

# INTERIM REPORT 2023

January - June



## Positive performance by Medical and Industrial Solutions but lower volumes in Integrated Solutions

### Second quarter of 2023 in brief

- Sales totaled SEK 2,478 million (2,905)
- Operating profit (EBITA) was SEK 198 million (264)
- EBITA margin of 8.0% (9.1)
- Profit after tax was SEK 155 million (190)
- Earnings per share, basic and diluted, were SEK 0.58 (0.71)
- Cash flow after investments rose to SEK 224 million (71) excl. acquisitions

### First six months of 2023 in brief

- Sales totaled SEK 4,954 million (5,784)
- Operating profit (EBITA) was SEK 391 million (531)
- EBITA margin of 7.9% (9.2)
- Profit after tax was SEK 291 million (391)
- Earnings per share, basic and diluted, were SEK 1.08 (1.45)
- Cash flow after investments rose to SEK 178 million (30) excl. acquisitions
- Sustained strong financial position

## Comments from the President and CEO - Diversified customer portfolio and strong cash flow

Adjusted for currency, the Group's net sales decreased by 20% in the second quarter to SEK 2,478 million, which was in line with the first quarter of the year. The decline in sales was entirely attributable to continued low volumes in the Integrated Solutions business area. The EBITA margin increased slightly compared with the first quarter, amounting to 8.0%. Cash flow after investments, adjusted for acquisitions, grew considerably and totaled SEK 224 million during the quarter, owing to reduced inventory and trade receivables.

In Medical Solutions, where we are continuing to strengthen our position as a global strategic partner with local production, sales grew by 6%, adjusted for currency. Most of our market areas have demonstrated healthy growth, apart from in vitro diagnostics (IVD) due to persistent inventory adjustments. The EBITA margin increased to 10.1% and this business area accounted for two-thirds of Group earnings.

The decline in Integrated Solutions sales was attributable to the geopolitical situation and a change in the sourcing strategy of a previously significant customer, which has decreased in scope considerably. At the same time, the majority of our consumer electronics customers have seen a drop in end-customer demand due to weakening economic conditions. Significantly lower volumes have had a negative impact on the EBITA margin, which consequently amounted to 4.1%. Our EMC operations are continuing to expand, chiefly in the automotive area, while telecoms is being affected by a lower rate of 5G expansion.

Industrial Solutions sales increased by 1%, adjusted for currency. Supply chain disruptions, particularly at our automotive customers, had less of an impact than previously. In addition, the economic slowdown has led to more restrained consumer spending, resulting in reduced demand for consumer discretionary goods and lower production volumes for us. The EBITA margin rose to 7.7%.

The Group now has a more diversified customer base than previously, and we are forging ahead with efforts to further broaden this base, cut our total costs and increase our efficiency with the aim of boosting profitability. Although our operating environment is more challenging, we are continually enhancing our competitiveness and are well equipped to harness business opportunities and generate profitable, sustainable growth over time.



Christer Wahlquist, President and CEO, Nolato AB

## Group highlights

SEK million unless otherwise specified	Note	Q2 2023	Q2 2022	Q1 - Q2 2023	Q1 - Q2 2022	Rolling 12 months	Full year 2022
Net sales	1	2,478	2,905	4,954	5,784	9,944	10,774
Operating profit (EBITDA)		333	386	659	772	1,298	1,411
Operating profit (EBITA)		198	264	391	531	768	908
EBITA margin, %		8.0	9.1	7.9	9.2	7.7	8.4
Operating profit (EBIT)	2	186	252	369	510	726	867
Profit after financial income and expense	2	192	241	365	492	748	875
Profit after tax		155	190	291	391	597	697
Earnings per share, basic and diluted, SEK	3	0.58	0.71	1.08	1.45	2.22	2.59
Adjusted earnings per share, basic and diluted, SEK	3	0.61	0.74	1.14	1.51	2.34	2.70
Cash flow after investm., excl. acquis. and disposals		224	71	178	30	156	8
Net investments affecting cash flow, excl. acquisitions and disposals		106	113	227	243	435	451
Cash conversion, %		—	—	—	—	21	1
Return on capital employed, %		—	—	10.7	19.4	10.7	12.8
Return on shareholders' equity, %		—	—	11.2	22.5	11.2	13.6
Equity/assets ratio, %		—	—	52	49	52	54
Net financial liabilities, excluding pension- & lease liabilities		—	—	- 1,163	- 640	- 1,163	- 708

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

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.

## Second quarter 2023

- Sales totaled SEK 2,478 million (2,905), which, adjusted for currency, was a decrease of 20%
- Positive performance by Medical and Industrial Solutions, while lower volumes had a negative impact on Integrated Solutions
- Operating profit (EBITA) was SEK 198 million (264)
- EBITA margin of 8.0% (9.1)
- Cash flow after investments, excluding acquisitions and disposals, rose to SEK 224 million (71)

### Sales

Consolidated sales totaled SEK 2,478 million (2,905). Adjusted for currency, this was a decrease of 20%. Net sales were positively affected by healthy growth for Medical Solutions and increased sales in Industrial Solutions, while a sharp decline in volumes in Integrated Solutions had an adverse impact.

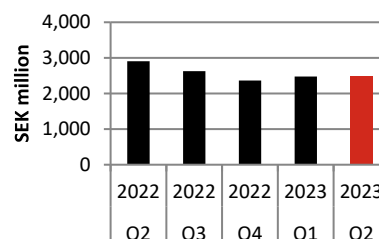
Medical Solutions sales amounted to SEK 1,364 million (1,214); adjusted for currency, sales increased by 6%. Most market areas experienced good growth, apart from in vitro diagnostics (IVD), which remained at an unchanged level compared with the same period last year due to continued inventory adjustments in the value chain.

Integrated Solutions sales totaled SEK 392 million (1,019). Adjusted for currency, this was a decrease of 63%. 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 a fall in end-customer demand at most other consumer electronics customers. Sales in the EMC business increased to SEK 174 million (170). 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.

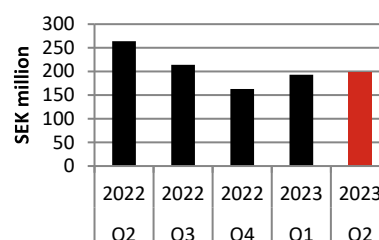
Industrial Solutions sales amounted to SEK 724 million (676); adjusted for currency, sales increased by 1%. Automotive volumes increased and supply chain disruptions had less of an impact than previously. Demand for products supplied in the consumer discretionary sector was slightly lower, and this is expected to continue in 2023 due to a weaker economy.

## Very strong cash flow during the quarter

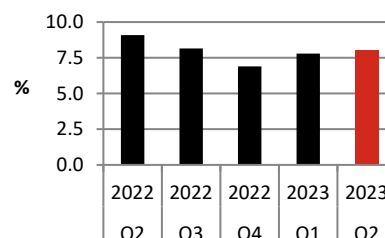
### ● Sales



### ● Operating profit (EBITA)



### ● EBITA margin



## Profit

The Group's operating profit (EBITA) was SEK 198 million (264).

Operating profit (EBITA) was SEK 138 million (121) for Medical Solutions, SEK 16 million (109) for Integrated Solutions and SEK 56 million (37) for Industrial Solutions.

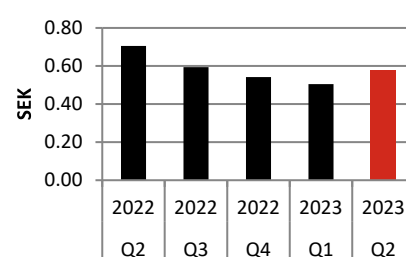
The EBITA margin for Medical Solutions was 10.1% (10.0). For Integrated Solutions, the margin was 4.1% (10.7). Significantly lower volumes had a negative impact on the margin. The EBITA margin for Industrial Solutions increased to 7.7% (5.5). Less disruption in the automotive supply chain has boosted production efficiency, which has primarily had a positive impact on the margin. Overall, the Group's EBITA margin was 8.0% (9.1).

Operating profit (EBIT) was SEK 186 million (252).

Profit after net financial income/expense was SEK 192 million (241). In net financial income/expense, a positive effect of SEK 10 million has been recognized from the revaluation of a contingent consideration relating to a previous acquisition in connection with final payment during the quarter.

Profit after tax was SEK 155 million (190). Earnings per share, basic and diluted, stood at SEK 0.58 (0.71). Adjusted earnings per share, basic and diluted, but excluding amortization of intangible assets arising from acquisitions, amounted to SEK 0.61 (0.74).

## Earnings per share



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

SEK million	Sales	Sales	EBITA	EBITA	EBITA marg.	EBITA marg.
	Q2/2023	Q2/2022	Q2/2023	Q2/2022	Q2/2023	Q2/2022
Medical Solutions	1,364	1,214	138	121	10.1%	10.0%
Integrated Solutions	392	1,019	16	109	4.1%	10.7%
Industrial Solutions	724	676	56	37	7.7%	5.5%
Intra-Group adj., Parent Co	- 2	- 4	- 12	- 3	—	—
<b>Group total</b>	<b>2,478</b>	<b>2,905</b>	<b>198</b>	<b>264</b>	<b>8.0%</b>	<b>9.1%</b>

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

# First six months 2023

## Sales and earnings

Consolidated sales totaled SEK 4,954 million (5,784) for the first six months of 2023. Adjusted for currency, this was a decrease of 20%.

Sales for Medical Solutions rose by a strong 9% to SEK 2,688 million (2,302), while for Integrated Solutions they decreased by some 65% to SEK 806 million (2,159) and increased for Industrial Solutions by 4% to SEK 1,464 million (1,329), all percentages adjusted for currency.

The Group's operating profit (EBITA) was SEK 391 million (531). Overall, the Group's EBITA margin was 7.9% (9.2).

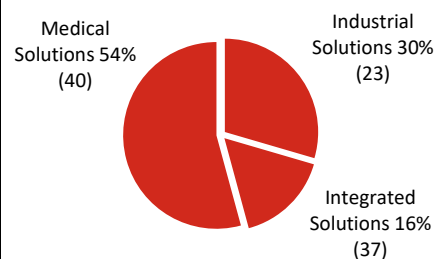
Operating profit (EBIT) was SEK 369 million (510).

Profit after net financial income/expense was SEK 365 million (492).

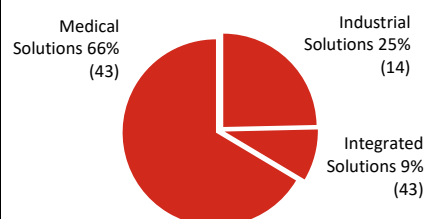
Profit after tax was SEK 291 million (391). Diluted earnings per share were SEK 1.08 (1.45). Adjusted earnings per share after dilution, but excluding amortization of intangible assets arising from acquisitions, amounted to SEK 1.14 (1.51). The effective tax rate was 20.3% (20.5).

Return on capital employed was 10.7% for the last 12 months (12.8% for the 2022 calendar year). Return on equity was 11.2% for the last 12 months (13.6% for the 2022 calendar year).

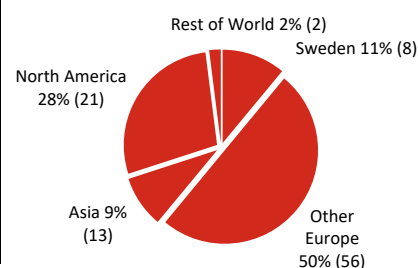
### • Business areas' share of sales



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



### • Sales by geographic markets



## Medical Solutions

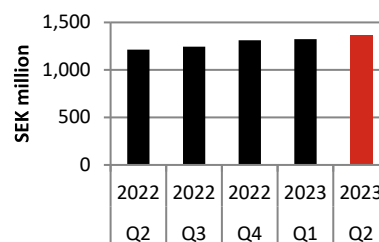
Sales and profit 6 months (SEK million)	2023	2022
Sales	2,688	2,302
Operating profit (EBITA)	270	227
EBITA margin (%)	10.0	9.9
Operating profit (EBIT)	254	212

Medical Solutions sales amounted to SEK 2,688 million (2,302); adjusted for currency, sales increased by a strong 9%. Most market areas experienced good growth, apart from in vitro diagnostics (IVD), which remained at an unchanged level compared with the same period last year due to continued inventory adjustments in the value chain. The charging on of price increases in materials only had a marginally positive effect.

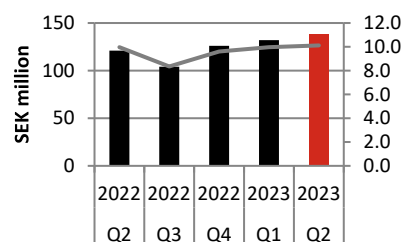
Operating profit (EBITA) for Medical Solutions rose to SEK 270 million (227).

The EBITA margin for Medical Solutions was 10.0% (9.9).

### Medical Solutions sales



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



## Integrated Solutions

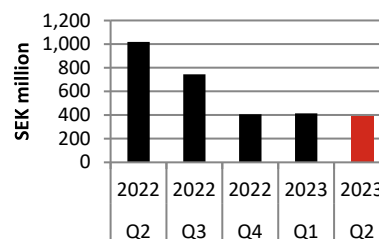
Sales and profit 6 months (SEK million)	2023	2022
Sales	806	2,159
Operating profit (EBITA)	38	232
EBITA margin (%)	4.7	10.7
Operating profit (EBIT)	37	231

Integrated Solutions sales amounted to SEK 806 million (2,159); adjusted for currency, sales decreased by some 65%. 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 segment is continuing to perform well, with sales increasing to SEK 345 million (323). The automotive area of EMC is continuing to increase significantly, while the telecom area experienced lower volumes. 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.

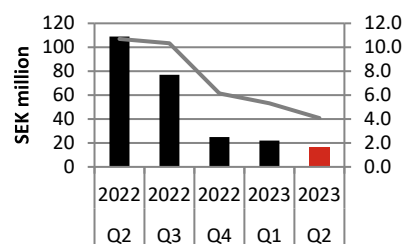
Operating profit (EBITA) for Integrated Solutions was SEK 38 million (232).

The EBITA margin for Integrated Solutions was 4.7% (10.7). Significantly lower volumes had a negative impact on the margin.

### Integrated Solutions sales



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



## Industrial Solutions

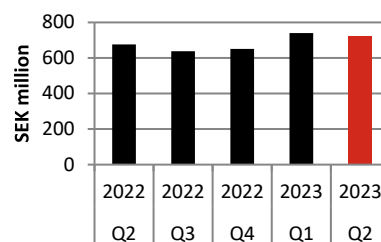
Sales and profit 6 months (SEK million)	2023	2022
Sales	1,464	1,329
Operating profit (EBITA)	102	77
EBITA margin (%)	7.0	5.8
Operating profit (EBIT)	97	72

Industrial Solutions sales amounted to SEK 1,464 million (1,329); adjusted for currency, sales increased by 4%. Automotive volumes increased and 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 2023 due to a weaker economy and more restrained consumer spending.

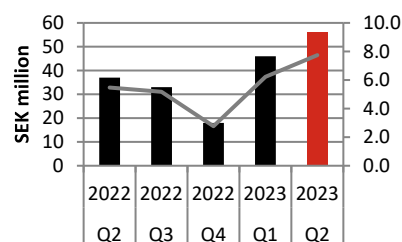
Operating profit (EBITA) increased to SEK 102 million (77).

The EBITA margin for Industrial Solutions increased to 7.0% (5.8). 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 %



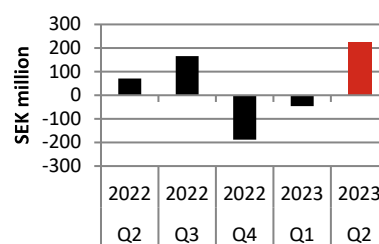
## Cash flow

Cash flow after investments, excluding acquisitions, was SEK 224 million (71) in the second quarter. Including acquisitions, cash flow amounted to SEK 122 million (18). 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 106 million (113).

Cash flow after investments, excluding acquisitions, was SEK 178 million (30) in the first half of the year. Including acquisitions, cash flow amounted to SEK 76 million (-23). 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 227 million (243). Cash conversion for the last 12 months was 21% (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 borrowings of SEK 228 million.

### • Cash flow after investments

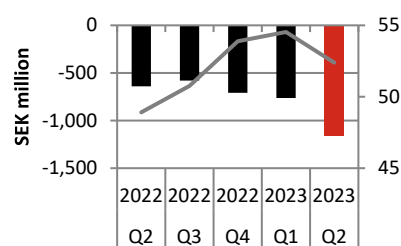


Excluding acquisitions and disposals

## Financial position

Interest-bearing assets decreased to SEK 815 million (1,115), while interest-bearing financial liabilities rose to SEK 1,978 million (1,755). Net financial liabilities consequently totaled SEK 1,163 million (640). 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 (174) and interest-bearing lease liabilities of SEK 326 million (293). Shareholders' equity rose to SEK 5,349 million (4,998). The equity/assets ratio was 52% (49).

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



## Financial position

SEK million	30/06/2023	30/06/2022	31/12/2022
Interest-bearing liabilities, credit institutions	-1,978	-1,755	-1,719
Cash and bank	815	1,115	1,011
Net financial liabilities	-1,163	-640	-708
Interest-bearing pension liabilities	-172	-174	-173
Net financial liabilities, incl. pension liabilities	-1,335	-814	-881
Lease liabilities	-326	-293	-314
Net financial liabilities, including pension- & lease liabilities	-1,661	-1,107	-1,195
Working capital	1,380	828	1,108
<i>As a percentage of sales (average) (%)</i>	11.1	4.5	7.4
Capital employed	7,826	7,220	7,597
<i>Return on capital employed (average) (%)</i>	10.7	19.4	12.8
Shareholders' equity	5,349	4,998	5,392
<i>Return on shareholders' equity (average) (%)</i>	11.2	22.5	13.6



## Personnel

The average number of employees during the period was 5,919 (7,279). The decrease in the number of employees was 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.

### ● Contact:

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

### ● Webcast conference call on 20 July:

In connection with the interim report, Nolato will hold a webcast conference call in English at 1.45 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/45974>. The presentation will be available at [www.nolato.com/ir](http://www.nolato.com/ir) after publication of the interim report. The webcast will be available at the same address after the live broadcast.

*Prior to publication this information constituted inside information that Nolato AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 1:00 p.m. CET on 20 July 2023.*

## 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 16,797 shareholders at 30 June. The largest shareholders are the Jorlén family, the Boström family, the Hamrin family and Första AP-fonden with 9% each, the Lannebo Funds and Nordea Funds with 5% 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 39 million (37). Profit after financial income and expense amounted to SEK -28 million (63) and was mainly affected by lower profit from participations in Group companies.

Contingent liabilities amounted to SEK 273 million (328).

## 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.

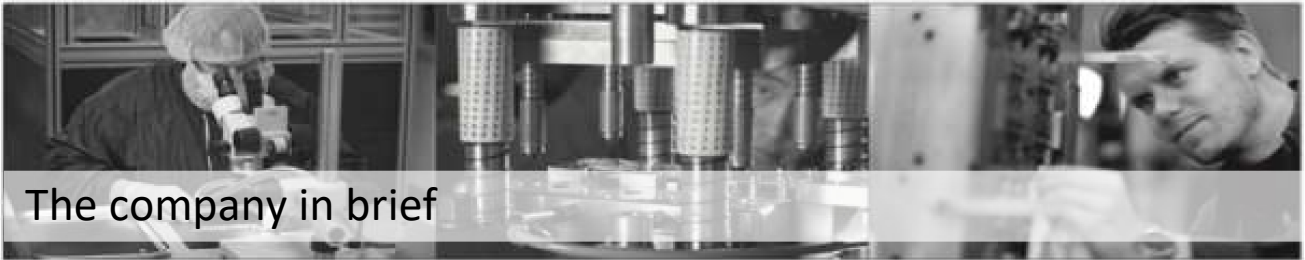
The consolidated accounts have been prepared according to the same principles as in the most recent annual accounts, as set out in the Annual Report 2022.

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.

## Financial information schedule

- Nine-month interim report 2023: October 26, 2023
- 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



## The company in brief

### Nolato's business

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

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

### Nolato's business model

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

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

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

### Nolato's strategies

- Early involvement in customers' development processes
- Close and long-term collaboration/Partnerships with our customers
- Innovative, integrated and high-tech solutions
- High productivity/Lean manufacturing
- Advancing up the value chain/Greater added value
- Global presence
- Responsible business practice

Nolato is a Swedish group with operations in Europe, Asia and North America.

We develop and manufacture products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors.

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

[www.nolato.com](http://www.nolato.com)

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

Torekov 20 July 2023

Fredrik Arp  
*Chairman of the Board*

Carina van den Berg  
*Board member*

Tomas Blomquist  
*Board member*

Sven Boström  
*Board member*

Lovisa Hamrin  
*Board member*

Åsa Hedin  
*Board member*

Erik Lynge-Jorlén  
*Board member*

Lars-Åke Rydh  
*Board member*

Steven Gorial  
*Board member*  
*Employee representative*

Björn Jacobsson  
*Board member*  
*Employee representative*

Christer Wahlquist  
*President and CEO*

## Review report

Nolato AB, corporate identity number 556080-4592

### Introduction

We have reviewed the condensed interim report for Nolato AB as at June 30, 2023 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

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

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

### Conclusion

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

Torekov 20 July 2023

Ernst & Young AB  
Joakim Falck  
*Authorized public accountant*

## Consolidated income statement (summary)

SEK million	Note	Q2 2023	Q2 2022	Q1 - Q2 2023	Q1 - Q2 2022	Rolling 12 months	Full year 2022
Net sales	1	2,478	2,905	4,954	5,784	9,944	10,774
Cost of goods sold		- 2,118	- 2,534	- 4,246	- 5,005	- 8,587	- 9,346
<b>Gross profit</b>		<b>360</b>	<b>371</b>	<b>708</b>	<b>779</b>	<b>1,357</b>	<b>1,428</b>
Other operating income		6	25	9	26	24	41
Selling expenses		- 58	- 54	- 113	- 104	- 222	- 213
Administrative expenses		- 122	- 97	- 233	- 191	- 431	- 389
Other operating expenses		—	7	- 2	—	- 2	—
		- 174	- 119	- 339	- 269	- 631	- 561
<b>Operating profit</b>	2	<b>186</b>	<b>252</b>	<b>369</b>	<b>510</b>	<b>726</b>	<b>867</b>
Financial income and expense	2	6	- 11	- 4	- 18	22	8
<b>Profit after financial income and expense</b>	2	<b>192</b>	<b>241</b>	<b>365</b>	<b>492</b>	<b>748</b>	<b>875</b>
Tax		- 37	- 51	- 74	- 101	- 151	- 178
<b>Profit after tax</b>		<b>155</b>	<b>190</b>	<b>291</b>	<b>391</b>	<b>597</b>	<b>697</b>
All earnings are attrib. to the Parent Co.'s shareh.							
Depreciation/amortization reg. non-current assets		147	134	290	262	572	544
Basic earnings per share, SEK	3	0.58	0.71	1.08	1.45	2.22	2.59
Diluted earnings per share, SEK	3	0.58	0.71	1.08	1.45	2.22	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 17.

## Consolidated comprehensive income

SEK million	Q2 2023	Q2 2022	Q1 - Q2 2023	Q1 - Q2 2022	Rolling 12 months	Full year 2022
<b>Profit after tax</b>	<b>155</b>	<b>190</b>	<b>291</b>	<b>391</b>	<b>597</b>	<b>697</b>
<b>Other comprehensive income</b>						
<i>Items that cannot be transferred to profit for the period</i>						
Revaluations of defined benefit pension plans	- 1	87	5	87	20	102
Tax attrib. to items that cannot be transf. to profit for the per.	—	- 14	- 1	- 14	- 4	- 17
	- 1	73	4	73	16	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	179	233	178	287	235	344
Changes in the fair value of cash flow hedges for the period	- 8	5	- 5	- 11	9	3
Tax attrib. to changes in the fair value of cash flow hedges	2	- 1	1	2	- 2	- 1
	173	237	174	278	242	346
<b>Other comprehensive income, net of tax</b>	<b>172</b>	<b>310</b>	<b>178</b>	<b>351</b>	<b>258</b>	<b>431</b>
<b>Total comp. inc. for the per. attrib. to the Parent Co.'s shareh.</b>	<b>327</b>	<b>500</b>	<b>469</b>	<b>742</b>	<b>855</b>	<b>1,128</b>

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

## Consolidated balance sheet (summary)

SEK million	30/06/2023	30/06/2022	31/12/2022
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible non-current assets	2,567	2,439	2,472
Property, plant and equipment	3,290	3,090	3,174
Non-current financial assets	2	2	2
Other non-current receivables	1	2	1
Deferred tax assets	127	74	87
<b>Total fixed assets</b>	<b>5,987</b>	<b>5,607</b>	<b>5,736</b>
<b>Current assets</b>			
Inventories	1,252	1,245	1,283
Accounts receivable	1,704	1,665	1,522
Other current assets <sup>2)</sup>	453	587	455
Cash and bank	815	1,115	1,011
<b>Total current assets</b>	<b>4,224</b>	<b>4,612</b>	<b>4,271</b>
<b>Total assets</b>	<b>10,211</b>	<b>10,219</b>	<b>10,007</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>5,349</b>	<b>4,998</b>	<b>5,392</b>
Long-term liabilities and provisions <sup>1)</sup>	2,014	2,027	1,945
Deferred tax liabilities <sup>1)</sup>	290	252	294
Current liabilities and provisions <sup>1) 3)</sup>	2,558	2,942	2,376
<b>Total liabilities and provisions</b>	<b>4,862</b>	<b>5,221</b>	<b>4,615</b>
<b>Total shareholders' equity and liabilities</b>	<b>10,211</b>	<b>10,219</b>	<b>10,007</b>
<sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	2,476	2,222	2,206
Non-interest-bearing liabilities and provisions	2,386	2,999	2,409
<b>Total liabilities and provisions</b>	<b>4,862</b>	<b>5,221</b>	<b>4,615</b>
Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2.			
<sup>2)</sup> Derivative assets are included in other current assets at	8	—	4
<sup>3)</sup> Derivative liabilities are included in current liabilities and provisions at	41	75	10

## Changes in consolidated shareholders' equity (summary)

SEK million	Q1 - Q2 2023	Q1 - Q2 2022	Full year 2022
Shareholders' equity at the beginning of the period	5,392	4,768	4,768
Total comprehensive income for the period	469	742	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.	5,349	4,998	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	Q2 2023	Q2 2022	Q1 - Q2 2023	Q1 - Q2 2022	Rolling 12 months	Full year 2022
Cash fl. from oper. activities bef. changes in work. cap.	256	248	535	553	1,003	1,021
Changes in working capital	- 16	- 117	- 220	- 333	- 502	- 615
Cash flow from operating activities	240	131	315	220	501	406
Cash flow from investment activities	- 118	- 113	- 239	- 243	- 447	- 451
Cash flow before financing activities	122	18	76	- 23	54	- 45
Cash flow from financing activities	- 246	- 366	- 284	- 408	- 363	- 487
Cash flow for the period	- 124	- 348	- 208	- 431	- 309	- 532
Cash and cash equiv. at the beginning of the period	932	1,408	1,011	1,448	—	1,448
Exchange rate difference in liquid assets	7	55	12	98	—	95
Cash and cash equivalents at the end of the period	815	1,115	815	1,115	—	1,011

## Note 1 Revenue

SEK million	Q1 - Q2 - 2023				Q1 - Q2 - 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	548	81	20	447	494	68	17	409	963	138	35	790
Other Europe	2,462	1,341	369	752	3,243	1,088	1,443	712	5,657	2,317	1,953	1,387
North America	1,411	1,100	92	219	1,239	983	89	167	2,622	2,085	178	359
Asia	446	85	322	39	729	89	605	35	1,371	166	1,137	68
Rest of world	91	81	3	7	85	74	5	6	175	153	8	14
Elimination internal sales	- 4				- 6				- 14			
Tot. revenues fr. customer contracts	4,954	2,688	806	1,464	5,784	2,302	2,159	1,329	10,774	4,859	3,311	2,618

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

For the first six months of the year, the Group recognised decreased provision of impaired trade receivables of SEK 2 million. Impairment losses are recognised in the cost of goods sold.



## Note 2 Reconciliation of consolidated income before tax

SEK million	Q1 - Q2 2023	Q1 - Q2 2022	Rolling 12 months	Full year 2022
<b>Operating profit (EBIT)</b>				
Medical Solutions	254	212	469	427
Integrated Solutions	37	231	139	333
Industrial Solutions	97	72	143	118
Group adjustments, Parent Company	- 19	- 5	- 25	- 11
<b>Consolidated operating profit (EBIT)</b>	<b>369</b>	<b>510</b>	<b>726</b>	<b>867</b>
Financial income and expense (not distributed by business areas)	- 4	- 18	22	8
<b>Consolidated profit before tax</b>	<b>365</b>	<b>492</b>	<b>748</b>	<b>875</b>

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	Q2 2023	Q2 2022	Q1 - Q2 2023	Q1 - Q2 2022	Rolling 12 months	Full year 2022
Profit after tax	155	190	291	391	597	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
<b>Basic earnings per share (SEK)</b>	<b>0.58</b>	<b>0.71</b>	<b>1.08</b>	<b>1.45</b>	<b>2.22</b>	<b>2.59</b>
Non-recurring items	—	—	—	—	- 41	- 41
Profit after tax excl. non-recurring items	155	190	291	391	556	656
<b>Basic earnings per share excl. non-recurring items (SEK)</b>	<b>0.58</b>	<b>0.71</b>	<b>1.08</b>	<b>1.45</b>	<b>2.06</b>	<b>2.44</b>
Average number of shares, after dilution	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
<b>Diluted earnings per share (SEK)</b>	<b>0.58</b>	<b>0.71</b>	<b>1.08</b>	<b>1.45</b>	<b>2.22</b>	<b>2.59</b>
<b>Diluted earnings per share excl. non-rec. items (SEK)</b>	<b>0.58</b>	<b>0.71</b>	<b>1.08</b>	<b>1.45</b>	<b>2.06</b>	<b>2.44</b>
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	Q2 2023	Q2 2022	Q1 - Q2 2023	Q1 - Q2 2022	Rolling 12 months	Full year 2022
Profit after tax	155	190	291	391	597	697
Adjusted earnings:						
Amort. of intangible assets arising from acquisitions	12	12	22	21	42	41
Tax on amortization	- 3	- 2	- 5	- 4	- 10	- 9
<b>Adjusted earnings</b>	<b>164</b>	<b>200</b>	<b>308</b>	<b>408</b>	<b>629</b>	<b>729</b>
Average number of shares, before dilution	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
<b>Adjusted basic earnings per share (SEK)</b>	<b>0.61</b>	<b>0.74</b>	<b>1.14</b>	<b>1.51</b>	<b>2.34</b>	<b>2.70</b>
Non-recurring items	—	—	—	—	- 41	- 41
Adjusted earnings after tax, excl. non-recurring items	164	200	308	408	588	688
<b>Adj. basic earnings per share excl. non-rec. items (SEK)</b>	<b>0.61</b>	<b>0.74</b>	<b>1.14</b>	<b>1.51</b>	<b>2.18</b>	<b>2.55</b>
Average number of shares, after dilution	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080	269,377,080
<b>Adjusted diluted earnings per share (SEK)</b>	<b>0.61</b>	<b>0.74</b>	<b>1.14</b>	<b>1.51</b>	<b>2.34</b>	<b>2.70</b>
<b>Adj. diluted earn. per share excl. non-rec. items (SEK)</b>	<b>0.61</b>	<b>0.74</b>	<b>1.14</b>	<b>1.51</b>	<b>2.18</b>	<b>2.55</b>

## 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	2022	2021	2020	2019	2018
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	—	—	—
	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	—	—	—
	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	—	—	—
	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	—	—	—
	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	—	—	—
		2022	386	386	343	296	1,411
		2021	414	492	450	449	1,805
Operating profit (EBITA) (SEK million)		2023	193	198	—	—	—
		2022	267	264	214	163	908
		2021	308	386	339	336	1,369
EBITA margin (%)		2023	7.8	8.0	—	—	—
		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	—	—	—
	2	2022	251	241	197	186	875
		2021	286	360	322	433	1,401
Profit after tax (SEK million)		2023	136	155	—	—	—
		2022	201	190	160	146	697
		2021	226	291	257	386	1,160
Cash flow from operating activities (SEK million)		2023	75	240	—	—	—
		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	—	—	—
		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	—	—	—
		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	—	—	—
		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	—	—	—
	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	—	—	—
		2022	19	19	20	20	20
		2021	15	15	16	18	18
Return on total capital (%)		2023	8.4	7.9	—	—	—
		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	—	—	—
	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	—	—	—
	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	—	—	—
	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	—	—	—
	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 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	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	—	—	—
	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	—	—	—
	1	2022	653	676	638	651	2,618
		2021	595	580	540	609	2,324
Group adjustments, Parent Company	1	2023	– 2	– 2	—	—	—
	1	2022	– 2	– 4	– 2	– 6	– 14
		2021	– 1	– 1	– 3	– 2	– 7
Group total	1	2023	2,476	2,478	—	—	—
	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	—	—	—
		<i>EBITA margin (%)</i>	10.0	10.1	—	—	—
	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	—	—	—
		<i>EBITA margin (%)</i>	5.3	4.1	—	—	—
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	—	—	—
		<i>EBITA margin (%)</i>	6.2	7.7	—	—	—
	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	—	—	—
			—2	—3	—	—6	—11
Group total	2021		—4	46	—3	—6	33
	2023		193	198	—	—	—
		<i>EBITA margin (%)</i>	7.8	8.0	—	—	—
	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 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	—	—	—
	2022		69	74	79	86	308
	2021		61	61	63	64	249
Integrated Solutions	2023		17	18	—	—	—
	2022		15	17	16	14	62
	2021		15	16	15	16	62
Industrial Solutions	2023		42	42	—	—	—
	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	—	—	—
	2022		128	134	138	144	544
	2021		115	115	119	123	472

## Group financial highlights

IFRS measures	Note	Q2 2023	Q2 2022	Q1 - Q2 2023	Q1 - Q2 2022	Rolling 12 months	Full year 2022
Basic earnings per share (SEK)	3	0.58	0.71	1.08	1.45	2.22	2.59
Diluted earnings per share (SEK)	3	0.58	0.71	1.08	1.45	2.22	2.59
<b>Alternative performance measures</b>							
Net sales (SEK million)	1	2,478	2,905	4,954	5,784	9,944	10,774
Sales growth (%)		-15	4	-14	6	-17	-7
Percentage of sales outside Sweden (%)		89	91	89	92	90	91
Operating profit (EBITDA) (SEK million)		333	386	659	772	1,298	1,411
Operating profit (EBITA) (SEK million) <sup>1)</sup>		198	264	391	531	768	908
EBITA margin (%) <sup>1)</sup>		8.0	9.1	7.9	9.2	7.7	8.4
Profit after financial income and exp. (SEK million)	2	192	241	365	492	748	875
Profit margin (%) <sup>1)</sup>		7.7	8.3	7.4	8.5	7.5	8.1
Profit after tax (SEK million)		155	190	291	391	597	697
Return on total capital (%) <sup>1)</sup>		—	—	7.9	13.3	7.9	9.1
Return on capital employed (%) <sup>1)</sup>		—	—	10.7	19.4	10.7	12.8
Return on operating capital (%) <sup>1)</sup>		—	—	11.0	21.8	11.0	14.4
Return on shareholders' equity (%) <sup>1)</sup>		—	—	11.2	22.5	11.2	13.6
Equity/assets ratio (%)		—	—	52	49	52	54
Debt/equity (%)		—	—	46	44	46	41
Interest coverage ratio (times)		11	18	12	20	13	17
Net investments affecting cash flow, excl. acquisitions and disposals (SEK million)		106	113	227	243	435	451
Cash flow after investments, excl. acquisitions and disposals (SEK million)		224	71	178	30	156	8
Cash conversion (%) <sup>1)</sup>		—	—	—	—	21	1
Net financial liabilities, excl. pension- & lease liabilities (SEK million)		—	—	-1,163	-640	-1,163	-708
Adjusted earnings per share, basic and diluted, (SEK)	3	0.61	0.74	1.14	1.51	2.34	2.70
Cash flow from operations per share, before and after dilution, (SEK)		0.89	0.49	1.17	0.82	1.86	1.51
Cash flow after investments excluding acquisitions and disposals, per share, before and after dilution, (SEK)		0.83	0.26	0.66	0.11	0.20	0.03
Shareholders' equity per share, before and after dilution, (SEK)		—	—	20	19	—	20
Average number of employees		—	—	5,919	7,279	—	6,627

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

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

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 assets (+) / liabilities (-)

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	Q2 2023	Q2 2022	Q1 - Q2 2023	Q1 - Q2 2022	Rolling 12 months	Full year 2022
Operating profit (EBITDA)		333	386	659	772	1,298	1,411
Non-recurring items		—	—	—	—	—	—
<b>Adjusted operating profit (EBITDA)</b>		<b>333</b>	<b>386</b>	<b>659</b>	<b>772</b>	<b>1,298</b>	<b>1,411</b>
Operating profit (EBIT)	2	186	252	369	510	726	867
Reversal of amort. of intangible assets arising in connection with acquisitions		12	12	22	21	42	41
Operating profit (EBITA)		198	264	391	531	768	908
Non-recurring items		—	—	—	—	—	—
<b>Adjusted operating profit (EBITA)</b>		<b>198</b>	<b>264</b>	<b>391</b>	<b>531</b>	<b>768</b>	<b>908</b>
EBITA margin (%)		8.0	9.1	7.9	9.2	7.7	8.4
<b>Adjusted EBITA margin (%)</b>		<b>8.0</b>	<b>9.1</b>	<b>7.9</b>	<b>9.2</b>	<b>7.7</b>	<b>8.4</b>
Profit after financial income and expense	2	192	241	365	492	748	875
Non-recurring items		—	—	—	—	– 41	– 41
<b>Adjusted profit after financial income and expense</b>		<b>192</b>	<b>241</b>	<b>365</b>	<b>492</b>	<b>707</b>	<b>834</b>
Profit margin (%)		7.7	8.3	7.4	8.5	7.5	8.1
<b>Adjusted profit margin (%)</b>		<b>7.7</b>	<b>8.3</b>	<b>7.4</b>	<b>8.5</b>	<b>7.1</b>	<b>7.7</b>
Profit after tax		155	190	291	391	597	697
Non-recurring items		—	—	—	—	– 41	– 41
Tax on non-recurring items		—	—	—	—	—	—
<b>Adjusted profit after tax</b>		<b>155</b>	<b>190</b>	<b>291</b>	<b>391</b>	<b>556</b>	<b>656</b>
Cash fl. after investm., excl. acquisitions and dispos.		—	—	—	—	156	8
Operating profit (EBIT)	2	—	—	—	—	726	867
<b>Cash conversion (%)</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21</b>	<b>1</b>

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.



Alternative performance measures SEK million unless otherwise specified	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Profit after financial income and exp., rolling 12 months	748	797	875	1,122	1,247				
Financial expense, rolling 12 months	64	59	56	51	46				
Adj. profit after financial inc. and exp., rolling 12 months	812	856	931	1,173	1,293				
Total capital, at the end of period	10,211	10,147	10,007	10,635	10,220	9,984	10,056	9,542	8,784
Average total capital, last 5 quarters	10,244	10,199	10,180	10,087	9,717				
<b>Return on total capital (%)</b>	<b>7.9</b>	<b>8.4</b>	<b>9.1</b>	<b>11.6</b>	<b>13.3</b>				
Adj. profit after financial inc. and exp., rolling 12 months	812	856	931	1,173	1,293				
Capital employed, at the end of period	7,826	7,726	7,597	7,659	7,220	7,074	6,809	6,318	5,984
Average capital employed, last 5 quarters	7,606	7,455	7,272	7,016	6,681				
<b>Return on capital employed (%)</b>	<b>10.7</b>	<b>11.5</b>	<b>12.8</b>	<b>16.7</b>	<b>19.4</b>				
Operating profit (EBIT), rolling 12 months	726	791	867	1,041	1,167				
Capital employed, at the end of period	7,826	7,726	7,597	7,659	7,220	7,074	6,809	6,318	5,984
Cash and bank, at the end of period	-815	-932	-1,011	-1,193	-1,115	-1,407	-1,448	-1,400	-1,248
Operating capital, at the end of period	7,011	6,794	6,586	6,466	6,105	5,667	5,361	4,918	4,736
Average operating capital, latest 5 quarters	6,592	6,324	6,037	5,703	5,357				
<b>Return on operating capital (%)</b>	<b>11.0</b>	<b>12.5</b>	<b>14.4</b>	<b>18.3</b>	<b>21.8</b>				
Profit after tax, rolling 12 months	597	632	697	937	1,034				
Shareholders' equity, at the end of period	5,349	5,534	5,392	5,398	4,998	5,010	4,768	4,280	3,951
Average shareholders' equity, latest 5 quarters	5,334	5,266	5,113	4,891	4,601				
<b>Return on shareholders' equity (%)</b>	<b>11.2</b>	<b>12.0</b>	<b>13.6</b>	<b>19.2</b>	<b>22.5</b>				

## Acquisition of P&P Technology Ltd.

### Description of P&P Technology Ltd.

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 3 million to the Nolato Group's revenue in the second quarter of 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
<b>Goodwill</b>	<b>9</b>

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
<b>Net assets acquired</b>	<b>6</b>	<b>3</b>	<b>9</b>

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
<b>Net cash flow from acquisition</b>	<b>12</b>

## Parent Company income statement (summary)

SEK million	Q2 2023	Q2 2022	Q1 - Q2 2023	Q1 - Q2 2022	Rolling 12 months	Full year 2022
Net sales	20	18	39	37	67	65
Selling expenses	- 2	- 2	- 3	- 4	- 6	- 7
Administrative expenses	- 19	- 16	- 38	- 30	- 65	- 57
Other operating income	2	1	4	2	7	5
Other operating expenses	- 13	- 15	- 25	- 32	- 54	- 61
<b>Operating profit</b>	<b>- 12</b>	<b>- 14</b>	<b>- 23</b>	<b>- 27</b>	<b>- 51</b>	<b>- 55</b>
Profit from participations in Group companies	33	115	33	115	200	282
Financial income	13	12	25	34	51	60
Financial expenses	- 55	- 40	- 63	- 59	- 107	- 103
<b>Profit after financial income and expense</b>	<b>- 21</b>	<b>73</b>	<b>- 28</b>	<b>63</b>	<b>93</b>	<b>184</b>
Appropriations	—	—	—	—	266	266
Tax	4	4	5	13	- 50	- 42
<b>Profit after tax</b>	<b>- 17</b>	<b>77</b>	<b>- 23</b>	<b>76</b>	<b>309</b>	<b>408</b>
Depreciation/amortization	—	—	—	—	—	—

## Parent Company balance sheet (summary)

SEK million	30/06/2023	30/06/2022	31/12/2022
<b>Assets</b>			
Property, plant and equipment	1	1	1
Financial assets	4,211	4,013	4,061
Deferred tax assets	10	19	—
<b>Total fixed assets</b>	<b>4,222</b>	<b>4,033</b>	<b>4,062</b>
Other receivables	526	598	890
Cash and bank	5	109	6
<b>Total current assets</b>	<b>531</b>	<b>707</b>	<b>896</b>
<b>Total assets</b>	<b>4,753</b>	<b>4,740</b>	<b>4,958</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	2,470	2,671	3,004
Untaxed reserves	247	285	247
Deferred tax liabilities	—	—	1
Other provisions	6	7	4
Long-term liabilities	1,574	1,461	1,511
Current liabilities	456	316	191
<b>Total shareholders' equity and liabilities</b>	<b>4,753</b>	<b>4,740</b>	<b>4,958</b>

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 - Q2 2023	39	- 15	25	—	33	1,290	144
Subsidiary	Q1 - Q2 2022	37	- 13	34	—	115	1,477	127

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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