

# INTERIM REPORT

## 2022

### January - June



## External challenges impacting performance

### Second quarter of 2022 in brief

- Sales increased to SEK 2,905 million (2,786)
- Operating profit (EBITA) was SEK 264 million (SEK 336 million excl. a positive non-recurring item of SEK 50 million\*)
- EBITA margin of 9.1% (12.1%, excl. non-recurring item)
- Profit after tax was SEK 190 million (291)
- Diluted earnings per share were SEK 0.71 (SEK 0.90 excl. non-recurring item)
- Cash flow after investments amounted to SEK 18 million (346)

### First six months of 2022 in brief

- Sales increased to SEK 5,784 million (5,431)
- Operating profit (EBITA) was SEK 531 million (SEK 644 million excl. a positive non-recurring item of SEK 50 million\*)
- Diluted earnings per share were SEK 1.45 (SEK 1.74 excl. non-recurring item)
- Cash flow after investments amounted to SEK –23 million (417)
- Sustained strong financial position

\* Waiver of loan by US government authorities relating to the pandemic.

## Comments from the President and CEO

Adjusted for currency, the Group's net sales decreased by 6% in the second quarter to SEK 2,905 million, with an EBITA margin of 9.1%. Adjusted for currency, Integrated Solutions net sales decreased by 25%, which was due to end-customer sales in Eastern Europe being affected by Russia's invasion of Ukraine. However, performance was better than previously expected, due to a SEK 100 million customer order being delivered in the final days of June, instead of early July as planned. Nolato therefore expects Integrated Solutions sales for the third quarter to be around 25% lower than in the second quarter.



Christer Wahlquist, President and CEO, Nolato AB

Adjusted for currency, Medical Solutions sales increased by 8%, due to higher volumes and the charging on of cost increases. The EBITA margin decreased to 10.0% as a result of a change in the sales mix and higher material costs, offset by a time lag. In addition, the investments in capacity that we made last year are not being fully used, which is also having an adverse effect on the margin.

Volumes at Industrial Solutions were more or less unchanged in the quarter, partly because of a component shortage, particularly in automotive. Despite this, net sales increased by 10%, adjusted for currency, as a result of the charging on of cost increases. However, the EBITA margin decreased to 5.5% due to lower production efficiency.

Overall, as a global strategic partner for a large number of customers, we can look ahead with confidence, despite a range of external challenges. We have continually advanced our market positions and have good financial flexibility. This enables us to invest in continued expansion, both organically and through acquisitions, to further bolster our global offering over time.

## Group highlights

SEK million unless otherwise specified	Note	Q2 2022	Q2 2021	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
Net sales	1	2,905	2,786	5,784	5,431	11,963	11,610
Operating profit (EBITDA)		386	492	772	906	1,671	1,805
Operating profit (EBITA)		264	386	531	694	1,206	1,369
EBITA margin, %		9.1	13.9	9.2	12.8	10.1	11.8
Operating profit (EBIT)	2	252	377	510	676	1,167	1,333
Profit after financial income and expense	2	241	360	492	646	1,247	1,401
Profit after tax		190	291	391	517	1,034	1,160
Basic earnings per share, SEK	3	0.71	1.09	1.45	1.93	3.84	4.32
Diluted earnings per share, SEK	3	0.71	1.08	1.45	1.93	3.84	4.32
Basic adjusted earnings per share, SEK	3	0.74	1.11	1.51	1.98	3.96	4.43
Diluted adjusted earnings per share, SEK	3	0.74	1.11	1.51	1.98	3.96	4.42
Cash flow after investm., excl. acquis. and disposals		18	346	- 23	417	6	446
Net investments affecting cash flow, excl. acquisitions and disposals		113	154	243	332	693	782
Cash conversion, %		—	—	—	—	1	35
Return on capital employed, %		—	—	19.4	21.0	19.4	22.8
Return on shareholders' equity, %		—	—	22.5	25.1	22.5	28.0
Equity/assets ratio, %		—	—	49	45	49	47
Net financial liabilities, excluding pension- & lease liabilities		—	—	- 640	- 194	- 640	- 51

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

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

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

## Second quarter 2022

- Sales totaled SEK 2,905 million (2,786), which, adjusted for currency, was a decrease of 6%
- Continued strong performance by Medical Solutions' surgery area
- Operating profit (EBITA) was SEK 264 million (SEK 336 million excl. a positive non-recurring item of SEK 50 million)
- EBITA margin of 9.1% (12.1%, excl. non-recurring item)
- Cash flow after investments amounted to SEK 18 million (346)

### Sales

Consolidated sales rose to SEK 2,905 million (2,786). Adjusted for currency, this was a decrease of 6%.

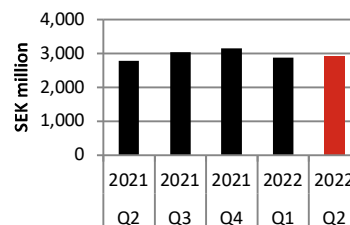
Medical Solutions sales rose to SEK 1,214 million (1,021); adjusted for currency, sales grew by 8%. The charging on of higher costs contributed to the increase in sales. The surgery area saw good growth in the quarter, while in vitro diagnostics (IVD) volumes were low during the quarter due to pandemic-related inventory adjustments, which have continued to affect the second quarter, despite customers' sales being good.

Integrated Solutions sales totaled SEK 1,019 million (1,186). Adjusted for currency, this was a decrease of 25%. Demand for Vaporiser Heating Products (VHP) in Eastern Europe was adversely affected in the quarter following Russia's invasion of Ukraine. Nolato believes that the VHP area will continue to be impacted by the situation in Eastern Europe and by so called dual sourcing effects in the second half of the year. The EMC business is continuing to perform well, with sales increasing to SEK 170 million (146). Nolato expects this business area's total sales in the third quarter to be around 25% lower than in the second quarter of this year.

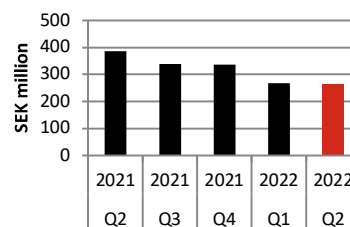
Industrial Solutions sales increased to SEK 676 million (580); adjusted for currency, sales grew by 10%. Volumes were more or less unchanged from the same quarter last year, while the charging on of cost increases contributed positively to sales.

### External factors affect

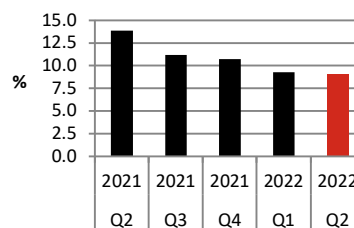
#### ● Sales



#### ● Operating profit (EBITA)



#### ● EBITA margin



## Profit

The Group's operating profit (EBITA) was SEK 264 million (SEK 336 million excluding a positive non-recurring item of SEK 50 million).

Operating profit (EBITA) was SEK 121 million (124) for Medical Solutions, SEK 109 million (154) for Integrated Solutions and SEK 37 million (62) for Industrial Solutions.

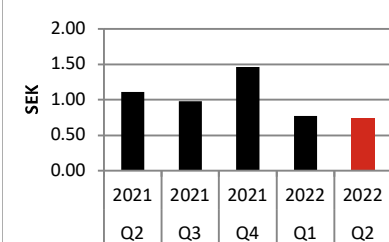
The EBITA margin for Medical Solutions was 10.0% (12.1). The combination of a change in the sales mix, a greater proportion from the surgery area and a lower proportion from IVD had a negative impact on the margin. A time lag in the charging on of cost increases also had an effect. Investments in capacity made in 2021 are still not being fully used and are consequently having a negative impact on the margin. For Integrated Solutions, the margin was 10.7% (13.0). The EBITA margin for Industrial Solutions was 5.5% (10.7). A component shortage, particularly in automotive but in other areas too, has impacted customer demand and led to fluctuating production planning for Nolato. This has resulted in lower production efficiency, which, together with a time lag in the charging on of cost increases, has adversely affected the margin. Overall, the Group's EBITA margin was 9.1% (12.1% excluding a non-recurring item).

Operating profit (EBIT) amounted to SEK 252 million (SEK 327 million excluding a positive non-recurring item of SEK 50 million). Last year, GW Plastics, which was acquired in 2020, received a waiver for a pandemic-related loan from government authorities. Including this non-recurring item, operating profit (EBIT) amounted to SEK 377 million.

Operating profit after net financial income/expense was SEK 241 million (SEK 310 million excluding the non-recurring item).

Profit after tax was SEK 190 million (SEK 241 million excluding the non-recurring item). Diluted earnings per share was SEK 0.71 (SEK 0.90 excluding the non-recurring item). Including a non-recurring item last year, diluted earnings per share were SEK 1.08. Adjusted earnings per share after dilution but excluding amortization of intangible assets arising from acquisitions amounted to SEK 0.74 (SEK 0.92 excluding a non-recurring item).

## Adjusted diluted earnings per share



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

SEK million	Sales Q2/2022	Sales Q2/2021	EBITA Q2/2022	EBITA Q2/2021	EBITA marg. Q2/2022	EBITA marg. Q2/2021
Medical Solutions	1,214	1,021	121	124	10.0%	12.1%
Integrated Solutions	1,019	1,186	109	154	10.7%	13.0%
Industrial Solutions	676	580	37	62	5.5%	10.7%
Intra-Group adj., Parent Co	- 4	- 1	- 3	46	—	—
<b>Group total</b>	<b>2,905</b>	<b>2,786</b>	<b>264</b>	<b>386</b>	<b>9.1%</b>	<b>13.9%</b>

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

## First six months 2022

### Sales and earnings

Consolidated sales rose to SEK 5,784 million (5,431) for the first six months of 2022. Adjusted for currency, this was a decrease of 3%.

Medical Solutions sales rose by 14% to SEK 2,302 million (2,027), while for Integrated Solutions they decreased by 3% to SEK 2,159 million (2,231) and increased for Industrial Solutions by 13% to SEK 1,329 million (1,175).

The Group's operating profit (EBITA) was SEK 531 million (SEK 644 million excluding non-recurring items). Overall, the Group's EBITA margin was 9.2% (11.9% excluding non-recurring items).

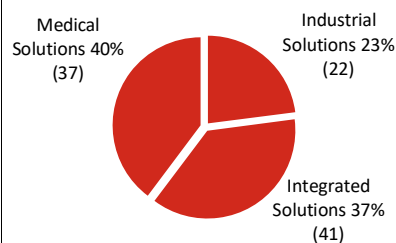
Operating profit (EBIT) amounted to SEK 510 million (SEK 626 million excluding non-recurring items).

Operating profit after net financial income and expense was SEK 492 million (SEK 596 million excluding non-recurring items).

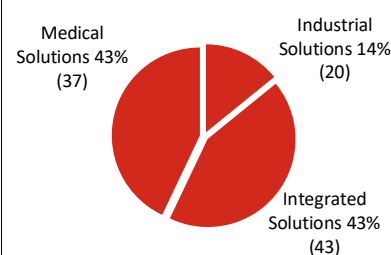
Profit after tax amounted to SEK 391 million (SEK 467 million excluding non-recurring items). Diluted earnings per share were SEK 1.45 (SEK 1.74 excluding non-recurring items). Adjusted earnings per share after dilution but excluding amortization of intangible assets arising from acquisitions amounted to SEK 1.51 (SEK 1.79 excluding non-recurring items). The effective tax rate was 20.5% (20.0).

Return on capital employed was 19.4% for the last 12 months (22.8% for the 2021 calendar year). Return on equity was 22.5% for the last 12 months (28.0% for the 2021 calendar year).

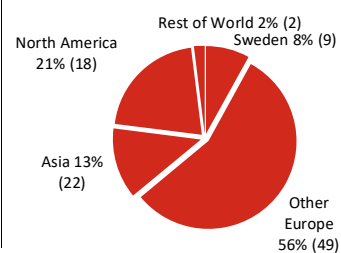
#### • Business areas' share of sales



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



#### • Sales by geographic markets



## Medical Solutions

Sales and profit 6 months (SEK million)	2022	2021
Sales	2,302	2,027
Operating profit (EBITA)	227	245
EBITA margin (%)	9.9	12.1
Operating profit (EBIT)	212	232

Medical Solutions sales amounted to SEK 2,302 million (2,027); adjusted for currency, sales increased by 4%. The rise in sales was mainly due to the charging on of cost increases. The surgery area saw good growth, while in vitro diagnostics (IVD) volumes were low due to pandemic-related inventory adjustments, which have continued to have an impact.

Operating profit (EBITA) decreased to SEK 227 million (245).

The EBITA margin decreased to 9.9% (12.1). The combination of a change in the sales mix, a greater proportion from the surgery area and a lower proportion from IVD had a negative impact on the margin. A time lag in the charging on of cost increases also had an effect. Investments in capacity made in 2021 are still not being fully used and are consequently having a negative impact on the margin.

## Integrated Solutions

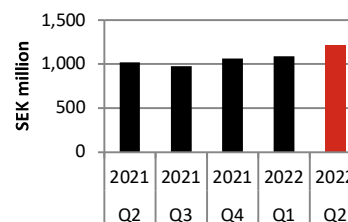
Sales and profit 6 months (SEK million)	2022	2021
Sales	2,159	2,231
Operating profit (EBITA)	232	279
EBITA margin (%)	10.7	12.5
Operating profit (EBIT)	231	278

Integrated Solutions sales totaled SEK 2,159 million (2,231). Adjusted for currency, sales decreased by 15%. Demand for Vaporiser Heating Products (VHP) in Eastern Europe was adversely affected following Russia's invasion of Ukraine. Nolato believes that the VHP area will continue to be impacted by the situation in Eastern Europe and by dual sourcing effects in the second half of the year. The EMC business is continuing to perform well. Nolato expects this business area's total sales in the third quarter to be around 25% lower than in the second quarter of this year.

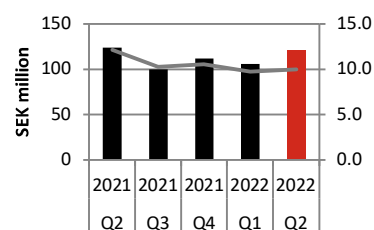
Operating profit (EBITA) was SEK 232 million (279).

The EBITA margin was 10.7% (12.5).

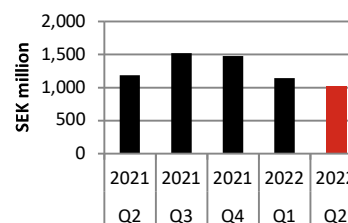
### Medical Solutions sales



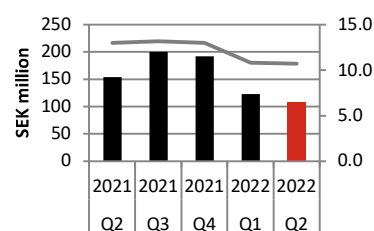
### Medical Solutions operating profit (EBITA) & EBITA margin %



### Integrated Solutions sales



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



## Industrial Solutions

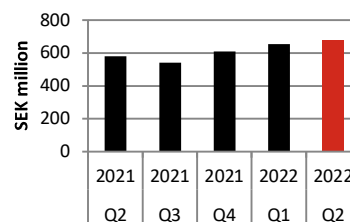
Sales and profit 6 months (SEK million)	2022	2021
Sales	1,329	1,175
Operating profit (EBITA)	77	128
EBITA margin (%)	5.8	10.9
Operating profit (EBIT)	72	124

Industrial Solutions sales increased to SEK 1,329 million (1,175); adjusted for currency, sales grew by 7%. Volumes were lower than last year, while the charging on of cost increases contributed positively to sales.

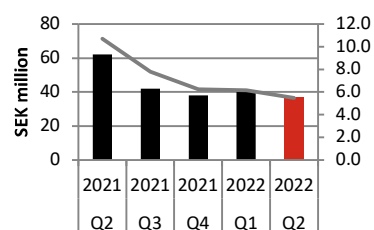
Operating profit (EBITA) was SEK 77 million (128).

The EBITA margin decreased to 5.8% (10.9). A component shortage, particularly in automotive but in other areas too, has impacted customer demand and led to fluctuating production planning for Nolato. This has resulted in lower production efficiency, which, together with a time lag in the charging on of cost increases, has adversely affected the margin.

### Industrial Solutions sales



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



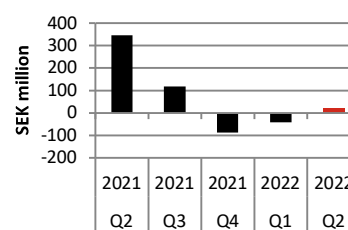
## Cash flow

Cash flow after investments was SEK 18 million (346) in the second quarter. During the quarter, tied-up working capital increased, compared with a decrease in the same quarter last year, which is the main reason for the decrease in cash flow. Tied-up working capital is increasing because of the reduced use of supplier finance for trade receivables.

Net investments affecting cash flow decreased to SEK 113 million (154). A dividend totaling SEK 512 million (428) was paid to shareholders in the second quarter.

Cash flow after investments was SEK –23 million (417) in the first six months of the year. The decrease was mainly due to an increase in working capital requirements. On an accumulated basis, net investments affecting cash flow decreased to SEK 243 million (332). Cash conversion for the last 12 months was 1% (35% for the 2021 calendar year).

### • Cash flow after investments

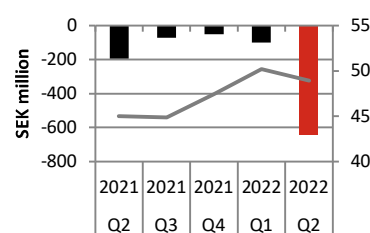


Excluding acquisitions and disposals

## Financial position

Interest-bearing assets decreased to SEK 1,115 million (1,248), and interest-bearing financial liabilities rose to SEK 1,755 million (1,442). Net financial liabilities consequently totaled SEK 640 million (194). Higher working capital requirements and the higher dividend have increased financial liabilities and, consequently, net debt too. There are also interest-bearing pension liabilities of SEK 174 million (256) and interest-bearing lease liabilities of SEK 293 million (338). Shareholders' equity rose to SEK 4,998 million (3,951). The equity/assets ratio was 49% (45).

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



## Financial position

SEK million	30/06/2022	30/06/2021	31/12/2021
Interest-bearing liabilities, credit institutions	- 1,755	- 1,442	- 1,499
Cash and bank	1,115	1,248	1,448
Net financial liabilities	- 640	- 194	- 51
Interest-bearing pension liabilities	- 174	- 256	- 247
Net financial liabilities, incl. pension liabilities	- 814	- 450	- 298
Lease liabilities	- 293	- 338	- 295
Net financial liabilities, including pension- & lease liabilities	- 1,107	- 788	- 593
Working capital	828	258	480
<i>As a percentage of sales (average) (%)</i>	4.5	1.7	3.7
Capital employed	7,220	5,984	6,809
<i>Return on capital employed (average) (%)</i>	19.4	21.0	22.8
Shareholders' equity	4,998	3,951	4,768
<i>Return on shareholders' equity (average) (%)</i>	22.5	25.1	28.0



## Consolidated performance analysis

SEK million	Note	Q2 2022	Q2 2021	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
Net sales	1	2,905	2,786	5,784	5,431	11,963	11,610
Gross profit excl. depreciation/amortization		496	576	1,021	1,105	2,166	2,250
<i>As a percentage of net sales</i>		17.1	20.7	17.7	20.3	18.1	19.4
Costs		- 110	- 84	- 249	- 199	- 495	- 445
<i>As a percentage of net sales</i>		3.8	3.0	4.3	3.7	4.1	3.8
Operating profit (EBITDA)		386	492	772	906	1,671	1,805
<i>As a percentage of net sales</i>		13.3	17.7	13.3	16.7	14.0	15.5
Depreciation and amortization		- 122	- 106	- 241	- 212	- 465	- 436
Operating profit (EBITA)		264	386	531	694	1,206	1,369
<i>As a percentage of net sales</i>		9.1	13.9	9.2	12.8	10.1	11.8
Amortization of intangible assets arising fr. acquis.		- 12	- 9	- 21	- 18	- 39	- 36
Operating profit (EBIT)	2	252	377	510	676	1,167	1,333
Financial income and expense	2	- 11	- 17	- 18	- 30	80	68
Profit after financial income and expense	2	241	360	492	646	1,247	1,401
Tax		- 51	- 69	- 101	- 129	- 213	- 241
<i>As a perc. of profit after financial inc. and exp.</i>		21.2	19.2	20.5	20.0	17.1	17.2
Profit after tax		190	291	391	517	1,034	1,160

### Personnel

The average number of employees during the period was 7,279 people (7,749). The decrease in the number of employees is mainly attributable to Integrated Solutions' operations in China.

#### New business area president

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

### Significant risks and uncertainty factors

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

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

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

#### Seasonal effects

Nolato does not experience any significant seasonal variations. However, in the third quarter sales within Industrial Solutions, and to a certain degree Medical Solutions, can be negatively affected by the fact that the holiday period falls in this quarter both for Nolato and its customers.

#### • Contact:

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

#### • Webcast conference call on 20 July:

In connection with the interim report, Nolato will hold a webcast conference call in English at 2.45 p.m. CET. Nolato will be represented by President and CEO Christer Wahlquist and CFO Per-Ola Holmström, who will present the interim report and answer questions. Information regarding telephone numbers and website is available at <https://financialhearings.com/event/43263>. 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.

## Events after the balance sheet date

High inflation, geopolitical effects of the invasion of Ukraine and Covid-19 naturally also affect Nolato's operations and its customers. At present, it is not possible to predict the duration or scope and thus not quantify these effects for the Group. No other significant events have occurred after the end of the period.

## 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 16,614 shareholders at 30 June. The largest shareholders are the Jorlén family, the Boström family and the Hamrin family with 9% each, the Lannebo Funds with 7%, Första AP-fonden with 6%, and Capital Group with 5% of capital.

## The Parent Company

For the parent company, which has no operating activities, sales amounted to SEK 37 million (37). Profit after financial income and expense amounted to SEK 63 million (192).

Contingent liabilities amounted to SEK 328 million (379).

## Accounting and valuation principles

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

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. Publication of this interim report is subject to the Swedish Securities Market Act.

The consolidated accounts have been prepared according to the same principles as in the most recent annual accounts, as set out in the Annual Report 2021.

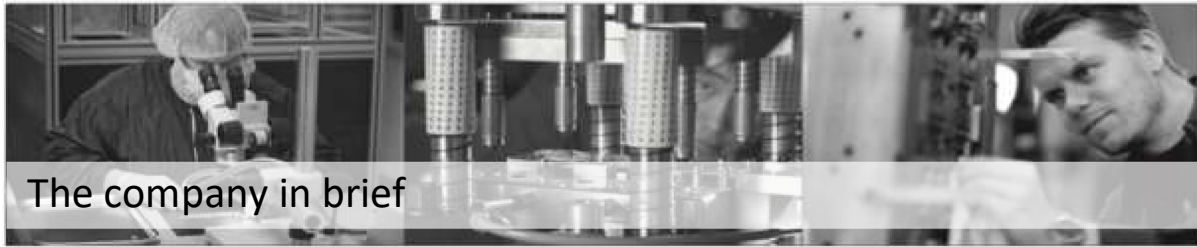
IASB and the IFRS Interpretations Committee have issued new standards and statements that apply to financial years starting January 1, 2022, or later. There are no plans for the early application of new or amended standards for future application. None of the standards or interpretations published by IASB are expected to have a material impact on the Group or Parent Company's financial statements.

The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act.

## Financial information schedule

- Nine-month interim report 2022: 27 October 2022
- 2022 year-end report: 8 February 2023
- Three-month interim report 2023: 3 May 2023
- 2023 Annual General Meeting: 3 May 2023
- Six-month interim report 2023: 20 July 2023
- Nine-month interim report 2023: 26 October 2023
- 2023 year-end report: 6 February 2024

*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 2:00 p.m. CET on 20 July 2022.*



## 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 2022

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 Lyngé-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, 2022 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 2022

Ernst & Young AB  
Joakim Falck  
*Authorized public accountant*

## Consolidated income statement (summary)

SEK million	Note	Q2 2022	Q2 2021	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
Net sales	1	2,905	2,786	5,784	5,431	11,963	11,610
Cost of goods sold		-2,534	-2,317	-5,005	-4,538	-10,260	-9,793
<b>Gross profit</b>		<b>371</b>	<b>469</b>	<b>779</b>	<b>893</b>	<b>1,703</b>	<b>1,817</b>
Other operating income		25	52	26	54	42	70
Selling expenses		-54	-45	-104	-87	-195	-178
Administrative expenses		-97	-91	-191	-176	-372	-357
Other operating expenses		7	-8	—	-8	-11	-19
		-119	-92	-269	-217	-536	-484
<b>Operating profit</b>	2	<b>252</b>	<b>377</b>	<b>510</b>	<b>676</b>	<b>1,167</b>	<b>1,333</b>
Financial income and expense	2	-11	-17	-18	-30	80	68
<b>Profit after financial income and expense</b>	2	<b>241</b>	<b>360</b>	<b>492</b>	<b>646</b>	<b>1,247</b>	<b>1,401</b>
Tax		-51	-69	-101	-129	-213	-241
<b>Profit after tax</b>		<b>190</b>	<b>291</b>	<b>391</b>	<b>517</b>	<b>1,034</b>	<b>1,160</b>
All earnings are attrib. to the Parent Co.'s shareh.							
Depreciation/amortization reg. non-current assets		134	115	262	230	504	472
Basic earnings per share, SEK	3	0.71	1.09	1.45	1.93	3.84	4.32
Diluted earnings per share, SEK	3	0.71	1.08	1.45	1.93	3.84	4.32
Number of shares at the end of the period, bef. dil.		269,377,080	268,914,580	269,377,080	268,914,580	269,377,080	269,377,080
Number of shares at the end of the period, after dil.		269,377,080	269,097,081	269,377,080	269,097,081	269,377,080	269,379,505
Average number of shares, before dilution		269,377,080	268,178,330	269,377,080	267,932,913	269,265,580	268,491,580
Average number of shares, after dilution		269,377,080	268,635,220	269,377,080	268,398,249	269,310,815	268,779,516

At the end of the period, the Group had two incentive programmes: Incentive Programme 2019/2024 and Incentive Programme 2022/2028. For more information please see Note 3 Earnings per share on page 17.

## Consolidated comprehensive income

SEK million	Q2 2022	Q2 2021	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
<b>Profit after tax</b>	<b>190</b>	<b>291</b>	<b>391</b>	<b>517</b>	<b>1,034</b>	<b>1,160</b>
<b>Other comprehensive income</b>						
<i>Items that cannot be transferred to profit for the period</i>						
Revaluations of defined benefit pension plans	87	21	87	21	107	41
Tax attrib. to items that cannot be transf. to profit for the per.	-14	-3	-14	-3	-17	-6
	73	18	73	18	90	35
<i>Items that have been conv. or can be conv. into prof. for the per.</i>						
Transl. diff. for the period on transl. of foreign operations	233	-43	287	63	419	195
Changes in the fair value of cash flow hedges for the period	5	18	-11	10	-12	9
Tax attrib. to changes in the fair value of cash flow hedges	-1	-4	2	-2	2	-2
	237	-29	278	71	409	202
<b>Other comprehensive income, net of tax</b>	<b>310</b>	<b>-11</b>	<b>351</b>	<b>89</b>	<b>499</b>	<b>237</b>
<b>Total comp. inc. for the per. attrib. to the Parent Co.'s shareh.</b>	<b>500</b>	<b>280</b>	<b>742</b>	<b>606</b>	<b>1,533</b>	<b>1,397</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	30/06/2022	30/06/2021	31/12/2021
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible non-current assets	2,439	2,137	2,234
Property, plant and equipment	3,090	2,581	2,868
Non-current financial assets	2	2	2
Other non-current receivables	2	2	2
Deferred tax assets	74	52	69
<b>Total fixed assets</b>	<b>5,607</b>	<b>4,774</b>	<b>5,175</b>
<b>Current assets</b>			
Inventories	1,245	1,029	1,340
Accounts receivable	1,665	1,246	1,574
Other current assets <sup>2)</sup>	587	487	518
Cash and bank	1,115	1,248	1,448
<b>Total current assets</b>	<b>4,612</b>	<b>4,010</b>	<b>4,880</b>
<b>Total assets</b>	<b>10,219</b>	<b>8,784</b>	<b>10,055</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>4,998</b>	<b>3,951</b>	<b>4,768</b>
Long-term liabilities and provisions <sup>1)</sup>	2,027	1,534	1,921
Deferred tax liabilities <sup>1)</sup>	252	208	254
Current liabilities and provisions <sup>1) 3)</sup>	2,942	3,091	3,112
<b>Total liabilities and provisions</b>	<b>5,221</b>	<b>4,833</b>	<b>5,287</b>
<b>Total shareholders' equity and liabilities</b>	<b>10,219</b>	<b>8,784</b>	<b>10,055</b>
<sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	2,222	2,036	2,041
Non-interest-bearing liabilities and provisions	2,999	2,797	3,246
<b>Total liabilities and provisions</b>	<b>5,221</b>	<b>4,833</b>	<b>5,287</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	—	2	1
<sup>3)</sup> Derivative liabilities are included in current liabilities and provisions at	75	17	5

## Changes in consolidated shareholders' equity (summary)

SEK million	Q1 - Q2 2022	Q1 - Q2 2021	Full year 2021
Shareholders' equity at the beginning of the period	4,768	3,699	3,699
Total comprehensive income for the period	742	606	1,397
Dividends	- 512	- 428	- 428
Share warrants included in incentive programmes	—	—	3
Exercise of warrants included in incentive programmes	—	74	97
Shareholders' equity at the end of period attrib. to Parent Co's shareh.	4,998	3,951	4,768

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

## Consolidated cash flow statement (summary)

SEK million	Q2 2022	Q2 2021	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
Cash fl. from oper. activities bef. changes in work. cap.	248	333	553	713	1,242	1,402
Changes in working capital	- 117	167	- 333	36	- 543	- 174
Cash flow from operating activities	131	500	220	749	699	1,228
Cash flow from investment activities	- 113	- 154	- 243	- 332	- 693	- 782
Cash flow before financing activities	18	346	- 23	417	6	446
Cash flow from financing activities	- 366	- 646	- 408	- 707	- 335	- 634
Cash flow for the period	- 348	- 300	- 431	- 290	- 329	- 188
Cash and cash equiv. at the beginning of the period	1,408	1,563	1,448	1,487	—	1,487
Exchange rate difference in liquid assets	55	- 15	98	51	—	149
Cash and cash equivalents at the end of the period	1,115	1,248	1,115	1,248	—	1,448

## Note 1 Revenue

SEK million	Q1 - Q2 - 2022				Q1 - Q2 - 2021				Full year - 2021			
	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.
Sweden	494	68	17	409	506	66	13	427	914	117	29	768
Other Europe	3,243	1,088	1,443	712	2,624	1,038	1,018	568	5,839	1,998	2,638	1,203
North America	1,239	983	89	167	986	779	79	128	2,083	1,668	154	261
Asia	729	89	605	35	1,213	78	1,087	48	2,588	153	2,352	83
Rest of world	85	74	5	6	104	66	34	4	193	131	53	9
Elimination internal sales	- 6				- 2				- 7			
Tot. revenues fr. customer contracts	5,784	2,302	2,159	1,329	5,431	2,027	2,231	1,175	11,610	4,067	5,226	2,324

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

For the first six months of the year, the Group recognised increased provision of previously impaired trade receivables of SEK 10 million. Impairment losses are recognised in the cost of goods sold.



## Note 2 Reconciliation of consolidated income before tax

SEK million	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
<b>Operating profit (EBIT)</b>				
Medical Solutions	212	232	410	430
Integrated Solutions	231	278	623	670
Industrial Solutions	72	124	148	200
Group adjustments, Parent Company	- 5	42	- 14	33
<b>Consolidated operating profit (EBIT)</b>	<b>510</b>	<b>676</b>	<b>1,167</b>	<b>1,333</b>
Financial income and expense (not distributed by business areas)	- 18	- 30	80	68
<b>Consolidated profit before tax</b>	<b>492</b>	<b>646</b>	<b>1,247</b>	<b>1,401</b>

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

Including a non-recurring item of SEK 115 million in financial income and expense in Q4 2021. The non-recurring item has been recognised at Group level and has therefore not affected the earnings of the business areas.

## Note 3 Earnings per share (IFRS measures/alternative performance measures)

SEK million	Q2 2022	Q2 2021	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
Profit after tax	190	291	391	517	1,034	1,160
Average number of shares, before dilution	269,377,080	268,178,330	269,377,080	267,932,913	269,265,580	268,491,580
<b>Basic earnings per share (SEK)</b>	<b>0.71</b>	<b>1.09</b>	<b>1.45</b>	<b>1.93</b>	<b>3.84</b>	<b>4.32</b>
Non-recurring items	—	- 50	—	- 50	- 115	- 165
Profit after tax excl. non-recurring items	190	241	391	467	919	995
<b>Basic earnings per share excl. non-recurring items (SEK)</b>	<b>0.71</b>	<b>0.90</b>	<b>1.45</b>	<b>1.74</b>	<b>3.41</b>	<b>3.71</b>
Dilutive shares from Series 2018/2021 incentive progr. with exercise price SEK 50.20 per share; total 1,935,000 warrants	—	456,890	—	465,336	44,750	287,451
Dilutive shares from Series 2020/2023 incentive progr. with exercise price SEK 92.88 per share; total 287,500 warrants	—	—	—	—	485	485
Average number of shares, after dilution	269,377,080	268,635,220	269,377,080	268,398,249	269,310,815	268,779,516
<b>Diluted earnings per share (SEK)</b>	<b>0.71</b>	<b>1.08</b>	<b>1.45</b>	<b>1.93</b>	<b>3.84</b>	<b>4.32</b>
<b>Diluted earnings per share excl. non-rec. items (SEK)</b>	<b>0.71</b>	<b>0.90</b>	<b>1.45</b>	<b>1.74</b>	<b>3.41</b>	<b>3.70</b>
Numb. of shares at the end of the per., before dilution	269,377,080	268,914,580	269,377,080	268,914,580	269,377,080	269,377,080
Numb. of shares at the end of the period, after dilution	269,377,080	269,097,081	269,377,080	269,097,081	269,377,080	269,379,505

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

## Adjusted earnings per share (alternative performance measures)

SEK million	Q2 2022	Q2 2021	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
<b>Profit after tax</b>	<b>190</b>	<b>291</b>	<b>391</b>	<b>517</b>	<b>1,034</b>	<b>1,160</b>
Adjusted earnings:						
Amort. of intangible assets arising from acquisitions	12	9	21	18	39	36
Tax on amortization	- 2	- 2	- 4	- 4	- 7	- 7
<b>Adjusted earnings</b>	<b>200</b>	<b>298</b>	<b>408</b>	<b>531</b>	<b>1,066</b>	<b>1,189</b>
Average number of shares, before dilution	269,377,080	268,178,330	269,377,080	267,932,913	269,265,580	268,491,580
<b>Adjusted basic earnings per share (SEK)</b>	<b>0.74</b>	<b>1.11</b>	<b>1.51</b>	<b>1.98</b>	<b>3.96</b>	<b>4.43</b>
Non-recurring items	—	- 50	—	- 50	- 115	- 165
Adjusted earnings after tax, excl. non-recurring items	200	248	408	481	951	1,024
<b>Adj. basic earnings per share excl. non-rec. items (SEK)</b>	<b>0.74</b>	<b>0.92</b>	<b>1.51</b>	<b>1.80</b>	<b>3.53</b>	<b>3.81</b>
Average number of shares, after dilution	269,377,080	268,635,220	269,377,080	268,398,249	269,310,815	268,779,516
<b>Adjusted diluted earnings per share (SEK)</b>	<b>0.74</b>	<b>1.11</b>	<b>1.51</b>	<b>1.98</b>	<b>3.96</b>	<b>4.42</b>
<b>Adj. diluted earn. per share excl. non-rec. items (SEK)</b>	<b>0.74</b>	<b>0.92</b>	<b>1.51</b>	<b>1.79</b>	<b>3.53</b>	<b>3.81</b>

## Five-year overview

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

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

Including any non-recurring items.

## Quarterly data (summary)

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

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

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

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

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -11 million.

## Quarterly data business areas

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

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

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

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

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

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

## Group financial highlights

IFRS measures	Note	Q2 2022	Q2 2021	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
Basic earnings per share (SEK)	3	0.71	1.09	1.45	1.93	3.84	4.32
Diluted earnings per share (SEK)	3	0.71	1.08	1.45	1.93	3.84	4.32
<b>Alternative performance measures</b>							
Net sales (SEK million)	1	2,905	2,786	5,784	5,431	11,963	11,610
Sales growth (%)		4	21	6	24	15	24
Percentage of sales outside Sweden (%)		91	91	92	91	93	92
Operating profit (EBITDA) (SEK million)		386	492	772	906	1,671	1,805
Operating profit (EBITA) (SEK million) <sup>1)</sup>		264	386	531	694	1,206	1,369
EBITA margin (%) <sup>1)</sup>		9.1	13.9	9.2	12.8	10.1	11.8
Profit after financial income and exp. (SEK million)	2	241	360	492	646	1,247	1,401
Profit margin (%) <sup>1)</sup>		8.3	12.9	8.5	11.9	10.4	12.1
Profit after tax (SEK million)		190	291	391	517	1,034	1,160
Return on total capital (%) <sup>1)</sup>		—	—	13.3	14.6	13.3	15.7
Return on capital employed (%) <sup>1)</sup>		—	—	19.4	21.0	19.4	22.8
Return on operating capital (%) <sup>1)</sup>		—	—	21.8	28.5	21.8	27.1
Return on shareholders' equity (%) <sup>1)</sup>		—	—	22.5	25.1	22.5	28.0
Equity/assets ratio (%)		—	—	49	45	49	47
Debt/equity (%)		—	—	44	52	44	43
Interest coverage ratio (times)		18	33	20	30	28	34
Net investments affecting cash flow, excl. acquisitions and disposals (SEK million)		113	154	243	332	693	782
Cash flow after investments, excl. acquisitions and disposals (SEK million)		18	346	-23	417	6	446
Cash conversion (%) <sup>1)</sup>		—	—	—	—	1	35
Net financial liabilities, excl. pension- & lease liabilities (SEK million)		—	—	-640	-194	-640	-51
Adjusted basic earnings per share (SEK)	3	0.74	1.11	1.51	1.98	3.96	4.43
Adjusted diluted earnings per share (SEK)	3	0.74	1.11	1.51	1.98	3.96	4.42
Cash flow from operations per share, before dilution (SEK)		0.49	1.86	0.82	2.80	2.60	4.58
Cash flow from operations per share, after dilution (SEK)		0.49	1.86	0.82	2.79	2.60	4.57
Cash flow after investments excluding acquisitions and disposals, per share, before dilution (SEK)		0.07	1.29	-0.09	1.56	0.02	1.66
Cash flow after investments excluding acquisitions and disposals, per share, after dilution (SEK)		0.07	1.29	-0.09	1.55	0.02	1.66
Shareholders' equity per share, before dilution (SEK)		—	—	19	15	—	18
Shareholders' equity per share, after dilution (SEK)		—	—	19	15	—	18
Average number of employees		—	—	7,279	7,749	—	8,669

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 50 million in operating profit and profit after tax in Q2 2021 and full year 2021 and SEK 115 million in profit after financial income and expense in Q4 2021 and full year 2021, which in total impacted profit after tax with SEK 165 million, for full year 2021.

## Definitions - IFRS measures

### Earnings per share

Earnings for the period that are attributable to the parent company's owners divided by the average number of outstanding shares.

### Operating profit (EBIT)

Earnings before financial income and expense and taxes.

## Definitions - Alternative performance measures

Nolato presents certain financial measures in this report that are not defined according to IFRS. Nolato considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment of trends and the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not therefore be regarded as substitutes for measures defined according to IFRS.

### Adjusted earnings per share

Profit after tax, excluding amortization of intangible assets arising from acquisitions, divided by the average number of shares.

### Average number of shares

The average basic number of shares comprises the parent company's weighted average number of outstanding shares during the period. After dilution, a weighted average of the shares that may be issued under the ongoing share warrant programme is added, if they are in-the-money, but only insofar as the average listed share price for the period exceeds the subscription price of the warrants.

### Cash conversion

Cash flow after investments, excl. acquisitions and disposals, divided by operating profit (EBIT). Cash flow and operating profit have been adjusted by non-recurring items, if any.

### Cash flow after investments, excl. acquisitions and disposals per share

Cash flow after investing activities excl. acquisitions and disposals, divided by the average number of shares.

### Cash flow from operating activities per share

Cash flow from operating activities, divided by the average number of shares.

### Debt/equity ratio

Interest-bearing liabilities and provisions divided by shareholders' equity.

### EBITA margin

Operating profit (EBITA) as a percentage of net sales.

### Equity/assets ratio

Shareholders' equity as a percentage of total capital in the balance sheet.

### Interest coverage ratio

Profit after financial income and expense, plus financial expenses, divided by financial expenses.

### Net financial 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 2022	Q2 2021	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
Operating profit (EBITDA)		386	492	772	906	1,671	1,805
Non-recurring items		—	– 50	—	– 50	—	– 50
<b>Adjusted operating profit (EBITDA)</b>		<b>386</b>	<b>442</b>	<b>772</b>	<b>856</b>	<b>1,671</b>	<b>1,755</b>
Operating profit (EBIT)	2	252	377	510	676	1,167	1,333
Reversal of amort. of intangible assets arising in connection with acquisitions		12	9	21	18	39	36
Operating profit (EBITA)		264	386	531	694	1,206	1,369
Non-recurring items		—	– 50	—	– 50	—	– 50
<b>Adjusted operating profit (EBITA)</b>		<b>264</b>	<b>336</b>	<b>531</b>	<b>644</b>	<b>1,206</b>	<b>1,319</b>
EBITA margin (%)		9.1	13.9	9.2	12.8	10.1	11.8
<b>Adjusted EBITA margin (%)</b>		<b>9.1</b>	<b>12.1</b>	<b>9.2</b>	<b>11.9</b>	<b>10.1</b>	<b>11.4</b>
Profit after financial income and expense	2	241	360	492	646	1,247	1,401
Non-recurring items		—	– 50	—	– 50	– 115	– 165
<b>Adjusted profit after financial income and expense</b>		<b>241</b>	<b>310</b>	<b>492</b>	<b>596</b>	<b>1,132</b>	<b>1,236</b>
Profit margin (%)		8.3	12.9	8.5	11.9	10.4	12.1
<b>Adjusted profit margin (%)</b>		<b>8.3</b>	<b>11.1</b>	<b>8.5</b>	<b>11.0</b>	<b>9.5</b>	<b>10.6</b>
Profit after tax		190	291	391	517	1,034	1,160
Non-recurring items		—	– 50	—	– 50	– 115	– 165
Tax on non-recurring items		—	—	—	—	—	—
<b>Adjusted profit after tax</b>		<b>190</b>	<b>241</b>	<b>391</b>	<b>467</b>	<b>919</b>	<b>995</b>
Cash fl. after investm., excl. acquisitions and dispos.		—	—	—	—	6	446
Non-recurring items (affecting cash flow)		—	—	—	—	—	—
Adj. cash fl. after investments, excl. acq. and disp.		—	—	—	—	6	446
Operating profit (EBIT)	2	—	—	—	—	1,167	1,333
Non-recurring items		—	—	—	—	—	– 50
<b>Adjusted operating profit (EBIT)</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,167</b>	<b>1,283</b>
<b>Cash conversion (%)</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>35</b>

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



Alternative performance measures	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
SEK million unless otherwise specified	2022	2022	2021	2021	2021	2021	2020	2020	2020
Profit after financial income and exp., rolling 12 months	1,247	1,367	1,401	1,238	1,183				
Financial expense, rolling 12 months	46	43	43	44	44				
Adj. profit after financial inc. and exp., rolling 12 months	1,293	1,410	1,444	1,282	1,227				
Total capital, at the end of period	10,220	9,984	10,056	9,542	8,784	9,191	8,482	8,899	6,638
Average total capital, last 5 quarters	9,717	9,511	9,211	8,980	8,399				
<b>Return on total capital (%)</b>	<b>13.3</b>	<b>14.8</b>	<b>15.7</b>	<b>14.3</b>	<b>14.6</b>				
Adj. profit after financial inc. and exp., rolling 12 months	1,293	1,410	1,444	1,282	1,227				
Capital employed, at the end of period	7,220	7,074	6,809	6,318	5,984	6,479	6,116	6,167	4,514
Average capital employed, last 5 quarters	6,681	6,533	6,341	6,213	5,852				
<b>Return on capital employed (%)</b>	<b>19.4</b>	<b>21.6</b>	<b>22.8</b>	<b>20.6</b>	<b>21.0</b>				
Operating profit (EBIT), rolling 12 months	1,167	1,293	1,333	1,281	1,232				
Capital employed, at the end of period	7,220	7,074	6,809	6,318	5,984	6,479	6,116	6,167	4,514
Cash and bank, at the end of period	-1,115	-1,407	-1,448	-1,400	-1,248	-1,563	-1,487	-1,438	-1,906
Operating capital, at the end of period	6,105	5,667	5,361	4,918	4,736	4,916	4,629	4,729	2,608
Average operating capital, latest 5 quarters	5,357	5,120	4,912	4,786	4,324				
<b>Return on operating capital (%)</b>	<b>21.8</b>	<b>25.3</b>	<b>27.1</b>	<b>26.8</b>	<b>28.5</b>				
Profit after tax, rolling 12 months	1,034	1,135	1,160	985	939				
Shareholders' equity, at the end of period	4,998	5,010	4,768	4,280	3,951	4,025	3,699	3,653	3,353
Average shareholders' equity, latest 5 quarters	4,601	4,407	4,145	3,922	3,736				
<b>Return on shareholders' equity (%)</b>	<b>22.5</b>	<b>25.8</b>	<b>28.0</b>	<b>25.1</b>	<b>25.1</b>				

## Parent Company income statement (summary)

SEK million	Q2 2022	Q2 2021	Q1 - Q2 2022	Q1 - Q2 2021	Rolling 12 months	Full year 2021
Net sales	18	17	37	37	69	69
Selling expenses	-2	-2	-4	-4	-8	-8
Administrative expenses	-16	-14	-30	-27	-60	-57
Other operating income	1	3	2	8	4	10
Other operating expenses	-15	-9	-32	-20	-50	-38
<b>Operating profit</b>	<b>-14</b>	<b>-5</b>	<b>-27</b>	<b>-6</b>	<b>-45</b>	<b>-24</b>
Profit from participations in Group companies	115	169	115	169	636	690
Financial income	12	-9	34	40	68	74
Financial expenses	-40	-5	-59	-11	-101	-53
<b>Profit after financial income and expense</b>	<b>73</b>	<b>150</b>	<b>63</b>	<b>192</b>	<b>558</b>	<b>687</b>
Appropriations	—	—	—	—	255	255
Tax	4	-4	13	3	-70	-80
<b>Profit after tax</b>	<b>77</b>	<b>146</b>	<b>76</b>	<b>195</b>	<b>743</b>	<b>862</b>
Depreciation/amortization	—	—	—	—	—	—

## Parent Company balance sheet (summary)

SEK million	30/06/2022	30/06/2021	31/12/2021
<b>Assets</b>			
Intangible fixed assets	—	1	—
Property, plant and equipment	1	1	1
Financial assets	4,013	3,595	3,821
Deferred tax assets	19	11	—
<b>Total fixed assets</b>	<b>4,033</b>	<b>3,608</b>	<b>3,822</b>
Other receivables	598	291	1,104
Cash and bank	109	144	60
<b>Total current assets</b>	<b>707</b>	<b>435</b>	<b>1,164</b>
<b>Total assets</b>	<b>4,740</b>	<b>4,043</b>	<b>4,986</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>2,671</b>	<b>2,414</b>	<b>3,107</b>
Untaxed reserves	285	269	285
Deferred tax liabilities	—	—	17
Other provisions	7	7	6
Long-term liabilities	1,461	693	1,275
Current liabilities	316	660	296
<b>Total shareholders' equity and liabilities</b>	<b>4,740</b>	<b>4,043</b>	<b>4,986</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 2022	37	-13	34	—	115	1,477	127
Subsidiary	Q1 - Q2 2021	37	-12	36	—	169	1,871	156

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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