

## Nolato AB (publ) year-end report 2014

# Very strong profitability and solid financial position

## ■ Fourth quarter of 2014 in brief

- Sales amounted to SEK 1,242 million (985)
- Operating profit (EBITA) rose by 80% to SEK 164 million (91)
- Profit after tax was SEK 133 million (77)
- Earnings per share rose to SEK 5.06 (2.93)
- Cash flow after investments was SEK 90 million (165, excl. disposal)

## ■ Full year 2014 in brief

- Sales stood at SEK 4,234 million (4,522)
- Operating profit (EBITA) rose to SEK 470 million (427)
- The operating margin (EBITA) was 11.1% (9.4)
- Earnings per share rose to SEK 13.84 (11.94)
- The equity/assets ratio was 54% (52) and net financial assets were SEK 59 million (122)
- The Board of Directors proposes an increase in dividend to SEK 8.50 (8.00) per share.

## ■ Group highlights

SEK million unless otherwise specified	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales	1,242	985	4,234	4,522
Operating profit (EBITDA) <sup>1)</sup>	206	128	619	568
Operating profit (EBITA) <sup>2)</sup>	164	91	470	427
EBITA margin, %	13.2	9.2	11.1	9.4
Operating profit (EBIT) <sup>3)</sup>	160	87	454	411
Profit after financial income and expense <sup>4)</sup>	162	88	462	403
Profit after tax <sup>4)</sup>	133	77	364	314
Earnings per share, basic and diluted, SEK <sup>5)</sup> *	5.06	2.93	13.84	11.94
Adjusted earnings per share, SEK <sup>5) 6)</sup> *	5.17	3.04	14.29	12.39
Cash flow after investments, excl. acquisitions and disposals	90	165	127	362
Net investm. affecting cash flow, excl. acq. and disposals	48	58	203	150
Cash conversion, % <sup>7)</sup>	—	—	28	82
Return on capital employed, %	28.4	26.7	28.4	26.7
Return on shareholders' equity, %	25.0	24.9	25.0	24.9
Equity/assets ratio, %	54	52	54	52
Net financial assets	59	122	59	122

\*The company does not have any financial instrument programmes which involve any dilution in the number of shares.

<sup>1)</sup> Operating profit (EBITDA): Earnings before interest, taxes, depreciation and amortisation.

<sup>2)</sup> Operating profit (EBITA): Earnings before interest, taxes and amortisation of intangible assets arising from acquisitions.

<sup>3)</sup> Operating profit (EBIT): Earnings before interest and taxes.

<sup>4)</sup> Including non-recurring items of SEK 8 million (4) in full year.

<sup>5)</sup> Including non-recurring items of 0.30 SEK (0.34) in full year.

<sup>6)</sup> Adjusted earnings per share: Profit after tax, excluding amortisation of intangible assets arising from acquisitions, divided by the average number of shares.

<sup>7)</sup> 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.

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

## Fourth quarter 2014

- Sales rose by 19% to SEK 1,242 million (985), adjusted for currency and a company disposal
- Operating profit (EBITA) rose 80% to SEK 164 million (91), which is the strongest individual quarter to date for the Group
- Maintained strong financial position

### Sales

Consolidated sales increased to SEK 1,242 million (985). Adjusted for currency and a disposal, sales rose by 19%.

Nolato Medical's sales were SEK 334 million (313); adjusted for currency, sales increased 1%. Volumes were lower for Packaging, which was affected by lower demand in Eastern Europe. Other segments were positive.

Nolato Telecom's sales were SEK 633 million (395); adjusted for currency, sales increased 45%. Volumes were extraordinarily high in the quarter, as communicated in a press release on 19 December. Reasons for the upbeat performance were that several phone models of customers were a hit on the consumer market, and a sustained positive performance in electromagnetic shielding (EMC). The expansion of 3G/4G networks contribute to the increased sales in EMC.

Nolato Industrial's sales amounted to SEK 277 million (278); adjusted for currency and the disposal of operations, sales increased 3%. Volumes were stable and customers shut down production over the Christmas holiday period to a lesser extent than in the previous year.

### Profit

Consolidated operating profit (EBITA) increased to SEK 164 million (91).

Nolato Medical's operating profit (EBITA) rose to SEK 43 million (39), Nolato Telecom's to SEK 98 million (31) and Nolato Industrial's to SEK 29 million (27).

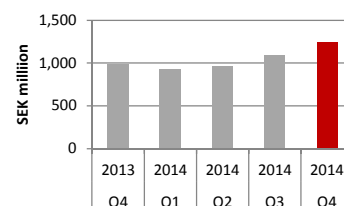
Nolato Medical's EBITA margin was 12.9% (12.5), and Nolato Telecom's was a very strong 15.5% (7.8). For Nolato Telecom, the high volumes had a positive effect, combined with an upbeat performance for EMC. The high margin was achieved thanks to a high level of flexibility and efficiency combined with long production runs and low scrappage. Nolato Industrial's EBITA margin was 10.5% (9.7). Capacity utilisation over the Christmas period was higher than in the same period of the previous year, giving a positive effect on margins. On the whole, the consolidated EBITA margin was a very strong 13.2% (9.2; adjusted for non-recurring items the margin was 8.8% in the previous year).

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

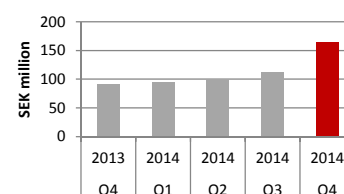
SEK million	Sales Q4/2014	Sales Q4/2013	Op. Profit EBITA Q4/2014	Op. Profit EBITA Q4/2013	EBITA margin Q4/2014	EBITA margin Q4/2013
Nolato Medical	334	313	43	39	12.9%	12.5%
Nolato Telecom	633	395	98	31	15.5%	7.8%
Nolato Industrial	277	278	29	27	10.5%	9.7%
Intra-Group adj., Parent Co	- 2	- 1	- 6	- 6	—	—
<b>Group total</b>	<b>1,242</b>	<b>985</b>	<b>164</b>	<b>91</b>	<b>13.2%</b>	<b>9.2%</b>

Operating profit (EBITA): Earnings before interest, taxes and amortisation of intangible assets arising from acquisitions.

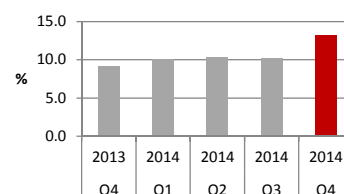
### Sales



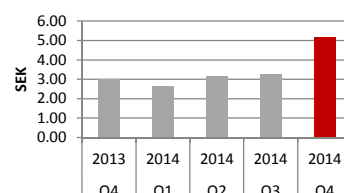
### Operating profit (EBITA)



### EBITA margin



### Adjusted earnings per share



Operating profit (EBIT) rose to SEK 160 million (87).

Profit after net financial income/expense was SEK 162 million (88). Net financial income/expense includes exchange rate fluctuations affecting earnings by SEK 3 million (2) in the fourth quarter.

Profit after tax increased to SEK 133 million (77). Earnings per share, basic and diluted, were SEK 5.06 (2.93). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 5.17 (3.04).

## Full year 2014

### ■ Sales and earnings

Consolidated sales in 2014 were SEK 4,234 million (4,522). Adjusted for currency and a disposal, sales fell 8%.

Nolato Medical's sales rose by 5% to SEK 1,333 million (1,274), Nolato Telecom's sales fell by 13% to SEK 1,799 million (2,079) and Nolato Industrial's rose by 4% adjusted for a company disposal, to SEK 1,106 million (1,170).

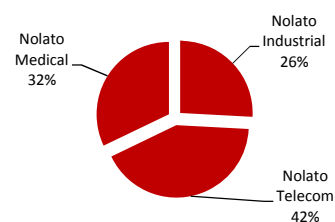
Consolidated operating profit (EBITA) amounted to SEK 470 million (427), giving an EBITA margin of 11.1% (9.4). Operating profit (EBIT) rose to SEK 454 million (411).

Profit after net financial income/expense was SEK 462 million (403).

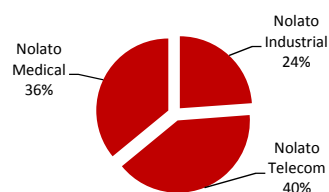
Profit after tax increased to SEK 364 million (314). Earnings per share, basic and diluted, rose to SEK 13.84 (11.94). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 14.29 (12.39). The effective tax rate was 21% (22). Return on capital employed rose to a strong 28.4% (26.7).

Return on equity was 25.0% (24.9). Cash generation was 28% (82). Cash generation was negatively affected by an increased need for working capital during the year, and temporarily higher investment.

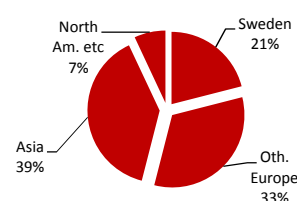
### ■ Business areas' share of sales



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



### ■ Sales by geographic markets



## Nolato Medical

Sales and profit full year (SEK million)	2014	2013
Sales	1,333	1,274
Operating profit (EBITA)	176	165
EBITA margin (%)	13.2	13.0
Operating profit (EBIT)	163	152

Nolato Medical's sales were SEK 1,333 million (1,274); adjusted for currency, sales were unchanged.

Operating profit (EBITA) rose to SEK 176 million (165). The EBITA margin was 13.2% (13.0). The margin was positively affected by high productivity.

During the year, capacity was extended in both China and Hungary for future growth, through new and extended factories in those countries.

## Nolato Telecom

Sales and profit full year (SEK million)	2014	2013
Sales	1,799	2,079
Operating profit (EBITA)	199	166
EBITA margin (%)	11.1	8.0
Operating profit (EBIT)	199	166

Nolato Telecom's sales were SEK 1,799 million (2,079); adjusted for currency, sales fell 18%. Sales rose sequentially during the year, and volumes in the fourth quarter were extraordinarily high. Reasons for the upbeat performance in the second half of the year were that several phone models of customers were a hit on the consumer market, and a sustained positive performance for Nolato's electromagnetic shielding operations (EMC). However, the high volumes on the consumer market are considered temporary, and are expected to return to a more normal level in the first quarter of 2015.

Operating profit (EBITA) rose to SEK 199 million (166). The EBITA margin rose to 11.1% (8.0). A high level of efficiency and long production runs through the very high volumes, combined with an upbeat performance for the EMC operations, generated an extraordinarily high margin in the fourth quarter. During the year, a new production unit for EMC was established in Malaysia.

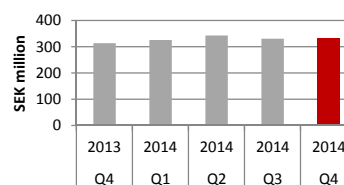
## Nolato Industrial

Sales and profit full year (SEK million)	2014	2013
Sales	1,106	1,170
Operating profit (EBITA)	118	119
EBITA margin (%)	10.7	10.2
Operating profit (EBIT)	115	116

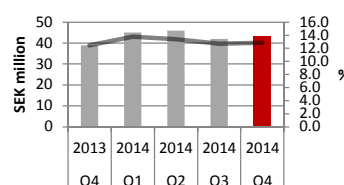
Nolato Industrial's sales amounted to SEK 1,106 million (1,170). Adjusted for currency and a company disposal, sales rose by 3%. Demand in the automotive segment was good, while the majority of other segments were stable. Increased market share gives a positive effect.

Operating profit (EBITA) totalled SEK 118 million (119), with a strong EBITA margin of 10.7% (10.2). Successful lean initiatives had a positive effect on the margin.

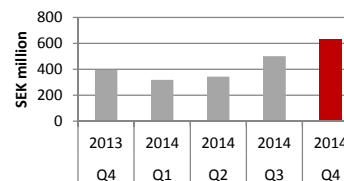
## Nolato Medical sales



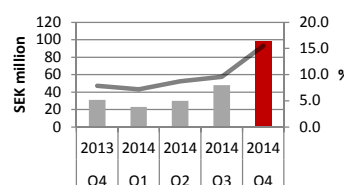
## Nolato Medical operating profit (EBITA) & EBITA margin



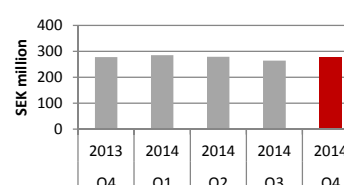
## Nolato Telecom sales



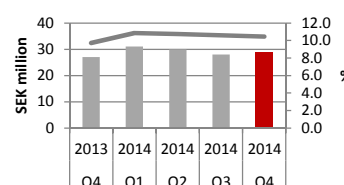
## Nolato Telecom operating profit (EBITA) & EBITA margin



## Nolato Industrial sales



## Nolato Industrial operating profit (EBITA) & EBITA margin



## Cash flow

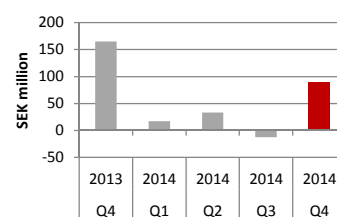
Heightened activity and an upbeat sales trend in the fourth quarter brought about increased accounts and project receivables in 2014. Combined with higher investments than in 2013, this led to a reduction in cash flow after investments to SEK 127 million (362 excluding a company disposal). The change in working capital was a negative SEK 208 million (+61).

Net investments affecting cash flow rose to SEK 203 million (150 excluding a company disposal). Expansion in China, Hungary and Malaysia, combined with increased machinery capacity, involve temporarily higher investment.

## Financial position

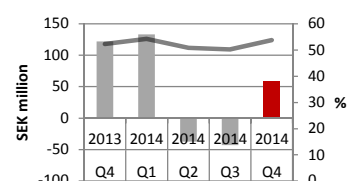
Interest-bearing assets totalled SEK 256 million (318), and interest-bearing liabilities and provisions totalled SEK 197 million (196). Net financial assets thus totalled SEK 59 million (122). Shareholders' equity stood at SEK 1,567 million (1,348). The equity/assets ratio was 54% (52). In the second quarter, dividends totalling SEK 210 million (158) were paid out.

## Cash flow after investments



Excluding acquisitions and disposals

## Net financial assets (+) liabilities (-) & assets/equity ratio



## Consolidated performance analysis

SEK million	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales	1,242	985	4,234	4,522
Gross profit excl. depreciation/amortisation	272	182	859	790
<i>As a percentage of net sales</i>	<i>21.9</i>	<i>18.5</i>	<i>20.3</i>	<i>17.5</i>
Costs	- 66	- 54	- 240	- 222
<i>As a percentage of net sales</i>	<i>5.3</i>	<i>5.5</i>	<i>5.7</i>	<i>4.9</i>
Operating profit (EBITDA)	206	128	619	568
<i>As a percentage of net sales</i>	<i>16.6</i>	<i>13.0</i>	<i>14.6</i>	<i>12.6</i>
Depreciation and amortisation	- 42	- 37	- 149	- 141
Operating profit (EBIT)	164	91	470	427
<i>As a percentage of net sales</i>	<i>13.2</i>	<i>9.2</i>	<i>11.1</i>	<i>9.4</i>
Amortisation of intang. assets arising from acquisitions	- 4	- 4	- 16	- 16
Operating profit (EBIT)	160	87	454	411
Financial income and expense	2	1	8	- 8
Profit after financial income and expense	162	88	462	403
Tax	- 29	- 11	- 98	- 89
<i>As a percentage of Profit after financial income and expense</i>	<i>17.9</i>	<i>12.5</i>	<i>21.2</i>	<i>22.1</i>
Profit after tax	133	77	364	314

## Financial position

SEK million	31/12/2014	31/12/2013
Interest-bearing liabilities, credit institutions	- 69	- 85
Interest-bearing pension liabilities	- 128	- 111
<b>Total borrowings</b>	<b>- 197</b>	<b>- 196</b>
Cash and bank	256	318
<b>Net financial assets</b>	<b>59</b>	<b>122</b>
Working capital	107	29
<i>As a percentage of sales (avg.) (%)</i>	<i>1.6</i>	<i>1.3</i>
Capital employed	1,764	1,544
<i>Return on capital employed (avg.) (%)</i>	<i>28.4</i>	<i>26.7</i>
Shareholders' equity	1,567	1,348
<i>Return on shareholders' equity (avg.) (%)</i>	<i>25.0</i>	<i>24.9</i>

## ■ Personnel

The average number of employees for the year was 8,020 (9,357). The reduction in the number of employees is chiefly attributable to lower volumes at the outset of the year for Nolato Telecom's operations in China.

## ■ Significant risks and uncertainty factors

The business risks and risk management of the Group and the Parent Company, along with the management of financial risks, are described in the 2013 Annual Report on pages 14, 48 – 49, and in Note 4 on pages 59 – 60.

No significant events have occurred during the period that would significantly affect or change these descriptions of the Group's and the Parent Company's risks or the management thereof.

## ■ Events after the balance sheet date

No significant events have occurred since the end of the period.

## ■ Dividend

The Board of Directors and President and CEO have resolved to propose to the Annual General Meeting an increase in the dividend to SEK 8.50 per share (ordinary dividend SEK 4.00, extraordinary dividend SEK 4.00, totalling SEK 8.00), equalling SEK 224 million (210). The payout ratio is 61% (67). The dividend yield was 4.8% in relation to the listed price on 31 December 2014. Nolato's dividend policy is to propose a dividend exceeding 50% of profit after tax, with due consideration for Nolato's long-term development opportunities, financial position and investment need.

## ■ Ownership and legal structure

Nolato AB (publ), Swedish corporate identity number 556080-4592, is the Parent Company of the Nolato Group.

Nolato's B shares are listed on the NASDAQ Nordic Exchange in the Stockholm Mid Cap segment and are included in the Industrials sector.

There were 9,409 shareholders per 31 December. The largest shareholders are the Jorlén family with 10%, the Boström family with 9%, Skandia Fonder with 3%, Svolder with 3%, the Paulsson family with 3% and Odin Fonder with 3% of the capital.

## ■ The Parent Company

Sales totalled SEK 29 million (23) and has increased by higher costs charged to subsidiaries. Profit after financial income and expense was SEK 85 million (85).

## ■ 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 consolidated year-end report has been prepared in accordance with IAS 34 (Interim Financial Reporting) and the applicable provisions of the Swedish Annual Accounts Act. The Swedish Securities Market Act has been applied in relation to publication of this interim report.

The consolidated accounts have been prepared in accordance with the same principles as those applied in the most recent Annual Report, which are described in the 2013 Annual Report on pages 56 – 58.

The new or revised IFRS standards or interpretations by IFRS Interpretations Committee, which came into effect on 1 January 2014, have not had any material effect on the consolidated income statement or balance sheet.

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

## ■ Annual General Meeting

The Annual General Meeting will be held on 29 April 2015 at 4 pm in Grevie, Sweden. Any shareholders wishing to submit proposals to the Nomination Committee can contact the Chairman of the Nomination Committee, Henrik Jorlén, by e-mail to [henrik.jorlen@gmail.com](mailto:henrik.jorlen@gmail.com) or by post to Kommendörsgatan 4, 269 77 Torekov, Sweden.

## ■ Financial calendar

- 2014 Annual Report: Nolato's Annual Report will be published on the company's website, [www.nolato.se](http://www.nolato.se), during week 13. A copy of the Annual Report will also be sent to those Nolato shareholders who have specifically requested such.
- Three-month interim report 2015: 29 April 2015
- 2015 Annual General Meeting: 29 April 2015
- Six-month interim report 2015: 21 July 2015
- Nine-month interim report 2015: 28 October 2015

*Torekov, 5 February 2015*  
*Nolato AB (publ)*  
*The Board of Directors*

## ■ Contact:

- Hans Porat, President and CEO, tel. +46705 517550.
- Per-Ola Holmström, CFO, tel. +46705 763340.

*The information contained in this interim report is the information which Nolato is obliged to make public in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was made public on 5 February 2015 at 2:30 PM.*

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

## Consolidated income statement (summary)

SEK million	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales	1,242	985	4,234	4,522
Cost of goods sold	- 1,011	- 838	- 3,520	- 3,868
<b>Gross profit</b>	<b>231</b>	<b>147</b>	<b>714</b>	<b>654</b>
Other operating income	—	15	5	19
Selling expenses	- 28	- 23	- 101	- 89
Administrative expenses	- 41	- 44	- 162	- 165
Other operating expenses	- 2	- 8	- 2	- 8
	- 71	- 60	- 260	- 243
<b>Operating profit</b>	<b>160</b>	<b>87</b>	<b>454</b>	<b>411</b>
Financial income and expense	2	1	8	- 8
<b>Profit after financial income and expense</b>	<b>162</b>	<b>88</b>	<b>462</b>	<b>403</b>
Tax	- 29	- 11	- 98	- 89
<b>Profit after tax</b>	<b>133</b>	<b>77</b>	<b>364</b>	<b>314</b>
All earnings are attrib. to the Parent Co.'s shareholders				
Depreciation/amortisation	46	41	165	157
Earnings per share, basic and diluted (SEK)	5.06	2.93	13.84	11.94
Number of shares at the end of the period	26,307,408	26,307,408	26,307,408	26,307,408
Average number of shares	26,307,408	26,307,408	26,307,408	26,307,408

## Consolidated comprehensive income

SEK million	Note	Q4 2014	Q4 2013	Full year 2014	Full year 2013
<b>Profit after tax</b>		<b>133</b>	<b>77</b>	<b>364</b>	<b>314</b>
<b>Other comprehensive income</b>					
<i>Items that cannot be transferred to profit for the period</i>					
Revaluations of defined benefit pension plans		- 11	9	- 20	9
Tax attributable to items that cannot be transferred to profit for the period		2	- 2	4	- 2
		<b>- 9</b>	<b>7</b>	<b>- 16</b>	<b>7</b>
<i>Items that have been converted or can be converted into profit for the period</i>					
Translation differences for the period on transl. of foreign oper.		43	15	84	15
Changes in the fair val. of cash flow hedges for the per.	1	- 1	- 1	- 4	—
Tax attr. to changes in the fair val. of cash flow hedges	1	—	—	1	—
		<b>42</b>	<b>14</b>	<b>81</b>	<b>15</b>
<b>Other comprehensive income, net of tax</b>		<b>33</b>	<b>21</b>	<b>65</b>	<b>22</b>
<b>Total comp. income for the period attributable to the Parent Co.'s shareholders</b>		<b>166</b>	<b>98</b>	<b>429</b>	<b>336</b>

## Reconciliation of consolidated income before tax

SEK million	Full year 2014	Full year 2013
<b>Operating profit (EBIT)</b>		
Nolato Medical	163	152
Nolato Telecom	199	166
Nolato Industrial	115	116
Group adjustments, Parent Company	- 23	- 23
<b>Consolidated operating profit (EBIT)</b>	<b>454</b>	<b>411</b>
Financial income and expense (not distributed by business areas)	8	- 8
<b>Consolidated profit before tax</b>	<b>462</b>	<b>403</b>



## ■ Consolidated balance sheet (summary)

SEK million	Note	31/12/2014	31/12/2013
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible non-current assets		549	538
Property, plant and equipment		894	733
Non-current financial assets		2	2
Other non-current receivables		1	2
Deferred tax assets		45	36
<b>Total fixed assets</b>		<b>1,491</b>	<b>1,311</b>
<b>Current assets</b>			
Inventories		264	259
Accounts receivable		755	598
Other current assets	1	148	87
Cash and bank		256	318
<b>Total current assets</b>		<b>1,423</b>	<b>1,262</b>
<b>Total assets</b>		<b>2,914</b>	<b>2,573</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>		<b>1,567</b>	<b>1,348</b>
Long-term liabilities and provisions <sup>1)</sup>		157	141
Deferred tax liabilities <sup>1)</sup>		61	84
Current liabilities and provisions <sup>1)</sup>	1	1,129	1,000
<b>Total liabilities and provisions</b>		<b>1,347</b>	<b>1,225</b>
<b>Total shareholders' equity and liabilities</b>		<b>2,914</b>	<b>2,573</b>
<sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions		197	196
Non-interest-bearing liabilities and provisions		1,150	1,029
<b>Total liabilities and provisions</b>		<b>1,347</b>	<b>1,225</b>

## ■ Changes in consolidated shareholders' equity (summary)

SEK million	Full year 2014	Full year 2013
<b>Shareholders' equity at the beginning of the period</b>	<b>1,348</b>	<b>1,170</b>
Total comprehensive income for the period	429	336
Dividends	– 210	– 158
<b>Shareholders' equity at the end of period attrib. to Parent Co's shareholders</b>	<b>1,567</b>	<b>1,348</b>

In 2014, a dividend totalling SEK 210 million was paid to the Parent Company's shareholders, corresponding to an ordinary dividend of SEK 4.00 and extraordinary dividend of SEK 4.00, totalling SEK 8.00 per share. The Group does not have any incentive programmes resulting in a dilutive effect in the number of shares.

## Consolidated cash flow statement (summary)

SEK million	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Cash flow from op. activities bef. changes in working capital	201	120	538	451
Changes in working capital	- 63	103	- 208	61
<b>Cash flow from operating activities</b>	<b>138</b>	<b>223</b>	<b>330</b>	<b>512</b>
Cash flow from investment activities	- 48	- 52	- 203	- 144
<b>Cash flow before financing activities</b>	<b>90</b>	<b>171</b>	<b>127</b>	<b>368</b>
Cash flow from financing activities	- 62	- 115	- 227	- 327
<b>Cash flow for the period</b>	<b>28</b>	<b>56</b>	<b>- 100</b>	<b>41</b>
<b>Liquid assets at the beginning of the period</b>	<b>206</b>	<b>256</b>	<b>318</b>	<b>272</b>
Exchange rate difference in liquid assets	22	6	38	5
<b>Liquid assets at the end of the period</b>	<b>256</b>	<b>318</b>	<b>256</b>	<b>318</b>

## Earnings per share

SEK million	Q4 2014	Q4 2013	Full year 2014	Full year 2013
<b>Profit after tax</b>	<b>133</b>	<b>77</b>	<b>364</b>	<b>314</b>
Adjusted earnings:				
Amortisation of intangible assets arising from acquis.	4	4	16	16
Tax on amortisation	- 1	- 1	- 4	- 4
<b>Adjusted earnings</b>	<b>136</b>	<b>80</b>	<b>376</b>	<b>326</b>
Average number of shares *	26,307,408	26,307,408	26,307,408	26,307,408
Earnings per share, basic and diluted (SEK) *	5.06	2.93	13.84	11.94
Adjusted earnings per share (SEK) *	5.17	3.04	14.29	12.39

\* The company does not have any ongoing financial instrument programmes which involve any dilution in the number of shares.

## Five-year overview

	2014	2013	2012	2011	2010
Net sales (SEK million)	4,234	4,522	3,874	2,977	3,375
Operating profit (EBITA) (SEK million)	470	427	303	199	262
EBITA margin (%)	11.1	9.4	7.8	6.7	7.8
Operating profit (EBIT) (SEK million)	454	411	287	190	253
Profit after financial income and expense (SEK million)	462	403	272	183	243
Profit after tax (SEK million)	364	314	202	132	187
Cash flow after investments, excl. acq. and disposals (SEK million)	127	362	317	112	230
Cash conversion (%)	28	82	111	45	91
Return on capital employed (%) *	28.4	26.7	19.4	13.9	18.4
Return on shareholders' equity (%) *	25.0	24.9	17.7	11.6	16.5
Net financial assets (+) liabilities (-) (SEK million) *	59	122	- 113	- 119	- 34
Equity/assets ratio (%) *	54	52	44	52	50
Earnings per share (SEK)	13.84	11.94	7.68	5.02	7.11
Adjusted earnings per share (SEK)	14.29	12.39	8.13	5.28	7.37
Dividend per share (2014 proposal) (SEK)	8.50	8.00	6.00	5.00	6.00
Average number of employees	8,020	9,357	8,421	5,496	7,563

\* The year 2010 has not been restated for the amendment of pension provisions in IAS 19, which means that the corridor method to even out actuarial gains / losses no longer applies.

## Quarterly data (summary)

		Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	2014	932	965	1,095	1,242	4,234
	2013	1,254	1,164	1,119	985	4,522
	2012	837	1,046	999	992	3,874
Operating profit (EBITDA) (SEK million)	2014	129	135	149	206	619
	2013	157	147	136	128	568
	2012	91	117	118	118	444
Operating profit (EBITA) (SEK million)	2014	94	100	112	164	470
	2013	122	111	103	91	427
	2012	57	81	84	81	303
EBITA margin (%)	2014	10.1	10.4	10.2	13.2	11.1
	2013	9.7	9.5	9.2	9.2	9.4
	2012	6.8	7.7	8.4	8.2	7.8
Operating profit (EBIT) (SEK million)	2014	90	96	108	160	454
	2013	118	107	99	87	411
	2012	55	77	79	76	287
Profit after financial income and expense (SEK million)	2014	88	104	108	162	462
	2013	113	105	97	88	403
	2012	51	74	74	73	272
Profit after tax (SEK million)	2014	67	81	83	133	364
	2013	85	78	74	77	314
	2012	37	54	52	59	202
Cash flow after inv., excl. acq. and disp. (SEK million)	2014	17	33	– 13	90	127
	2013	16	120	61	165	362
	2012	– 32	56	83	210	317
Earnings per share, basic and diluted (SEK)	2014	2.55	3.08	3.15	5.06	13.84
	2013	3.23	2.97	2.81	2.93	11.94
	2012	1.41	2.05	1.98	2.24	7.68
Adjusted earnings per share (SEK)	2014	2.66	3.19	3.27	5.17	14.29
	2013	3.35	3.07	2.93	3.04	12.39
	2012	1.44	2.17	2.13	2.39	8.13
Shareholders' equity per share (SEK)	2014	53	49	53	60	60
	2013	47	45	48	51	51
	2012	43	41	42	44	44
Return on total capital (%)	2014	14.3	14.3	14.3	17.1	17.1
	2013	13.6	13.7	15.0	15.9	15.9
	2012	9.4	9.8	10.9	11.9	11.9
Return on capital employed (%)	2014	24.7	24.1	24.6	28.4	28.4
	2013	23.3	23.0	25.5	26.7	26.7
	2012	15.2	15.9	17.8	19.4	19.4
Return on operating capital (%)	2014	29.1	28.0	27.4	33.0	33.0
	2013	26.3	26.9	28.8	32.6	32.6
	2012	16.9	17.2	19.6	22.6	22.6
Return on shareholders' equity (%)	2014	22.3	24.0	23.2	25.0	25.0
	2013	20.9	24.2	25.2	24.9	24.9
	2012	12.3	15.2	15.9	17.7	17.7

## Quarterly data business areas

Net sales (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2014	326	343	330	334	1,333
	2013	328	323	310	313	1,274
	2012	246	315	288	310	1,159
Nolato Telecom	2014	320	344	502	633	1,799
	2013	627	541	516	395	2,079
	2012	287	423	444	394	1,548
Nolato Industrial	2014	286	279	264	277	1,106
	2013	299	300	293	278	1,170
	2012	304	309	268	289	1,170
Group adjustments, Parent Company	2014	—	— 1	— 1	— 2	— 4
	2013	—	—	—	— 1	— 1
	2012	—	— 1	— 1	— 1	— 3
Group total	2014	932	965	1,095	1,242	4,234
	2013	1,254	1,164	1,119	985	4,522
	2012	837	1,046	999	992	3,874

Operating profit (EBITA) (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2014	45	46	42	43	176
	EBITA margin (%)	13.8	13.4	12.7	12.9	13.2
	2013	43	42	41	39	165
Nolato Medical	EBITA margin (%)	13.1	13.0	13.2	12.5	13.0
	2012	31	36	32	34	133
	EBITA margin (%)	12.6	11.4	11.1	11.0	11.5
Nolato Telecom	2014	23	30	48	98	199
	EBITA margin (%)	7.2	8.7	9.6	15.5	11.1
	2013	57	43	35	31	166
Nolato Telecom	EBITA margin (%)	9.1	7.9	6.8	7.8	8.0
	2012	7	21	35	33	96
	EBITA margin (%)	2.4	5.0	7.9	8.4	6.2
Nolato Industrial	2014	31	30	28	29	118
	EBITA margin (%)	10.8	10.8	10.6	10.5	10.7
	2013	29	30	33	27	119
Nolato Industrial	EBITA margin (%)	9.7	10.0	11.3	9.7	10.2
	2012	28	29	24	24	105
	EBITA margin (%)	9.2	9.4	9.0	8.3	9.0
Group adjustments, Parent Company	2014	— 5	— 6	— 6	— 6	— 23
	2013	— 7	— 4	— 6	— 6	— 23
	2012	— 9	— 5	— 7	— 10	— 31
Group total	2014	94	100	112	164	470
	EBITA margin (%)	10.1	10.4	10.2	13.2	11.1
	2013	122	111	103	91	427
Group total	EBITA margin (%)	9.7	9.5	9.2	9.2	9.4
	2012	57	81	84	81	303
	EBITA margin (%)	6.8	7.7	8.4	8.2	7.8

Depreciation/amortisation (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2014	18	19	19	20	76
	2013	18	20	18	19	75
	2012	15	18	19	20	72
Nolato Telecom	2014	10	10	11	14	45
	2013	10	10	9	10	39
	2012	10	10	10	11	41
Nolato Industrial	2014	11	10	11	12	44
	2013	11	10	10	12	43
	2012	11	12	10	11	44
Group total	2014	39	39	41	46	165
	2013	39	40	37	41	157
	2012	36	40	39	42	157

## ■ Group financial highlights

	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales (SEK million)	1,242	985	4,234	4,522
Sales growth (%)	26	– 1	– 6	17
Percentage of sales outside Sweden (%)	82	78	79	80
Operating profit (EBITDA) (SEK million)	206	128	619	568
Operating profit (EBITA) (SEK million)	164	91	470	427
EBITA margin (%)	13.2	9.2	11.1	9.4
Profit after financial income and expense (SEK million)	162	88	462	403
Profit margin (%)	13.0	8.9	10.9	8.9
Profit after tax (SEK million)	133	77	364	314
Return on total capital (%)	17.1	15.9	17.1	15.9
Return on capital employed (%)	28.4	26.7	28.4	26.7
Return on operating capital (%)	33.0	32.6	33.0	32.6
Return on shareholders' equity (%)	25.0	24.9	25.0	24.9
Equity/assets ratio (%)	54	52	54	52
Debt/equity (%)	13	15	13	15
Interest coverage ratio (times)	148	38	58	37
Net investments affecting cash flow, excl. acq. and disposals (SEK million)	48	58	203	150
Cash flow after inv., excl. acq. and disp. (SEK million)	90	165	127	362
Cash conversion (%)	—	—	28	82
Net financial assets (SEK million)	59	122	59	122
Earnings per share, basic and diluted (SEK)	5.06	2.93	13.84	11.94
Adjusted earnings per share (SEK)	5.17	3.04	14.29	12.39
Cash flow per share, excl. acq. and disposals (SEK)	3.42	6.27	4.83	13.76
Shareholders' equity per share (SEK)	—	—	60	51
Average number of employees	—	—	8,020	9,357

## Definitions

### Return on total capital

Profit after financial income and expense, plus financial expenses as a percentage of average total capital in the balance sheet.

### 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.

### EBITA margin

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

### Adjusted earnings per share

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

### Cash flow per share

Cash flow before financing activities, divided by the average number of shares.

### 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.

### Net debt

Interest-bearing liabilities and provisions less interest-bearing assets.

### Earnings per share

Profit after tax, divided by the average number of shares.

### Interest coverage ratio

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

### Operating profit (EBITDA)

Earnings before interest, taxes and depreciation/amortisation.

### Operating profit (EBITA)

Earnings before interest, taxes and amortisation of intangible assets arising from acquisitions.

### Operating profit (EBIT)

Earnings before interest and taxes.

### Debt/equity ratio

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

### Equity/assets ratio

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

### Profit margin

Profit after financial income and expense as a percentage of net sales.

## ■ Parent Company income statement (summary)

SEK million	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales	7	3	29	23
Other operating income	- 1	—	—	2
Selling expenses	- 2	- 2	- 11	- 8
Administrative expenses	- 14	- 15	- 50	- 48
Other operating expenses	- 4	—	- 4	—
<b>Operating profit</b>	<b>- 14</b>	<b>- 14</b>	<b>- 36</b>	<b>- 31</b>
Profit from participations in Group companies	74	100	91	113
Financial income	- 10	6	34	22
Financial expenses	- 1	- 13	- 4	- 19
<b>Profit after financial income and expense</b>	<b>49</b>	<b>79</b>	<b>85</b>	<b>85</b>
Appropriations	291	157	291	157
Tax	- 67	- 38	- 66	- 48
<b>Profit after tax</b>	<b>273</b>	<b>198</b>	<b>310</b>	<b>194</b>
Depreciation/amortisation	—	—	—	—

## ■ Parent Company balance sheet (summary)

SEK million	31/12/2014	31/12/2013
<b>Assets</b>		
Intangible fixed assets	—	1
Property, plant and equipment	1	—
Financial assets	1,127	1,030
Deferred tax assets	6	4
<b>Total fixed assets</b>	<b>1,134</b>	<b>1,035</b>
Other receivables	428	349
Cash and bank	17	40
<b>Total current assets</b>	<b>445</b>	<b>389</b>
<b>Total assets</b>	<b>1,579</b>	<b>1,424</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	1,033	935
Untaxed reserves	161	181
Other provisions	9	6
Current liabilities	376	302
<b>Total shareholders' equity and liabilities</b>	<b>1,579</b>	<b>1,424</b>
Pledged assets	—	—
Contingent liabilities	133	98

### Transactions with related parties:

SEK million	Period	Services sold	Services bought	Interest income	Interest expenses	Res. from shares in Group comp.	Rec. fr. rel. part. on bal. sh. date	Liab. to rel. part. on bal. sh. date
Related party								
Subsidiary	Full year 2014	29	- 4	19	—	91	816	283
Subsidiary	Full year 2013	23	- 4	22	—	113	764	175

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.



## NOTES

### Note 1 Financial instruments

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

SEK million	31/12/2014	31/12/2013
<b>Other receivables</b>		
Derivative assets	—	3
<b>Other liabilities</b>		
Derivative liabilities	10	—