

New financial targets and a revised dividend policy

The Board of Directors of Nolato has adopted new financial targets for the Group, and revised the dividend policy. According to the new targets, the Group is governed with a view to solid earnings, cash flow generation ability and a healthy financial risk level. The change should be seen in light of the current Group structure and advanced market positions.

The new financial targets, which should be seen over a business cycle, are as follows:

- Reaching an operating margin (EBITA) exceeding 10% (an increase from the previous target of at least 8%).
- Reaching cash conversion exceeding 75% of EBIT, measured as the ratio of cash flow after investments to EBIT. Financial expenses, tax and investments are charged to cash flow after investments, but not acquisitions or divestments. Cash conversion is a new target that stipulates opportunities to self-finance acquisitions and/or dividends for shareholders with funds generated internally.
- Reaching an equity/assets ratio exceeding 35% (unchanged).

Furthermore, the Board intends to propose a dividend each year exceeding 50% of profit after tax, with due consideration for Nolato's long-term development opportunities, financial position and investment requirement (an increase from the previous policy of a minimum of 35%).

“In recent years we have focused on creating a balanced Group structure with three business areas, combined with constantly strengthening our profitability. The new financial targets better reflect this strategic focus, while providing freedom to act financially in terms of new acquisitions and/or solid dividend potential for shareholders,” comments Chairman of the Board of Nolato, Fredrik Arp.

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Nolato is a Swedish group operating in Europe, Asia and North America. Sales in 2013 amounted to SEK 4.5 billion. We develop and manufacture products made from polymer materials such as plastic, silicone and TPE for leading customers in medical technology, pharmaceuticals, telecoms, automotive, hygiene and other selected industrial sectors. Nolato shares are listed on NASDAQ OMX Stockholm, where Nolato is a Mid Cap company in the Industrials sector.

The information is such which Nolato AB is obliged to disclose under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was made public on 28 April 2014 at 2.33 pm.

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