



## Nolato AB (publ) three-month interim report 2015

# Increased profit and strong cash flow

### ■ First quarter of 2015 in brief

- Sales rose by 15% to SEK 1,073 million (932)
- Operating profit (EBITA) increased to SEK 123 million (94)
- Strong EBITA margin of 11.5% (10.1)
- Profit after tax was SEK 93 million (67)
- Earnings per share were SEK 3.54 (2.55)
- Cash flow after investments totalled SEK 104 million (17)

### ■ Group highlights

SEK million unless otherwise specified	Q1 2015	Q1 2014	Rolling 12 months	Full year 2014
Net sales	1,073	932	4,375	4,234
Operating profit (EBITDA) <sup>1)</sup>	164	129	654	619
Operating profit (EBITA) <sup>2)</sup>	123	94	499	470
EBITA margin, %	11.5	10.1	11.4	11.1
Operating profit (EBIT) <sup>3)</sup>	119	90	483	454
Profit after financial income and expense	121	88	495	462
Profit after tax	93	67	390	364
Earnings per share, basic and diluted, SEK*	3.54	2.55	14.82	13.84
Adjusted earnings per share, SEK <sup>4)</sup> *	3.65	2.66	15.28	14.29
Cash flow after investments, excl. acquisitions and disposals	104	17	214	127
Net investments affecting cash flow, excl. acquisitions and disposals	113	44	272	203
Cash conversion, % <sup>5)</sup>	—	—	44	28
Return on capital employed, %	28.5	24.7	28.5	28.4
Return on shareholders' equity, %	25.1	22.3	25.1	25.0
Equity/assets ratio, %	54	54	54	54
Net financial assets (+) / liabilities (-)	192	133	192	59

\*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> Adjusted earnings per share: Profit after tax, excluding amortisation of intangible assets arising from acquisitions, divided by the average number of shares.

<sup>5)</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.

## First quarter 2015

- Sales rose to SEK 1,073 million (932); adjusted for currency, sales increased by 1%
- Operating profit (EBITA) rose by 31% to SEK 123 million (94)
- Strong EBITA margin of 11.5% (10.1)
- Strong cash flow and solid financial position

### Sales

Consolidated sales rose to SEK 1,073 million (932). Adjusted for currency, sales increased by 1%.

Nolato Medical's sales were SEK 344 million (326); adjusted for currency, sales decreased by 4%. Packaging volumes remained lower in Eastern Europe. Other segments were stable. In addition, lower raw material prices had a negative impact on sales.

Nolato Telecom's sales were SEK 418 million (320); adjusted for currency, sales increased by 2%. Volumes are at a lower level compared with the exceptionally strong fourth quarter of 2014, but business in electromagnetic compatibility (EMC) continued its positive performance.

Nolato Industrial's sales amounted to SEK 312 million (286); adjusted for currency, sales increased by 5%. Demand in the automotive segment was good and this business area's growing market share had a positive effect.

### Profit

Consolidated operating profit (EBITA) rose to SEK 123 million (94), of which SEK 8 million net was attributable to currency effects.

Nolato Medical's operating income (EBITA) increased to SEK 46 million (45), Nolato Telecom's to SEK 47 million (23) and Nolato Industrial's to SEK 34 million (31).

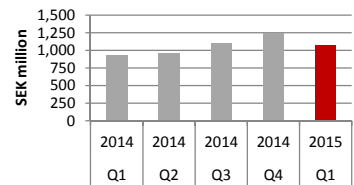
The EBITA margin for Nolato Medical was 13.4% (13.8). For Nolato Telecom it was a strong 11.2% (7.2). The higher margin was due to a good product mix, high efficiency and positive performance by EMC.

Nolato Industrial's EBITA margin was 10.9% (10.8). Overall, the Group's EBITA margin was a strong 11.5% (10.1).

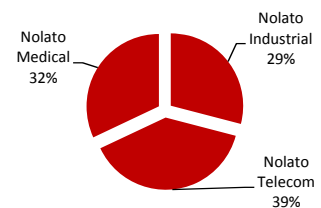
Operating profit (EBIT) rose to SEK 119 million (90).

Profit after net financial income/expense was SEK 121 million (88). These net financial items included currency exchange rate effects of SEK 3 million (-1).

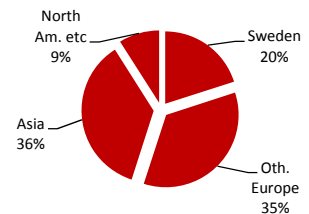
### Sales



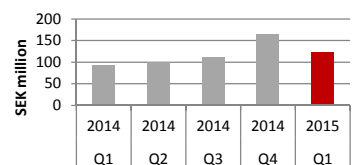
### Business areas' share of sales



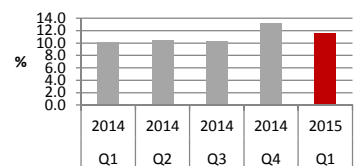
### Sales by geographic markets



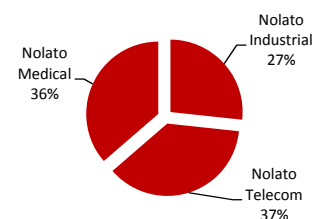
### Operating profit (EBITA)



### EBITA margin

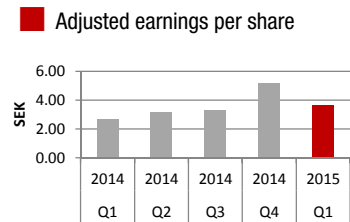


### Business areas' share of operating profit (EBITA)



Profit after tax increased to SEK 93 million (67). Earnings per share, basic and diluted, stood at SEK 3.54 (2.55). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 3.65 (2.66). The effective tax rate was 23% (24).

Return on capital employed was 28.5% for the last 12-month period (28.4% for the 2014 calendar year). Return on equity was 25.1% for the last 12-month period (25.0% for the 2014 calendar year).



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

SEK million	Sales Q1/2015	Sales Q1/2014	Op. Profit EBITA Q1/2015	Op. Profit EBITA Q1/2014	EBITA margin Q1/2015	EBITA margin Q1/2014
Nolato Medical	344	326	46	45	13.4%	13.8%
Nolato Telecom	418	320	47	23	11.2%	7.2%
Nolato Industrial	312	286	34	31	10.9%	10.8%
Intra-Group adj., Parent Co	- 1	—	- 4	- 5	—	—
<b>Group total</b>	<b>1,073</b>	<b>932</b>	<b>123</b>	<b>94</b>	<b>11.5%</b>	<b>10.1%</b>

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

### Nolato Medical

Sales and profit Q1 (SEK million)	2015	2014
Sales	344	326
Operating profit (EBITA)	46	45
EBITA margin (%)	13.4	13.8
Operating profit (EBIT)	43	42

Nolato Medical's sales were SEK 344 million (326); adjusted for currency, sales decreased by 4%. Packaging volumes remained lower in Eastern Europe. Furthermore price adjustments owing to lower raw material prices and thereby related customer price clauses, had a negative impact of almost two percentage points on the business area's sales. Other segments were stable. The Technical Design Center (TDC) experienced a high level of activity and healthy project activity.

Operating income (EBITA) was SEK 46 million (45). The EBITA margin was a strong 13.4% (13.8).

### Nolato Telecom

Sales and profit Q1 (SEK million)	2015	2014
Sales	418	320
Operating profit (EBITA)	47	23
EBITA margin (%)	11.2	7.2
Operating profit (EBIT)	47	23

Nolato Telecom's sales were SEK 418 million (320); adjusted for currency, sales increased by 2%. Volumes are at a lower level compared with the exceptionally strong fourth quarter of 2014, but electromagnetic compatibility (EMC) business continued to show positive performance.

Nolato Telecom's innovation was showcased at the CES and MWC trade fairs in Las Vegas and Barcelona, respectively.

Operating income (EBITA) doubled to SEK 47 million (23). The EBITA margin was a strong 11.2% (7.2). The higher margin was due to a good product mix, high efficiency and positive performance by EMC.

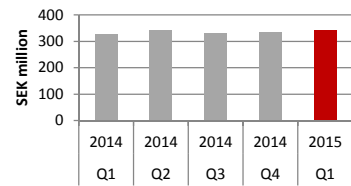
### Nolato Industrial

Sales and profit Q1 (SEK million)	2015	2014
Sales	312	286
Operating profit (EBITA)	34	31
EBITA margin (%)	10.9	10.8
Operating profit (EBIT)	33	30

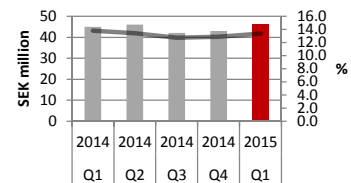
Nolato Industrial's sales amounted to SEK 312 million (286); adjusted for currency, sales increased by 5%. Demand in the automotive segment has been good and this business area's growing market share has had a positive effect. Investments in capacity and new project start-ups are continuing.

Operating profit (EBITA) rose to SEK 34 million (31), with a strong EBITA margin of 10.9% (10.8).

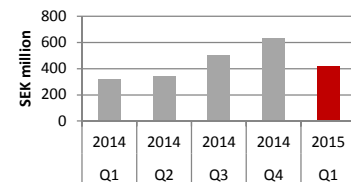
### Nolato Medical sales



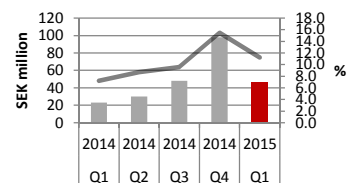
### Nolato Medical operating profit (EBITA) & EBITA margin %



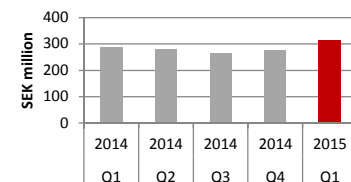
### Nolato Telecom sales



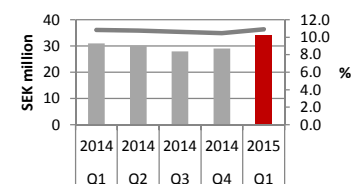
### Nolato Telecom operating profit (EBITA) & EBITA margin %



### Nolato Industrial sales



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



## Cash flow

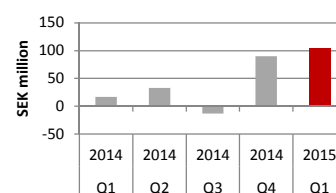
The strong earnings had a positive impact on cash flow. The lower working capital requirements compared with the year-earlier period also resulted in cash flow before investments rising to SEK 217 million (61). The strong sales at the end of 2014 resulted in high accounts receivable, the majority of which were paid in the first quarter. As stated previously, the Group currently has temporarily high investment payments.

During the quarter these consisted of final payments for the extension of the factories in Hungary and China and large ongoing investments in machine capacity. Net investments affecting cash flow totalled SEK 113 million (44). Cash flow after investment activities was SEK 104 million (17).

## Financial position

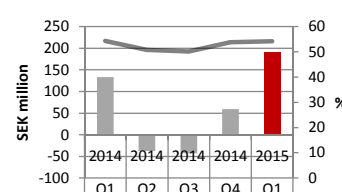
Interest-bearing assets increased to SEK 464 million (283), and interest-bearing liabilities and provisions totalled SEK 272 million (150). Net financial assets consequently totalled SEK 192 million (133). Shareholders' equity rose to SEK 1,698 million (1,407). The equity/assets ratio was 54% (54). Adjusted for the proposed dividend of SEK 224 million, the equity/assets ratio was 51% (50).

## Cash flow after investments



Excluding acquisitions and disposals.

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



## Consolidated performance analysis

SEK million	Q1 2015	Q1 2014	Full year 2014
Net sales	1,073	932	4,234
Gross profit excl. depreciation/amortisation	224	194	859
<i>As a percentage of net sales</i>	20.9	20.8	20.3
Costs	- 60	- 65	- 240
<i>As a percentage of net sales</i>	5.6	7.0	5.7
Operating profit (EBITDA)	164	129	619
<i>As a percentage of net sales</i>	15.3	13.8	14.6
Depreciation and amortisation	- 41	- 35	- 149
Operating profit (EBITA)	123	94	470
<i>As a percentage of net sales</i>	11.5	10.1	11.1
Amortisation of intangible assets arising from acquisitions	- 4	- 4	- 16
Operating profit (EBIT)	119	90	454
Financial income and expense	2	- 2	8
Profit after financial income and expense	121	88	462
Tax	- 28	- 21	- 98
<i>As a percentage of profit after financial income and expense</i>	23.1	23.9	21.2
Profit after tax	93	67	364

## Financial position

SEK million	31/03/2015	31/03/2014	31/12/2014
Interest-bearing liabilities, credit institutions	- 144	- 38	- 69
Interest-bearing pension liabilities	- 128	- 112	- 128
<b>Total borrowings</b>	<b>- 272</b>	<b>- 150</b>	<b>- 197</b>
Cash and bank	464	283	256
<b>Net financial assets (+) / liabilities (-)</b>	<b>192</b>	<b>133</b>	<b>59</b>
Working capital	29	43	107
<i>As a percentage of sales (avg.) (%)</i>	0.8	2.6	1.6
Capital employed	1,969	1,557	1,764
<i>Return on capital employed (avg.) (%)</i>	28.5	24.7	28.4
Shareholders' equity	1,698	1,407	1,567
<i>Return on shareholders' equity (avg.) (%)</i>	25.1	22.3	25.0

## ■ Personnel

The average number of employees during the period was 7,044 (6,039). The increase in the number of employees is attributable to Nolato Telecom 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 2014 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.

## ■ Ownership and legal structure

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

Its Class B shares are listed on the NASDAQ Stockholm exchange in the Mid Cap segment, where they are included in the Industrials sector.

There were 9,715 shareholders at 31 March. The largest shareholders are the Jorlén family with 10%, the Boström family with 9%, Swedbank Robur Funds with 4%, Skandia Funds with 3%, the Paulsson family with 3%, Svolder with 3% and DnB Carlson Funds with 3% of the capital.

## ■ The Parent Company

Sales amounted to SEK 9 million (8). Profit after financial income and expense increased to SEK 32 million (-2), owing mainly to improved net financial items.

## ■ 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 2014 Annual Report on pages 56 – 58.

The new or revised IFRS standards or IFRIC interpretations, which came into effect on 1 January 2015, 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.

## ■ Financial information schedule

- Six-month interim report 2015: 21 July 2015
- Nine-month interim report 2015: 28 October 2015

Torekov, 29 April 2015

Nolato AB (publ)

Hans Porat, President and CEO

## ■ Contact:

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*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 29 April 2015 at 2:30 PM.*

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

## ■ Consolidated income statement (summary)

SEK million	Q1 2015	Q1 2014	Rolling 12 months	Full year 2014
Net sales	1,073	932	4,375	4,234
Cost of goods sold	- 888	- 773	- 3,635	- 3,520
<b>Gross profit</b>	<b>185</b>	<b>159</b>	<b>740</b>	<b>714</b>
Other operating income	3	2	6	5
Selling expenses	- 28	- 28	- 101	- 101
Administrative expenses	- 41	- 43	- 160	- 162
Other operating expenses	—	—	- 2	- 2
	- 66	- 69	- 257	- 260
<b>Operating profit</b>	<b>119</b>	<b>90</b>	<b>483</b>	<b>454</b>
Financial income and expense	2	- 2	12	8
<b>Profit after financial income and expense</b>	<b>121</b>	<b>88</b>	<b>495</b>	<b>462</b>
Tax	- 28	- 21	- 105	- 98
<b>Profit after tax</b>	<b>93</b>	<b>67</b>	<b>390</b>	<b>364</b>
All earnings are attrib. to the Parent Co.'s shareholders				
Depreciation/amortisation	45	39	171	165
Earnings per share, basic and diluted (SEK)	3.54	2.55	14.82	13.84
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	Q1 2015	Q1 2014	Rolling 12 months	Full year 2014
<b>Profit after tax</b>		<b>93</b>	<b>67</b>	<b>390</b>	<b>364</b>
<b>Other comprehensive income</b>					
<i>Items that cannot be transferred to profit for the period</i>					
Revaluations of defined benefit pension plans		—	—	- 20	- 20
Tax attributable to items that cannot be transferred to profit for the period		—	—	4	4
		—	—	- 16	- 16
<i>Items that have been converted or can be converted into profit for the period</i>					
Translation differences for the period on translation of foreign operations		40	- 7	131	84
Changes in the fair value of cash flow hedges for the period	1	- 3	- 1	- 6	- 4
Tax attributable to changes in the fair value of cash flow hedges	1	1	—	2	1
		<b>38</b>	<b>- 8</b>	<b>127</b>	<b>81</b>
<b>Other comprehensive income, net of tax</b>		<b>38</b>	<b>- 8</b>	<b>111</b>	<b>65</b>
<b>Total comp. income for the period attributable to the Parent Co.'s shareholders</b>		<b>131</b>	<b>59</b>	<b>501</b>	<b>429</b>

## ■ Reconciliation of consolidated income before tax

SEK million	Q1 2015	Q1 2014	Rolling 12 months	Full year 2014
<b>Operating profit (EBIT)</b>				
Nolato Medical	43	42	164	163
Nolato Telecom	47	23	223	199
Nolato Industrial	33	30	118	115
Group adjustments, Parent Company	- 4	- 5	- 22	- 23
<b>Consolidated operating profit (EBIT)</b>	<b>119</b>	<b>90</b>	<b>483</b>	<b>454</b>
Financial income and expense (not distributed by business areas)	2	- 2	12	8
<b>Consolidated profit before tax</b>	<b>121</b>	<b>88</b>	<b>495</b>	<b>462</b>

## ■ Consolidated balance sheet (summary)

SEK million	Note	31/03/2015	31/03/2014	31/12/2014
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible non-current assets		559	534	549
Property, plant and equipment		949	766	894
Non-current financial assets		2	2	2
Other non-current receivables		1	30	1
Deferred tax assets		50	35	45
<b>Total fixed assets</b>		<b>1,561</b>	<b>1,367</b>	<b>1,491</b>
<b>Current assets</b>				
Inventories		297	251	264
Accounts receivable		655	577	755
Other current assets	1	153	109	148
Cash and bank		464	283	256
<b>Total current assets</b>		<b>1,569</b>	<b>1,220</b>	<b>1,423</b>
<b>Total assets</b>		<b>3,130</b>	<b>2,587</b>	<b>2,914</b>
<b>Shareholders' equity and liabilities</b>				
<b>Shareholders' equity</b>				
Long-term liabilities and provisions <sup>1)</sup>		158	170	157
Deferred tax liabilities <sup>1)</sup>		54	78	61
Current liabilities and provisions <sup>1)</sup>	1	1,220	932	1,129
<b>Total liabilities and provisions</b>		<b>1,432</b>	<b>1,180</b>	<b>1,347</b>
<b>Total shareholders' equity and liabilities</b>		<b>3,130</b>	<b>2,587</b>	<b>2,914</b>
<sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions:				
Interest-bearing liabilities and provisions		272	150	197
Non-interest-bearing liabilities and provisions		1,160	1,030	1,150
<b>Total liabilities and provisions</b>		<b>1,432</b>	<b>1,180</b>	<b>1,347</b>

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

SEK million	Q1 2015	Q1 2014	Full year 2014
<b>Shareholders' equity at the beginning of the period</b>	<b>1,567</b>	<b>1,348</b>	<b>1,348</b>
Total comprehensive income for the period	131	59	429
Dividends	—	—	– 210
<b>Shareholders' equity at the end of period attrib. to Parent Co's shareholders</b>	<b>1,698</b>	<b>1,407</b>	<b>1,567</b>

During 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 an extra dividend of SEK 4.00, totalling SEK 8.00 per share. The proposed dividend to be decided on at the Annual General Meeting on 29 April 2015 is SEK 224 million, corresponding to a total of SEK 8.50 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	Q1 2015	Q1 2014	Rolling 12 months	Full year 2014
Cash flow from operating activities before changes in working capital	116	105	549	538
Changes in working capital	101	- 44	- 63	- 208
<b>Cash flow from operating activities</b>	<b>217</b>	<b>61</b>	<b>486</b>	<b>330</b>
Cash flow from investment activities	- 113	- 44	- 272	- 203
<b>Cash flow before financing activities</b>	<b>104</b>	<b>17</b>	<b>214</b>	<b>127</b>
Cash flow from financing activities	75	- 46	- 106	- 227
<b>Cash flow for the period</b>	<b>179</b>	<b>- 29</b>	<b>108</b>	<b>- 100</b>
<b>Liquid assets at the beginning of the period</b>	<b>256</b>	<b>318</b>	<b>—</b>	<b>318</b>
Exchange rate difference in liquid assets	29	- 6	—	38
<b>Liquid assets at the end of the period</b>	<b>464</b>	<b>283</b>	<b>—</b>	<b>256</b>

## ■ Earnings per share

SEK million	Q1 2015	Q1 2014	Rolling 12 months	Full year 2014
<b>Profit after tax</b>	<b>93</b>	<b>67</b>	<b>390</b>	<b>364</b>
Adjusted earnings:				
Amortisation of intangible assets arising from acquisitions	4	4	16	16
Tax on amortisation	- 1	- 1	- 4	- 4
<b>Adjusted earnings</b>	<b>96</b>	<b>70</b>	<b>402</b>	<b>376</b>
Average number of shares *	26,307,408	26,307,408	26,307,408	26,307,408
Earnings per share, basic and diluted (SEK) *	3.54	2.55	14.82	13.84
Adjusted earnings per share (SEK) *	3.65	2.66	15.28	14.29

\* 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

\* 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)	2015	1,073	—	—	—	—
	2014	932	965	1,095	1,242	4,234
	2013	1,254	1,164	1,119	985	4,522
Operating profit (EBITDA) (SEK million)	2015	164	—	—	—	—
	2014	129	135	149	206	619
	2013	157	147	136	128	568
Operating profit (EBITA) (SEK million)	2015	123	—	—	—	—
	2014	94	100	112	164	470
	2013	122	111	103	91	427
EBITA margin (%)	2015	11.5	—	—	—	—
	2014	10.1	10.4	10.2	13.2	11.1
	2013	9.7	9.5	9.2	9.2	9.4
Operating profit (EBIT) (SEK million)	2015	119	—	—	—	—
	2014	90	96	108	160	454
	2013	118	107	99	87	411
Profit after financial income and expense (SEK million)	2015	121	—	—	—	—
	2014	88	104	108	162	462
	2013	113	105	97	88	403
Profit after tax (SEK million)	2015	93	—	—	—	—
	2014	67	81	83	133	364
	2013	85	78	74	77	314
Cash flow after investments, excl. acq. and disp. (SEK million)	2015	104	—	—	—	—
	2014	17	33	- 13	90	127
	2013	16	120	61	165	362
Earnings per share, basic and diluted (SEK)	2015	3.54	—	—	—	—
	2014	2.55	3.08	3.15	5.06	13.84
	2013	3.23	2.97	2.81	2.93	11.94
Adjusted earnings per share (SEK)	2015	3.65	—	—	—	—
	2014	2.66	3.19	3.27	5.17	14.29
	2013	3.35	3.07	2.93	3.04	12.39
Shareholders' equity per share (SEK)	2015	65	—	—	—	—
	2014	53	49	53	60	60
	2013	47	45	48	51	51
Return on total capital (%)	2015	17.6	—	—	—	—
	2014	14.3	14.3	14.3	17.1	17.1
	2013	13.6	13.7	15.0	15.9	15.9
Return on capital employed (%)	2015	28.5	—	—	—	—
	2014	24.7	24.1	24.6	28.4	28.4
	2013	23.3	23.0	25.5	26.7	26.7
Return on operating capital (%)	2015	34.7	—	—	—	—
	2014	29.1	28.0	27.4	33.0	33.0
	2013	26.3	26.9	28.8	32.6	32.6
Return on shareholders' equity (%)	2015	25.1	—	—	—	—
	2014	22.3	24.0	23.2	25.0	25.0
	2013	20.9	24.2	25.2	24.9	24.9

## Quarterly data business areas

<b>Net sales</b> (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2015	344	—	—	—	—
	2014	326	343	330	334	1,333
	2013	328	323	310	313	1,274
Nolato Telecom	2015	418	—	—	—	—
	2014	320	344	502	633	1,799
	2013	627	541	516	395	2,079
Nolato Industrial	2015	312	—	—	—	—
	2014	286	279	264	277	1,106
	2013	299	300	293	278	1,170
Group adjustments, Parent Company	2015	-1	—	—	—	—
	2014	—	-1	-1	-2	-4
	2013	—	—	—	-1	-1
Group total	2015	1,073	—	—	—	—
	2014	932	965	1,095	1,242	4,234
	2013	1,254	1,164	1,119	985	4,522

<b>Operating profit (EBITA)</b> (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2015	46	—	—	—	—
	<i>EBITA margin (%)</i>	<i>13.4</i>	—	—	—	—
	2014	45	46	42	43	176
<i>EBITA margin (%)</i>	<i>13.8</i>	<i>13.4</i>	<i>12.7</i>	<i>12.9</i>	<i>13.2</i>	
Nolato Telecom	2015	47	—	—	—	—
	<i>EBITA margin (%)</i>	<i>11.2</i>	—	—	—	—
	2014	23	30	48	98	199
<i>EBITA margin (%)</i>	<i>7.2</i>	<i>8.7</i>	<i>9.6</i>	<i>15.5</i>	<i>11.1</i>	
Nolato Industrial	2015	34	—	—	—	—
	<i>EBITA margin (%)</i>	<i>10.9</i>	—	—	—	—
	2014	31	30	28	29	118
<i>EBITA margin (%)</i>	<i>10.8</i>	<i>10.8</i>	<i>10.6</i>	<i>10.5</i>	<i>10.7</i>	
Group adjustments, Parent Company	2015	-4	—	—	—	—
	2014	-5	-6	-6	-6	-23
	2013	-7	-4	-6	-6	-23
Group total	2015	123	—	—	—	—
	<i>EBITA margin (%)</i>	<i>11.5</i>	—	—	—	—
	2014	94	100	112	164	470
<i>EBITA margin (%)</i>	<i>10.1</i>	<i>10.4</i>	<i>10.2</i>	<i>13.2</i>	<i>11.1</i>	
Group total	2015	122	111	103	91	427
	<i>EBITA margin (%)</i>	<i>9.7</i>	<i>9.5</i>	<i>9.2</i>	<i>9.2</i>	<i>9.4</i>

<b>Depreciation/amortisation</b> (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2015	20	—	—	—	—
	2014	18	19	19	20	76
	2013	18	20	18	19	75
Nolato Telecom	2015	11	—	—	—	—
	2014	10	10	11	14	45
	2013	10	10	9	10	39
Nolato Industrial	2015	14	—	—	—	—
	2014	11	10	11	12	44
	2013	11	10	10	12	43
Group total	2015	45	—	—	—	—
	2014	39	39	41	46	165
	2013	39	40	37	41	157

## ■ Group financial highlights

	Q1 2015	Q1 2014	Rolling 12 months	Full year 2014
Net sales (SEK million)	1,073	932	4,375	4,234
Sales growth (%)	15	- 26	4	- 6
Percentage of sales outside Sweden (%)	80	77	80	79
Operating profit (EBITDA) (SEK million)	164	129	654	619
Operating profit (EBITA) (SEK million)	123	94	499	470
EBITA margin (%)	11.5	10.1	11.4	11.1
Profit after financial income and expense (SEK million)	121	88	495	462
Profit margin (%)	11.3	9.4	11.3	10.9
Profit after tax (SEK million)	93	67	390	364
Return on total capital (%)	17.6	14.3	17.6	17.1
Return on capital employed (%)	28.5	24.7	28.5	28.4
Return on operating capital (%)	34.7	29.1	34.7	33.0
Return on shareholders' equity (%)	25.1	22.3	25.1	25.0
Equity/assets ratio (%)	54	54	54	54
Debt/equity (%)	16	11	16	13
Interest coverage ratio (times)	82	43	67	58
Net investments affecting cash flow, excl. acq. and disposals (SEK million)	113	44	272	203
Cash flow after investments, excl. acq. and disposals (SEK million)	104	17	214	127
Cash conversion (%)	—	—	44	28
Net financial assets (+) / liabilities (-) (SEK million)	192	133	192	59
Earnings per share, basic and diluted (SEK)	3.54	2.55	14.82	13.84
Adjusted earnings per share (SEK)	3.65	2.66	15.28	14.29
Cash flow per share, excl. acq. and disposals (SEK)	3.95	0.65	8.13	4.83
Shareholders' equity per share (SEK)	65	53	65	60
Average number of employees	7,044	6,039	—	8,020

### 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	Q1 2015	Q1 2014	Rolling 12 months	Full year 2014
Net sales	9	8	30	29
Selling expenses	- 3	- 2	- 12	- 11
Administrative expenses	- 12	- 11	- 51	- 50
Other operating expenses	- 8	—	- 12	- 4
<b>Operating profit</b>	<b>- 14</b>	<b>- 5</b>	<b>- 45</b>	<b>- 36</b>
Profit from participations in Group companies	13	—	104	91
Financial income	34	5	63	34
Financial expenses	- 1	- 2	- 3	- 4
<b>Profit after financial income and expense</b>	<b>32</b>	<b>- 2</b>	<b>119</b>	<b>85</b>
Appropriations	—	—	291	291
Tax	1	1	- 66	- 66
<b>Profit after tax</b>	<b>33</b>	<b>- 1</b>	<b>344</b>	<b>310</b>
Depreciation/amortisation	—	—	—	—

## ■ Parent Company balance sheet (summary)

SEK million	31/03/2015	31/03/2014	31/12/2014
<b>Assets</b>			
Intangible fixed assets	—	1	—
Property, plant and equipment	1	—	1
Financial assets	1,150	1,023	1,127
Deferred tax assets	7	4	6
<b>Total fixed assets</b>	<b>1,158</b>	<b>1,028</b>	<b>1,134</b>
Other receivables	506	369	428
Cash and bank	23	—	17
<b>Total current assets</b>	<b>529</b>	<b>369</b>	<b>445</b>
<b>Total assets</b>	<b>1,687</b>	<b>1,397</b>	<b>1,579</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	1,066	934	1,033
Untaxed reserves	161	181	161
Other provisions	9	6	9
Current liabilities	451	276	376
<b>Total shareholders' equity and liabilities</b>	<b>1,687</b>	<b>1,397</b>	<b>1,579</b>
Pledged assets	—	—	—
Contingent liabilities	113	123	133

### 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	Q1 2015	9	- 1	5	—	13	911	313
Subsidiary	Q1 2014	8	- 1	5	—	—	770	227

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	31/03/2015	31/03/2014	31/12/2014
<b>Other receivables</b>			
Derivative assets	1	4	—
<b>Other liabilities</b>			
Derivative liabilities	44	1	10