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
Average number of shares, before dilution		269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
Average number of shares, after dilution		269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080

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 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022	Rolling 12 months	Full year 2022
Profit after tax	69	160	360	551	506	697
Other comprehensive income						
<i>Items that cannot be transferred to profit for the period</i>						
Revaluations of defined benefit pension plans	—	9	5	96	11	102
Tax attrib. to items that cannot be transf. to profit for the per.	—	-1	-1	-15	-3	-17
	—	8	4	81	8	85
<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	-38	229	140	516	-32	344
Changes in the fair value of cash flow hedges for the period	2	2	-3	-9	9	3
Tax attrib. to changes in the fair value of cash flow hedges	—	1	1	3	-3	-1
	-36	232	138	510	-26	346
Other comprehensive income, net of tax	-36	240	142	591	-18	431
Total comp. inc. for the per. attrib. to the Parent Co.'s shareh.	33	400	502	1,142	488	1,128

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	30/09/2023	30/09/2022	31/12/2022
Assets			
Non-current assets			
Non-current intangible assets	2,544	2,598	2,472
Property, plant and equipment	2,927	2,926	2,869
Rights of use	295	309	305
Non-current financial assets	2	2	2
Other non-current receivables	1	1	1
Deferred tax assets	126	76	87
Total non-current assets	5,895	5,912	5,736
Current assets			
Inventories	1,238	1,266	1,283
Accounts receivable	1,595	1,658	1,522
Other current assets ²⁾	476	606	455
Cash and bank	720	1,193	1,011
Total current assets	4,029	4,723	4,271
Total assets	9,924	10,635	10,007
Shareholders' equity and liabilities			
Shareholders' equity	5,382	5,398	5,392
Long-term liabilities and provisions ¹⁾	1,980	2,173	1,945
Deferred tax liabilities ¹⁾	325	264	294
Current liabilities and provisions ^{1) 3)}	2,237	2,800	2,376
Total liabilities and provisions	4,542	5,237	4,615
Total shareholders' equity and liabilities	9,924	10,635	10,007
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	2,200	2,260	2,206
Non-interest-bearing liabilities and provisions	2,342	2,977	2,409
Total liabilities and provisions	4,542	5,237	4,615

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

10	1	4
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³⁾ Derivative liabilities are included in current liabilities and provisions at

29	83	10
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Changes in consolidated shareholders' equity (summary)

SEK million	Q1 - Q3 2023	Q1 - Q3 2022	Full year 2022
Shareholders' equity at the beginning of the period	5,392	4,768	4,768
Total comprehensive income for the period	502	1,142	1,128
Dividends	- 512	- 512	- 512
Share warrants included in incentive programmes	—	—	8
Shareholders' equity at the end of period attrib. to Parent Co's shareh.	5,382	5,398	5,392

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 subscription price is SEK 57.80 for Series 2022/2026. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 7,549,500 new class B shares.

Consolidated cash flow statement (summary)

SEK million	Q3 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022	Rolling 12 months	Full year 2022
Cash fl. from oper. activities bef. changes in work. cap.	220	280	755	833	943	1,021
Changes in working capital	60	- 5	- 160	- 338	- 437	- 615
Cash flow from operating activities	280	275	595	495	506	406
Cash flow from investment activities	- 99	- 109	- 338	- 352	- 437	- 451
Cash flow before financing activities	181	166	257	143	69	- 45
Cash flow from financing activities	- 265	- 131	- 549	- 539	- 497	- 487
Cash flow for the period	- 84	35	- 292	- 396	- 428	- 532
Cash and cash equiv. at the beginning of the period	815	1,115	1,011	1,448	—	1,448
Exchange rate difference in liquid assets	- 11	43	1	141	—	95
Cash and cash equivalents at the end of the period	720	1,193	720	1,193	—	1,011

Note 1 Revenue

SEK million	Q1 - Q3 - 2023				Q1 - Q3 - 2022				Full year - 2022			
	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.
Sweden	766	113	26	627	711	103	26	582	963	138	35	790
Other Europe	3,540	1,971	447	1,122	4,558	1,688	1,808	1,062	5,657	2,317	1,953	1,387
North America	2,144	1,671	137	336	1,918	1,517	139	262	2,622	2,085	178	359
Asia	713	131	522	60	1,103	127	924	52	1,371	166	1,137	68
Rest of world	136	122	4	10	128	112	7	9	175	153	8	14
Elimination internal sales	- 5				- 8				- 14			
Tot. revenues fr. customer contracts	7,294	4,008	1,136	2,155	8,410	3,547	2,904	1,967	10,774	4,859	3,311	2,618

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

For the first nine months of the year, the Group recognised decreased provision of impaired trade receivables of SEK 4 million. Impairment losses are recognised in the cost of goods sold.

Note 2 Reconciliation of consolidated income before tax

SEK million	Q1 - Q3 2023	Q1 - Q3 2022	Rolling 12 months	Full year 2022
Operating profit (EBIT)				
Medical Solutions	372	309	490	427
Integrated Solutions	47	308	72	333
Industrial Solutions	159	103	174	118
Group adjustments, Parent Company	- 86	- 5	- 92	- 11
Consolidated operating profit (EBIT)	492	715	644	867
Financial income and expense (not distributed by business areas)	- 25	- 26	9	8
Consolidated profit before tax	467	689	653	875

Including a non-recurring item of SEK -60 million in operating profit in Q3 2023. The non-recurring items have been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK 41 million in financial income and expense in rolling 12 months and full year 2022. The non-recurring items have 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 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022	Rolling 12 months	Full year 2022
Profit after tax	69	160	360	551	506	697
Average number of shares, before dilution	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
Basic earnings per share (SEK)	0.26	0.59	1.34	2.05	1.88	2.59
Non-recurring items	60	—	60	—	19	- 41
Profit after tax excl. non-recurring items	129	160	420	551	525	656
Basic earnings per share excl. non-recurring items (SEK)	0.48	0.59	1.56	2.05	1.95	2.44
Average number of shares, after dilution	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
Diluted earnings per share (SEK)	0.26	0.59	1.34	2.05	1.88	2.59
Diluted earnings per share excl. non-rec. items (SEK)	0.48	0.59	1.56	2.05	1.95	2.44
Numb. of shares at the end of the per., before dilution	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
Numb. of shares at the end of the period, after dilution	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080

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 subscription price is SEK 57.80 for Series 2022/2026. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 7,549,500 new class B shares.

Adjusted earnings per share (alternative performance measures)

SEK million	Q3 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022	Rolling 12 months	Full year 2022
Profit after tax	69	160	360	551	506	697
Adjusted earnings:						
Amort. of intangible assets arising from acquisitions	10	9	32	30	43	41
Tax on amortization	-2	-2	-7	-6	-10	-9
Adjusted earnings	77	167	385	575	539	729
Average number of shares, before dilution	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
Adjusted basic earnings per share (SEK)	0.29	0.62	1.43	2.13	2.00	2.70
Non-recurring items	60	—	60	—	19	-41
Adjusted earnings after tax, excl. non-recurring items	137	167	445	575	558	688
Adj. basic earnings per share excl. non-rec. items (SEK)	0.51	0.62	1.65	2.13	2.07	2.55
Average number of shares, after dilution	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
Adjusted diluted earnings per share (SEK)	0.29	0.62	1.43	2.13	2.00	2.70
Adj. diluted earn. per share excl. non-rec. items (SEK)	0.51	0.62	1.65	2.13	2.07	2.55

Five-year overview

IFRS measures	2022	2021	2020	2019	2018
Operating profit (EBIT) (SEK million)	867	1,333	1,048	887	941
Basic earnings per share (SEK)	2.59	4.32	3.03	2.66	2.74
Diluted earnings per share (SEK)	2.59	4.32	3.02	2.66	2.74

Alternative performance measures					
Net sales (SEK million)	10,774	11,610	9,359	7,919	8,102
Operating profit (EBITA) (SEK million)	908	1,369	1,066	895	949
EBITA margin (%)	8.4	11.8	11.4	11.3	11.7
Profit after financial income and expense (SEK million)	875	1,401	1,014	857	921
Profit after tax (SEK million)	697	1,160	806	703	722
Cash flow after investments, excl. acq. and disposals (SEK million)	8	446	905	800	593
Cash conversion (%)	1	35	87	88	60
Return on capital employed (%)	12.8	22.8	20.7	23.1	29.7
Return on shareholders' equity (%)	13.6	28.0	23.9	25.5	30.4
Net financial liabilities (-) / assets (+), excl. pension- & lease liabilities (SEK million)	-708	-51	-298	666	341
Equity/assets ratio (%)	54	47	43	48	50
Adjusted basic earnings per share (SEK)	2.70	4.43	3.08	2.68	2.77
Adjusted diluted earnings per share (SEK)	2.70	4.42	3.08	2.68	2.76
Dividend per share (SEK)	1.90	1.90	1.60	—	1.40
Average number of employees	6,627	8,669	6,721	5,941	6,449

Including any non-recurring items.

Quarterly data (summary)

IFRS measures	Note		Q1	Q2	Q3	Q4	Full year
Operating profit (EBIT) (SEK million)	2	2023	183	186	123	—	—
	2	2022	258	252	205	152	867
		2021	299	377	331	326	1,333
Basic earnings per share (SEK)	3	2023	0.50	0.58	0.26	—	—
	3	2022	0.75	0.71	0.59	0.54	2.59
		2021	0.85	1.09	0.96	1.43	4.32
Diluted earnings per share (SEK)	3	2023	0.50	0.58	0.26	—	—
	3	2022	0.75	0.71	0.59	0.54	2.59
		2021	0.84	1.08	0.95	1.43	4.32
Alternative performance measures	Note		Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	1	2023	2,476	2,478	2,340	—	—
	1	2022	2,879	2,905	2,626	2,364	10,774
		2021	2,645	2,786	3,033	3,146	11,610
Operating profit (EBITDA) (SEK million)		2023	326	333	276	—	—
		2022	386	386	343	296	1,411
		2021	414	492	450	449	1,805
Operating profit (EBITA) (SEK million)		2023	193	198	133	—	—
		2022	267	264	214	163	908
		2021	308	386	339	336	1,369
EBITA margin (%)		2023	7.8	8.0	5.7	—	—
		2022	9.3	9.1	8.1	6.9	8.4
		2021	11.6	13.9	11.2	10.7	11.8
Profit after financial income and exp. (SEK million)	2	2023	173	192	102	—	—
	2	2022	251	241	197	186	875
		2021	286	360	322	433	1,401
Profit after tax (SEK million)		2023	136	155	69	—	—
		2022	201	190	160	146	697
		2021	226	291	257	386	1,160
Cash flow from operating activities (SEK million)		2023	75	240	280	—	—
		2022	89	131	275	–89	406
		2021	249	500	361	118	1,228
Cash fl. from operations per share bef. dilution (SEK)		2023	0.28	0.89	1.04	—	—
		2022	0.33	0.49	1.02	–0.33	1.51
		2021	0.93	1.86	1.34	0.44	4.58
Cash flow after investments, excluding acquisitions and disposals (SEK million)		2023	–46	224	188	—	—
		2022	–41	71	166	–188	8
		2021	71	346	116	–87	446
Cash flow after investments, excl. acquisitions and disposals per share before dilution (SEK)		2023	–0.17	0.83	0.70	—	—
		2022	–0.15	0.26	0.62	–0.70	0.03
		2021	0.27	1.29	0.43	–0.32	1.66
Adjusted basic earnings per share (SEK)	3	2023	0.53	0.61	0.29	—	—
	3	2022	0.77	0.74	0.62	0.57	2.70
		2021	0.87	1.11	0.98	1.46	4.43
Shareholders' equity per share, before dilution (SEK)		2023	21	20	20	—	—
		2022	19	19	20	20	20
		2021	15	15	16	18	18
Return on total capital (%)		2023	8.4	7.9	7.0	—	—
		2022	14.8	13.3	11.6	9.1	9.1
		2021	14.0	14.6	14.3	15.7	15.7

Alternative performance measures		Q1	Q2	Q3	Q4	Full year
Return on capital employed (%)	2023	11.5	10.7	9.4	—	—
	2022	21.6	19.4	16.7	12.8	12.8
	2021	20.2	21.0	20.6	22.8	22.8
Return on operating capital (%)	2023	12.5	11.0	9.5	—	—
	2022	25.3	21.8	18.3	14.4	14.4
	2021	28.0	28.5	26.8	27.1	27.1
Return on shareholders' equity (%)	2023	12.0	11.2	9.4	—	—
	2022	25.8	22.5	19.2	13.6	13.6
	2021	23.8	25.1	25.1	28.0	28.0
Closing share price Nolato B (Nasdaq Stockholm)	2023	52.55	50.70	44.82	—	—
	2022	70.00	55.00	50.85	54.65	54.65
	2021	77.80	84.20	104.70	107.90	107.90

Including a non-recurring item of SEK –60 million in operating profit and profit after tax in Q3 2023.

Including a non-recurring item of SEK 41 million in profit after financial income and expense and profit after tax in Q4 2022.

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

Quarterly data business areas

Alternative performance measures				Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	Note							
Medical Solutions	1	2023		1,324	1,364	1,320	—	—
	1	2022		1,088	1,214	1,245	1,312	4,859
		2021		1,006	1,021	977	1,063	4,067
Integrated Solutions	1	2023		414	392	330	—	—
	1	2022		1,140	1,019	745	407	3,311
		2021		1,045	1,186	1,519	1,476	5,226
Industrial Solutions	1	2023		740	724	691	—	—
	1	2022		653	676	638	651	2,618
		2021		595	580	540	609	2,324
Group adjustments, Parent Company	1	2023		– 2	– 2	– 1	—	—
	1	2022		– 2	– 4	– 2	– 6	– 14
		2021		– 1	– 1	– 3	– 2	– 7
Group total	1	2023		2,476	2,478	2,340	—	—
	1	2022		2,879	2,905	2,626	2,364	10,774
		2021		2,645	2,786	3,033	3,146	11,610

Alternative performance measures		Q1	Q2	Q3	Q4	Full year
Operating profit (EBITA) (SEK million)						
Medical Solutions	2023	132	138	126	—	—
	<i>EBITA margin (%)</i>	10.0	10.1	9.5	—	—
	2022	106	121	104	126	457
	<i>EBITA margin (%)</i>	9.7	10.0	8.4	9.6	9.4
Integrated Solutions	2021	121	124	100	112	457
	<i>EBITA margin (%)</i>	12.0	12.1	10.2	10.5	11.2
	2023	22	16	10	—	—
	<i>EBITA margin (%)</i>	5.3	4.1	3.0	—	—
Industrial Solutions	2022	123	109	77	25	334
	<i>EBITA margin (%)</i>	10.8	10.7	10.3	6.1	10.1
	2021	125	154	200	192	671
	<i>EBITA margin (%)</i>	12.0	13.0	13.2	13.0	12.8
Group adjustments, Parent Company	2023	46	56	64	—	—
	<i>EBITA margin (%)</i>	6.2	7.7	9.3	—	—
	2022	40	37	33	18	128
	<i>EBITA margin (%)</i>	6.1	5.5	5.2	2.8	4.9
Group total	2021	66	62	42	38	208
	<i>EBITA margin (%)</i>	11.1	10.7	7.8	6.2	9.0
	2023	–7	–12	–67	—	—
	2022	–2	–3	—	–6	–11
Group total	2021	–4	46	–3	–6	33
	2023	193	198	133	—	—
	<i>EBITA margin (%)</i>	7.8	8.0	5.7	—	—
	2022	267	264	214	163	908
Group total	<i>EBITA margin (%)</i>	9.3	9.1	8.1	6.9	8.4
	2021	308	386	339	336	1,369
	<i>EBITA margin (%)</i>	11.6	13.9	11.2	10.7	11.8

Including a non-recurring item of SEK –60 million in operating profit in Q3 2023. 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 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.

Depreciation/write-downs/amortization (SEK million)		Q1	Q2	Q3	Q4	Full year
Medical Solutions	2023	84	87	93	—	—
	2022	69	74	79	86	308
	2021	61	61	63	64	249
Integrated Solutions	2023	17	18	17	—	—
	2022	15	17	16	14	62
	2021	15	16	15	16	62
Industrial Solutions	2023	42	42	43	—	—
	2022	43	43	43	44	173
	2021	39	38	41	42	160
Group adjustments, Parent Company	2023	—	—	—	—	—
	2022	1	—	—	—	1
	2021	—	—	—	1	1
Group total	2023	143	147	153	—	—
	2022	128	134	138	144	544
	2021	115	115	119	123	472

Group financial highlights

IFRS measures	Note	Q3 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022	Rolling 12 months	Full year 2022
Basic earnings per share (SEK)	3	0.26	0.59	1.34	2.05	1.88	2.59
Diluted earnings per share (SEK)	3	0.26	0.59	1.34	2.05	1.88	2.59
Alternative performance measures							
Net sales (SEK million)	1	2,340	2,626	7,294	8,410	9,658	10,774
Sales growth (%)		- 11	- 13	- 13	- 1	- 16	- 7
Percentage of sales outside Sweden (%)		91	92	90	92	90	91
Operating profit (EBITDA) (SEK million)		276	343	935	1,115	1,231	1,411
Operating profit (EBITA) (SEK million) ¹⁾		133	214	524	745	687	908
EBITA margin (%) ¹⁾		5.7	8.1	7.2	8.9	7.1	8.4
Profit after financial income and exp. (SEK million)	2	102	197	467	689	653	875
Profit margin (%) ¹⁾		4.4	7.5	6.4	8.2	6.8	8.1
Profit after tax (SEK million)		69	160	360	551	506	697
Return on total capital (%) ¹⁾		—	—	7.0	11.6	7.0	9.1
Return on capital employed (%) ¹⁾		—	—	9.4	16.7	9.4	12.8
Return on operating capital (%) ¹⁾		—	—	9.5	18.3	9.5	14.4
Return on shareholders' equity (%) ¹⁾		—	—	9.4	19.2	9.4	13.6
Equity/assets ratio (%)		—	—	54	51	54	54
Debt/equity (%)		—	—	41	42	41	41
Interest coverage ratio (times)		7	13	10	17	11	17
Net investments affecting cash flow, excl. acquisitions and disposals (SEK million)		92	109	319	352	418	451
Cash flow after investments, excl. acquisitions and disposals (SEK million)		188	166	366	196	178	8
Cash conversion (%) ¹⁾		—	—	—	—	25	1
Net financial liabilities, excl. pension- & lease liabilities (SEK million)		—	—	- 1,003	- 580	- 1,003	- 708
Adjusted earnings per share, basic and diluted, (SEK)	3	0.29	0.62	1.43	2.13	2.00	2.70
Cash flow from operations per share, before and after dilution, (SEK)		1.04	1.02	2.21	1.84	1.88	1.51
Cash flow after investments excluding acquisitions and disposals, per share, before and after dilution, (SEK)		0.70	0.62	1.36	0.73	0.26	0.03
Shareholders' equity per share, before and after dilution, (SEK)		—	—	20	20	—	20
Average number of employees		—	—	5,727	7,004	—	6,627

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 -60 million in operating profit and profit after tax in Q3 2023. Including a non-recurring item of SEK 41 million in profit after financial items in rolling 12 months and full year 2022, which also impacted the profit after tax.

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 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022	Rolling 12 months	Full year 2022
Operating profit (EBITDA)		276	343	935	1,115	1,231	1,411
Non-recurring items		60	—	60	—	60	—
Adjusted operating profit (EBITDA)		336	343	995	1,115	1,291	1,411
Operating profit (EBIT)	2	123	205	492	715	644	867
Reversal of amort. of intangible assets arising in connection with acquisitions		10	9	32	30	43	41
Operating profit (EBITA)		133	214	524	745	687	908
Non-recurring items		60	—	60	—	60	—
Adjusted operating profit (EBITA)		193	214	584	745	747	908
EBITA margin (%)		5.7	8.1	7.2	8.9	7.1	8.4
Adjusted EBITA margin (%)		8.2	8.1	8.0	8.9	7.7	8.4
Profit after financial income and expense	2	102	197	467	689	653	875
Non-recurring items		60	—	60	—	19	–41
Adjusted profit after financial income and expense		162	197	527	689	672	834
Profit margin (%)		4.4	7.5	6.4	8.2	6.8	8.1
Adjusted profit margin (%)		6.9	7.5	7.2	8.2	7.0	7.7
Profit after tax		69	160	360	551	506	697
Non-recurring items		60	—	60	—	19	–41
Tax on non-recurring items		—	—	—	—	—	—
Adjusted profit after tax		129	160	420	551	525	656
Cash fl. after investm., excl. acquisitions and dispos.		—	—	—	—	178	8
Operating profit (EBIT)	2	—	—	—	—	644	867
Non-recurring items		—	—	—	—	60	—
Adjusted operating profit (EBIT)		—	—	—	—	704	867
Cash conversion (%)		—	—	—	—	25	1

Including a non-recurring item of SEK –60 million in operating profit and profit after tax in Q3 2023. Including a non-recurring item of SEK 41 million in profit after financial items in rolling 12 months and full year 2022, which also impacted the profit after tax. 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 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Profit after financial income and exp., rolling 12 months	652	748	797	875	1,122				
Financial expense, rolling 12 months	66	64	59	56	51				
Adj. profit after financial inc. and exp., rolling 12 months	718	812	856	931	1,173				
Total capital, at the end of period	9,924	10,211	10,147	10,007	10,635	10,220	9,984	10,056	9,542
Average total capital, last 5 quarters	10,185	10,244	10,199	10,180	10,087				
Return on total capital (%)	7.0	7.9	8.4	9.1	11.6				
Adj. profit after financial inc. and exp., rolling 12 months	718	812	856	931	1,173				
Capital employed, at the end of period	7,581	7,826	7,726	7,597	7,659	7,220	7,074	6,809	6,318
Average capital employed, last 5 quarters	7,678	7,606	7,455	7,272	7,016				
Return on capital employed (%)	9.4	10.7	11.5	12.8	16.7				
Operating profit (EBIT), rolling 12 months	643	726	791	867	1,041				
Capital employed, at the end of period	7,581	7,826	7,726	7,597	7,659	7,220	7,074	6,809	6,318
Cash and bank, at the end of period	- 720	- 815	- 932	- 1,011	- 1,193	- 1,115	- 1,408	- 1,448	- 1,400
Operating capital, at the end of period	6,861	7,011	6,794	6,586	6,466	6,105	5,666	5,361	4,918
Average operating capital, latest 5 quarters	6,744	6,592	6,323	6,037	5,703				
Return on operating capital (%)	9.5	11.0	12.5	14.4	18.3				
Profit after tax, rolling 12 months	506	597	632	697	937				
Shareholders' equity, at the end of period	5,382	5,349	5,534	5,392	5,398	4,998	5,010	4,768	4,280
Average shareholders' equity, latest 5 quarters	5,411	5,334	5,266	5,113	4,891				
Return on shareholders' equity (%)	9.4	11.2	12.0	13.6	19.2				

Acquisitions

Acquisition of P&P Technology Ltd.

Description of the company

Nolato has acquired UK-based P&P Technology. The company, which has annual sales equivalent to approximately SEK 25 million with good profitability, provides component- and materials-based electronics shielding solutions for electromagnetic compatibility (EMC). The acquisition provides Nolato with complementary production technologies, an expanded customer base and a stronger presence in the UK.

P&P Technology, which was established in 2014, employs around 20 people at its facility northeast of London, and has a diversified customer base within the aviation, automotive and other industries.

Description of the acquisition

Nolato has acquired 100% of the shares in P&P Technology Ltd, and obtained controlling influence. The company was acquired on April 27 and subsequently consolidated into Nolato. The acquisition was reported using the acquisition method, with the total purchase price being allocated among the assets acquired and liabilities assumed based on their fair values. Fair value was determined using generally accepted principles and methods. The acquisition price for the company, which is debt-free, amounts to approximately SEK 18 million, including a contingent consideration estimated by Nolato at SEK 6 million. The contingent consideration is based on actual earnings for the 2023–2025 period. The purchase price comprises a cash payment. The acquisition contributed SEK 11 million to the Nolato Group's revenue during 2023 and has not had any significant impact on the Group's earnings per share. The acquisition analysis of the company is still preliminary and may be amended according to IFRS regulations, as the final purchase price and the value of the assets and liabilities assumed from the acquisition have not been finally established.

Acquisition value, goodwill and cash flow effects (preliminary)

Acquisition value

Acquisition value	18
Less fair value of acquired net assets (according to specification below)	-9
Goodwill	9

Goodwill arising in connection with the transaction consists of synergies that are expected to be achieved primarily as a result of increased sales volumes for the Nolato Group to customers in the EMC business unit, which is part of Integrated Solutions. The goodwill is not tax-deductible according to UK tax rules.

Net assets

	Balance sheet at time of acquisition	Adjustment to fair value	Fair value
Non-current intangible assets	0	4	4
Property, plant and equipment	3	—	3
Rights of use	2	—	2
Current assets	6	—	6
Cash and cash equivalents	0	—	0
Other non-current financial liabilities	-1	—	-1
Deferred tax liabilities	-1	-1	-2
Other current financial liabilities	-1	—	-1
Other current liabilities	-2	—	-2
Net assets acquired	6	3	9

Non-current intangible assets in the form of customer relationships are estimated to amount to SEK 4 million and will be amortized for accounting purposes over a period of 10 years. Gross value, fair value and the value expected to be settled for the balance sheet item 'Accounts receivable' are all SEK 3 million. Acquisition expenses of SEK 1 million were expensed as other operating expenses.

Cash flow effects

Cash paid, acquisition value	12
Less acquired cash and cash equivalents	0
Net cash flow from acquisition	12

Acquisition of Be-Må Tools AB

Nolato has acquired Be-Må Tools AB, a small company based in Sweden. The acquisition boosts our capacity in manufacturing and servicing molds for polymer production. A newly formed company has carried out an asset acquisition of Be-Må AB's net assets. The acquisition was completed on August 7 and consolidated as of the same date. The purchase price for the asset acquisition, excluding cash and cash equivalents, amounts to SEK 7 million. No goodwill or customer relationships have been assigned. Had the acquisition taken place on January 1, 2023, it would have contributed SEK 7 million to Group revenue; full-year sales are estimated at approximately SEK 10 million. The acquisition has no material impact on consolidated earnings per share, and acquisition costs are also not material. The acquisition analysis of the company is preliminary and may be subject to changes.

Parent Company income statement (summary)

SEK million	Q3 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022	Rolling 12 months	Full year 2022
Net sales	19	16	58	53	70	65
Selling expenses	-1	-1	-4	-5	-6	-7
Administrative expenses	-17	-14	-55	-44	-68	-57
Other operating income	—	1	4	3	6	5
Other operating expenses	-13	-16	-38	-48	-51	-61
Operating profit	-12	-14	-35	-41	-49	-55
Profit from participations in Group companies	—	26	33	141	174	282
Financial income	14	12	39	46	53	60
Financial expenses	-4	-43	-67	-102	-68	-103
Profit after financial income and expense	-2	-19	-30	44	110	184
Appropriations	—	—	—	—	266	266
Tax	-1	2	4	15	-53	-42
Profit after tax	-3	-17	-26	59	323	408
Depreciation/amortization	—	—	—	—	—	—

Parent Company balance sheet (summary)

SEK million	30/09/2023	30/09/2022	31/12/2022
Assets			
Property, plant and equipment	1	1	1
Financial assets	4,213	4,096	4,061
Deferred tax assets	9	21	—
Total fixed assets	4,223	4,118	4,062
Other receivables	358	608	890
Cash and bank	17	—	6
Total current assets	375	608	896
Total assets	4,598	4,726	4,958
Shareholders' equity and liabilities			
Shareholders' equity	2,467	2,654	3,004
Untaxed reserves	247	285	247
Deferred tax liabilities	—	—	1
Other provisions	7	7	4
Long-term liabilities	1,564	1,571	1,511
Current liabilities	313	209	191
Total shareholders' equity and liabilities	4,598	4,726	4,958

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 2023	58	-21	39	—	33	1,109	250
Subsidiary	Q1 - Q3 2022	53	-17	46	—	141	1,563	140

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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