



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

## Very high profitability and solid financial position

## ■ Second quarter of 2015 in brief

- Sales rose by 33% to SEK 1,280 million (965)
- Operating profit (EBITA) increased to SEK 167 million (100)
- Strong EBITA margin of 13.0% (10.4)
- Profit after tax rose to SEK 125 million (81)
- Earnings per share were SEK 4.75 (3.08)
- Cash flow after investments was SEK -52 million (33)

## ■ First six months of 2015 in brief

- Sales rose to SEK 2,353 million (1,897)
- Operating profit (EBITA) was SEK 290 million (194)
- Earnings per share increased to SEK 8.29 (5.63)
- Cash flow after investments was SEK 52 million (50)

## ■ Group highlights

SEK million unless otherwise specified	Q2 2015	Q2 2014	Q1 - Q2 2015	Q1 - Q2 2014	Rolling 12 months	Full year 2014
Net sales	1,280	965	2,353	1,897	4,690	4,234
Operating profit (EBITDA) <sup>1)</sup>	208	135	372	264	727	619
Operating profit (EBITA) <sup>2)</sup>	167	100	290	194	566	470
EBITA margin, %	13.0	10.4	12.3	10.2	12.1	11.1
Operating profit (EBIT) <sup>3)</sup>	163	96	282	186	550	454
Profit after financial income and expense	162	104	283	192	553	462
Profit after tax	125	81	218	148	434	364
Earnings per share, basic and diluted, SEK*	4.75	3.08	8.29	5.63	16.50	13.84
Adjusted earnings per share, SEK <sup>4)</sup> *	4.86	3.19	8.51	5.85	16.95	14.29
Cash flow after investments, excl. acquisitions and disposals	- 52	33	52	50	129	127
Net investments affecting cash flow, excl. acq. and disposals	61	59	174	103	274	203
Cash conversion, % <sup>5)</sup>	—	—	—	—	23	28
Return on capital employed, %	31.6	24.1	31.6	24.1	31.6	28.4
Return on shareholders' equity, %	30.1	24.0	30.1	24.0	30.1	25.0
Equity/assets ratio, %	49	51	49	51	49	54
Net financial liabilities (-) / assets (+)	- 101	- 37	- 101	- 37	- 101	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.

## Second quarter 2015

- Sales rose to SEK 1,280 million (965); adjusted for currency, sales increased by 16%
- Operating profit (EBITA) increased by 67% to SEK 167 million (100)
- Strong EBITA margin of 13.0% (10.4)
- Strong quarter for Nolato Telecom, with high sales and a very strong margin
- Very high growth in Nolato Industrial

### ■ Sales

Consolidated sales rose to SEK 1,280 million (965). Adjusted for currency, growth was 16%.

Nolato Medical's sales increased to SEK 365 million (343); adjusted for currency, sales decreased by 2%. Packaging volumes remained low in Eastern Europe. Other segments were stable.

Nolato Telecom's sales rose sharply and amounted to SEK 584 million (344); adjusted for currency, sales increased by 33%. Volumes were high during the quarter and this positive performance is due to the success of a number of customers' handsets on the consumer market.

Nolato Industrial's sales rose to SEK 332 million (279); adjusted for currency, sales increased by 17%. Volumes in the automotive segment continued to increase and demand within hygiene was also higher than the year-earlier period.

### ■ Profit

Consolidated operating profit (EBITA) rose to SEK 167 million (100), of which SEK 18 million net was attributable to currency effects. The increase in sales, combined with the stronger margin, had a positive impact and the profit was the highest ever for an individual quarter.

Nolato Medical's operating profit (EBITA) amounted to SEK 47 million (46), Nolato Telecom's earnings increased sharply to SEK 101 million (30) and Nolato Industrial's rose to SEK 34 million (30).

The EBITA margin for Nolato Medical was 12.9% (13.4). The EBITA margin for Nolato Telecom was a very strong 17.3% (8.7). This very strong margin was the result of high volumes and a favourable product mix with a low proportion of materials, along with high efficiency and capacity utilisation. Nolato Industrial's EBITA margin was 10.2% (10.8). Overall, the Group's EBITA margin was a very strong 13.0% (10.4).

Operating profit (EBIT) rose to SEK 163 million (96).

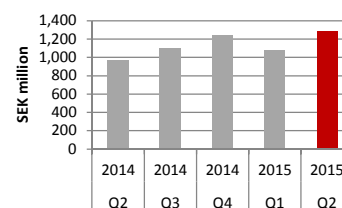
Profit after net financial income/expense was SEK 162 million (104; financial income was boosted by SEK 8 million from a non-recurring item last year). Net financial income/expense included exchange rate fluctuations affecting earnings by SEK -2 million (1) in the second quarter.

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

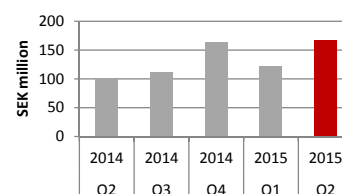
SEK million	Sales Q2/2015	Sales Q2/2014	Op. Profit EBITA Q2/2015	Op. Profit EBITA Q2/2014	EBITA margin Q2/2015	EBITA margin Q2/2014
Nolato Medical	365	343	47	46	12.9%	13.4%
Nolato Telecom	584	344	101	30	17.3%	8.7%
Nolato Industrial	332	279	34	30	10.2%	10.8%
Intra-Group adj., Parent Co	- 1	- 1	- 15	- 6	—	—
<b>Group total</b>	<b>1,280</b>	<b>965</b>	<b>167</b>	<b>100</b>	<b>13.0%</b>	<b>10.4%</b>

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

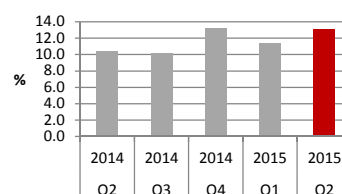
### ■ Sales



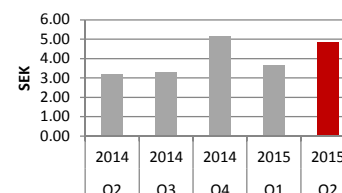
### ■ Operating profit (EBITA)



### ■ EBITA margin



### ■ Adjusted earnings per share



Profit after tax increased to SEK 125 million (81; excluding the non-recurring item profit after tax was SEK 73 million last year). Earnings per share, basic and diluted, were SEK 4.75 (3.08; excluding the non-recurring item earnings per share were SEK 2.78). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 4.86 (3.19; excluding the non-recurring item adjusted earnings per share were SEK 2.89).

## First six months 2015

### ■ Sales and earnings

Consolidated sales rose to SEK 2,353 million (1,897) for the first six months of 2015. Adjusted for currency, sales increased by 8%.

Nolato Medical's sales rose by 6% to SEK 709 million (669), Nolato Telecom's sales rose by 51% to SEK 1,002 million (664) and Nolato Industrial's sales rose by 14% to SEK 644 million (565).

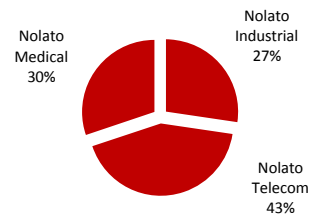
Consolidated operating profit (EBITA) increased to SEK 290 million (194) and the EBITA margin was 12.3% (10.2). Operating profit (EBIT) was SEK 282 million (186).

Profit after net financial income/expense rose to SEK 283 million (192). Net financial income/expense for the previous year included a non-recurring income item of SEK 8 million.

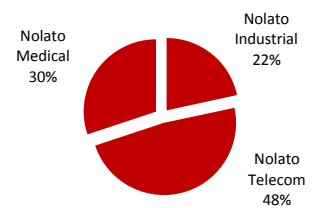
Profit after tax rose to SEK 218 million (148; excluding the non-recurring item it was SEK 140 million last year). Earnings per share, basic and diluted, were SEK 8.29 (5.63; excluding the non-recurring item they were SEK 5.33 last year). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 8.51 (5.85; excluding the non-recurring effect they were SEK 5.55 last year). The effective tax rate was 23% (23).

Group profitability is very high. The return on capital employed was 31.6% for the last twelve months (28.4% for the 2014 calendar year). Return on equity was 30.1% for the last twelve months (25.0% for the 2014 calendar year). Cash conversion for the last twelve months was 23% (28% for the 2014 calendar year).

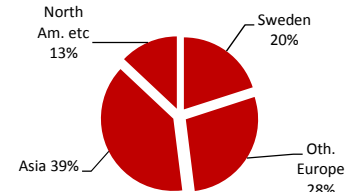
### ■ Business areas' share of sales



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



### ■ Sales by geographic markets



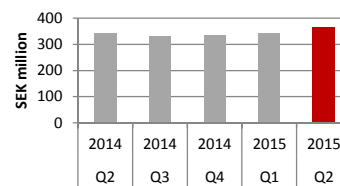
### Nolato Medical

Sales and profit Q1-Q2 (SEK million)	2015	2014
Sales	709	669
Operating profit (EBITA)	93	91
EBITA margin (%)	13.1	13.6
Operating profit (EBIT)	86	84

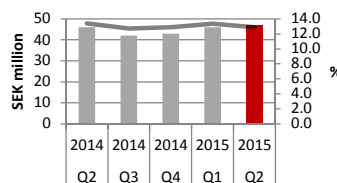
Nolato Medical's sales increased to SEK 709 million (669); adjusted for currency, sales decreased by 3%. Packaging volumes were lower in Eastern Europe. Other segments were stable. In addition, price adjustments resulting from lower raw material prices and related customer price clauses had a negative effect on sales. High activity and healthy project activity are enabling future growth.

Operating profit (EBITA) was SEK 93 million (91). The EBITA margin was 13.1% (13.6).

### Nolato Medical sales



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



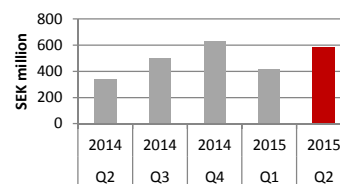
### Nolato Telecom

Sales and profit Q1-Q2 (SEK million)	2015	2014
Sales	1,002	664
Operating profit (EBITA)	148	53
EBITA margin (%)	14.8	8.0
Operating profit (EBIT)	148	53

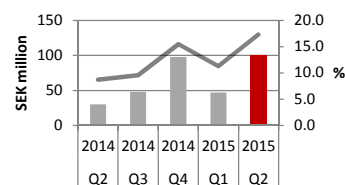
Nolato Telecom's sales rose to SEK 1,002 million (664); adjusted for currency, sales increased by 18%. High volumes in the second quarter were a result of the success of customer handsets on the consumer market. However, these high volumes are regarded as temporary and are expected to return to a lower level in the third quarter as product changeovers take place. Activity in the EMC (electromagnetic compatibility) area is developing positively.

Operating profit (EBITA) rose to SEK 148 million (53). The EBITA margin grew to a very strong 14.8% (8.0). A favourable product mix and high efficiency led to a higher margin. The product mix is expected to remain favourable for the rest of 2015.

### Nolato Telecom sales



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



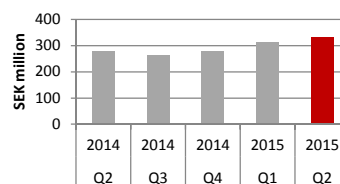
### Nolato Industrial

Sales and profit Q1-Q2 (SEK million)	2015	2014
Sales	644	565
Operating profit (EBITA)	68	61
EBITA margin (%)	10.6	10.8
Operating profit (EBIT)	67	60

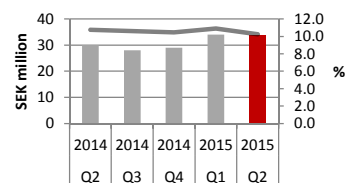
Nolato Industrial's sales rose to SEK 644 million (565); adjusted for currency, sales increased by 11%. Volumes in the automotive segment were healthy and in the hygiene segment they were higher than the year-earlier period. Furthermore, increased market share is having a positive effect. The significant project activity relating to new products also generated higher sales.

Operating profit (EBITA) rose to SEK 68 million (61), with a high EBITA margin of 10.6% (10.8).

### Nolato Industrial sales



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



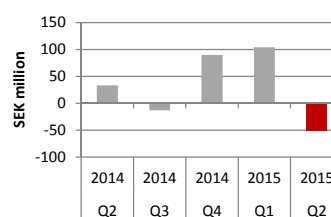
## ■ Cash flow

Increased activity and positive sales performance in the second quarter resulted in increased accounts receivable and project receivables. This led to cash flow after investments being negative, at SEK 52 million (33) in the second quarter. Accumulated in the first six months, cash flow after investments was roughly unchanged and amounted to SEK 52 million (50). The strong earnings had a positive impact on cash flow, while higher investments than the year-earlier period had a negative effect. The change in working capital for the first six months was negative, at SEK 47 million (-62). Investments affecting cash flow rose to SEK 174 million (103). Payments for expansion in China, Hungary and Malaysia, together with increased investments in machine capacity, are leading to higher investments.

## ■ Financial position

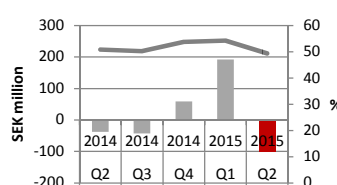
Interest-bearing assets totalled SEK 317 million (212), and interest-bearing liabilities and provisions totalled SEK 418 million (249). Net debt consequently totalled SEK 101 million (37). Shareholders' equity was SEK 1,578 million (1,301). The equity/assets ratio was 49% (51). In the second quarter, dividends totalling SEK 224 million (210) were paid out.

## ■ Cash flow after investments



Excluding acquisitions and disposals

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



## ■ Consolidated performance analysis

SEK million	Q2 2015	Q2 2014	Q1 - Q2 2015	Q1 - Q2 2014	Rolling 12 months	Full year 2014
Net sales	1,280	965	2,353	1,897	4,690	4,234
Gross profit excl. depreciation/amortisation	287	188	511	382	988	859
<i>As a percentage of net sales</i>	22.4	19.5	21.7	20.1	21.1	20.3
Costs	-79	-53	-139	-118	-261	-240
<i>As a percentage of net sales</i>	6.2	5.5	5.9	6.2	5.6	5.7
Operating profit (EBITDA)	208	135	372	264	727	619
<i>As a percentage of net sales</i>	16.3	14.0	15.8	13.9	15.5	14.6
Depreciation and amortisation	-41	-35	-82	-70	-161	-149
Operating profit (EBITA)	167	100	290	194	566	470
<i>As a percentage of net sales</i>	13.0	10.4	12.3	10.2	12.1	11.1
Amortisation of intangible assets arising from acquisitions	-4	-4	-8	-8	-16	-16
Operating profit (EBIT)	163	96	282	186	550	454
Financial income and expense	-1	8	1	6	3	8
Profit after financial income and expense	162	104	283	192	553	462
Tax	-37	-23	-65	-44	-119	-98
<i>As a percentage of profit after financial income and expense</i>	22.8	22.1	23.0	22.9	21.5	21.2
Profit after tax	125	81	218	148	434	364

## ■ Financial position

SEK million	30/06/2015	30/06/2014	31/12/2014
Interest-bearing liabilities, credit institutions	-290	-138	-69
Interest-bearing pension liabilities	-128	-111	-128
<b>Total borrowings</b>	<b>-418</b>	<b>-249</b>	<b>-197</b>
Cash and bank	317	212	256
<b>Net financial liabilities (-) / assets (+)</b>	<b>-101</b>	<b>-37</b>	<b>59</b>
Working capital	211	55	107
<i>As a percentage of sales (avg.) (%)</i>	2.8	2.2	1.6
Capital employed	1,996	1,550	1,764
<i>Return on capital employed (avg.) (%)</i>	31.6	24.1	28.4
Shareholders' equity	1,578	1,301	1,567
<i>Return on shareholders' equity (avg.) (%)</i>	30.1	24.0	25.0

## ■ Personnel

The average number of employees during the period was 8,305 (6,152). The increase in the number of employees is primarily 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.

Nolato's 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 10,179 shareholders at 30 June. The largest shareholders are the Jorlén family with 10%, the Boström family with 9%, Swedbank Robur Funds with 4%, and the Paulsson family, DnB Carlson Funds and Svolder with 3% of the capital each.

## ■ The Parent Company

Sales in the Parent Company, which is not an operating company, amounted to SEK 16 million (15). Profit after financial income and expense decreased to SEK 13 million (26), owing mainly to negative currency effects during the period.

## ■ 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

- Capital Market Day: 28 August 2015
- Nine-month interim report 2015: 28 October 2015

---

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 21 July 2015

*Fredrik Arp*  
*Chairman of the Board*

*Henrik Jorlén*  
*Board member*

*Lars-Åke Rydh*  
*Board member*

*Sven Boström Svensson*  
*Board member*

*Dag Andersson*  
*Board member*

*Åsa Hedin*  
*Board member*

*Hans Porat*  
*Board member*  
*President*

*Björn Jakobsson*  
*Board member*  
*Employee representative*

*Håkan Svensson*  
*Board member*  
*Employee representative*

## ■ Contact:

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

## ■ Capital Market Day, 28 August:

Nolato will be holding a capital market day in Stockholm on 28 August. The purpose of the day is to showcase how Nolato has repositioned itself from being a contract manufacturer to an advanced high-tech partner for customers in our three business areas.

Nolato will be represented by President and CEO Hans Porat, CFO Per-Ola Holmström, Managing Director of Nolato Telecom Jörgen Karlsson, Managing Director of Nolato Industrial Johan Arvidsson and Managing Director of Nolato Medical Christer Wahlquist.

The event will be held on **Friday 28 August 2015 between 9.30 a.m. and around 12.00 noon, followed by a buffet lunch, at Spårvagnshallarna, Birger Jarlsgatan 57A, in Stockholm.**

For full details of the event and to attend please email Eija Lindberg at [eija.lindberg@nolato.com](mailto:eija.lindberg@nolato.com) or call +46 (0)766-33 18 72.

---

*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 21 July 2015 at 2:30 p.m.*

*This report has been reviewed by the Company's auditors.*

## ■ Review report

Nolato AB, corporate identity number 556080-4592

### Introduction

We have reviewed the condensed interim report for Nolato AB as at June 30, 2015 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 21 July 2015

Ernst & Young AB  
Stefan Engdahl  
Authorised public accountant



## Consolidated income statement (summary)

SEK million	Q2 2015	Q2 2014	Q1 - Q2 2015	Q1 - Q2 2014	Rolling 12 months	Full year 2014
Net sales	1,280	965	2,353	1,897	4,690	4,234
Cost of goods sold	- 1,034	- 810	- 1,922	- 1,583	- 3,859	- 3,520
<b>Gross profit</b>	<b>246</b>	<b>155</b>	<b>431</b>	<b>314</b>	<b>831</b>	<b>714</b>
Other operating income	- 1	3	2	5	2	5
Selling expenses	- 28	- 22	- 56	- 50	- 107	- 101
Administrative expenses	- 53	- 40	- 94	- 83	- 173	- 162
Other operating expenses	- 1	—	- 1	—	- 3	- 2
	- 83	- 59	- 149	- 128	- 281	- 260
<b>Operating profit</b>	<b>163</b>	<b>96</b>	<b>282</b>	<b>186</b>	<b>550</b>	<b>454</b>
Financial income and expense	- 1	8	1	6	3	8
<b>Profit after financial income and expense</b>	<b>162</b>	<b>104</b>	<b>283</b>	<b>192</b>	<b>553</b>	<b>462</b>
Tax	- 37	- 23	- 65	- 44	- 119	- 98
<b>Profit after tax</b>	<b>125</b>	<b>81</b>	<b>218</b>	<b>148</b>	<b>434</b>	<b>364</b>
All earnings are attrib. to the Parent Co.'s shareholders						
Depreciation/amortisation	45	39	90	78	177	165
Earnings per share, basic and diluted (SEK)	4.75	3.08	8.29	5.63	16.50	13.84
Number of shares at the end of the period	26,307,408	26,307,408	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	26,307,408	26,307,408

## Consolidated comprehensive income

SEK million	Q2 2015	Q2 2014	Q1 - Q2 2015	Q1 - Q2 2014	Rolling 12 months	Full year 2014
<b>Profit after tax</b>	<b>125</b>	<b>81</b>	<b>218</b>	<b>148</b>	<b>434</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 transl. of foreign oper.	- 24	23	16	16	84	84
Changes in the fair value of cash flow hedges for the per. *	5	—	2	- 1	- 1	- 4
Tax attr. to changes in the fair value of cash flow hedges *	- 2	—	- 1	—	—	1
	- 21	23	17	15	83	81
<b>Other comprehensive income, net of tax</b>	<b>- 21</b>	<b>23</b>	<b>17</b>	<b>15</b>	<b>67</b>	<b>65</b>
<b>Total comp. income for the period attributable to the Parent Co.'s shareholders</b>	<b>104</b>	<b>104</b>	<b>235</b>	<b>163</b>	<b>501</b>	<b>429</b>

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

## ■ Reconciliation of consolidated income before tax

SEK million	Q1 - Q2 2015	Q1 - Q2 2014	Rolling 12 months	Full year 2014
<b>Operating profit (EBIT)</b>				
Nolato Medical	86	84	165	163
Nolato Telecom	148	53	294	199
Nolato Industrial	67	60	122	115
Group adjustments, Parent Company	- 19	- 11	- 31	- 23
<b>Consolidated operating profit (EBIT)</b>	<b>282</b>	<b>186</b>	<b>550</b>	<b>454</b>
Financial income and expense (not distributed by business areas)	1	6	3	8
<b>Consolidated profit before tax</b>	<b>283</b>	<b>192</b>	<b>553</b>	<b>462</b>

## ■ Consolidated balance sheet (summary)

SEK million	30/06/2015	30/06/2014	31/12/2014
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible non-current assets	554	540	549
Property, plant and equipment	949	802	894
Non-current financial assets	2	2	2
Other non-current receivables	1	2	1
Deferred tax assets	48	33	45
<b>Total fixed assets</b>	<b>1,554</b>	<b>1,379</b>	<b>1,491</b>
<b>Current assets</b>			
Inventories	295	267	264
Accounts receivable	867	589	755
Other current assets <sup>2)</sup>	160	114	148
Cash and bank	317	212	256
<b>Total current assets</b>	<b>1,639</b>	<b>1,182</b>	<b>1,423</b>
<b>Total assets</b>	<b>3,193</b>	<b>2,561</b>	<b>2,914</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>1,578</b>	<b>1,301</b>	<b>1,567</b>
Long-term liabilities and provisions <sup>1)</sup>	159	137	157
Deferred tax liabilities <sup>1)</sup>	55	70	61
Current liabilities and provisions <sup>1) 2)</sup>	1,401	1,053	1,129
<b>Total liabilities and provisions</b>	<b>1,615</b>	<b>1,260</b>	<b>1,347</b>
<b>Total shareholders' equity and liabilities</b>	<b>3,193</b>	<b>2,561</b>	<b>2,914</b>
<sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	418	249	197
Non-interest-bearing liabilities and provisions	1,197	1,011	1,150
<b>Total liabilities and provisions</b>	<b>1,615</b>	<b>1,260</b>	<b>1,347</b>
<sup>2)</sup> 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 with	2	—	—
<sup>2)</sup> Derivative liabilities are included in current liabilities and provisions with	25	11	10

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

SEK million	Q1 - Q2 2015	Q1 - Q2 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	235	163	429
Dividends	- 224	- 210	- 210
<b>Shareholders' equity at the end of period attrib. to Parent Co's shareholders</b>	<b>1,578</b>	<b>1,301</b>	<b>1,567</b>

In 2015, a dividend totalling SEK 224 million was paid to the Parent Company's shareholders, corresponding to a total dividend 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	Q2 2015	Q2 2014	Q1 - Q2 2015	Q1 - Q2 2014	Rolling 12 months	Full year 2014
Cash flow from op. activities bef. changes in work. cap.	157	110	273	215	596	538
Changes in working capital	- 148	- 18	- 47	- 62	- 193	- 208
<b>Cash flow from operating activities</b>	<b>9</b>	<b>92</b>	<b>226</b>	<b>153</b>	<b>403</b>	<b>330</b>
Cash flow from investment activities	- 61	- 59	- 174	- 103	- 274	- 203
<b>Cash flow before financing activities</b>	<b>- 52</b>	<b>33</b>	<b>52</b>	<b>50</b>	<b>129</b>	<b>127</b>
Cash flow from financing activities	- 77	- 111	- 2	- 157	- 72	- 227
<b>Cash flow for the period</b>	<b>- 129</b>	<b>- 78</b>	<b>50</b>	<b>- 107</b>	<b>57</b>	<b>- 100</b>
<b>Liquid assets at the beginning of the period</b>	<b>464</b>	<b>283</b>	<b>256</b>	<b>318</b>	<b>—</b>	<b>318</b>
Exchange rate difference in liquid assets	- 18	7	11	1	—	38
<b>Liquid assets at the end of the period</b>	<b>317</b>	<b>212</b>	<b>317</b>	<b>212</b>	<b>—</b>	<b>256</b>

## ■ Earnings per share

SEK million	Q2 2015	Q2 2014	Q1 - Q2 2015	Q1 - Q2 2014	Rolling 12 months	Full year 2014
<b>Profit after tax</b>	<b>125</b>	<b>81</b>	<b>218</b>	<b>148</b>	<b>434</b>	<b>364</b>
Adjusted earnings:						
Amortisation of intangible assets arising from acquis.	4	4	8	8	16	16
Tax on amortisation	- 1	- 1	- 2	- 2	- 4	- 4
<b>Adjusted earnings</b>	<b>128</b>	<b>84</b>	<b>224</b>	<b>154</b>	<b>446</b>	<b>376</b>
Average number of shares *	26,307,408	26,307,408	26,307,408	26,307,408	26,307,408	26,307,408
Earnings per share, basic and diluted (SEK) *	4.75	3.08	8.29	5.63	16.50	13.84
Adjusted earnings per share (SEK) *	4.86	3.19	8.51	5.85	16.95	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 (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	1,280	—	—	—
	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	208	—	—	—
	2014	129	135	149	206	619
	2013	157	147	136	128	568
Operating profit (EBITA) (SEK million)	2015	123	167	—	—	—
	2014	94	100	112	164	470
	2013	122	111	103	91	427
EBITA margin (%)	2015	11.5	13.0	—	—	—
	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	163	—	—	—
	2014	90	96	108	160	454
	2013	118	107	99	87	411
Profit after financial income and expense (SEK million)	2015	121	162	—	—	—
	2014	88	104	108	162	462
	2013	113	105	97	88	403
Profit after tax (SEK million)	2015	93	125	—	—	—
	2014	67	81	83	133	364
	2013	85	78	74	77	314
Cash flow from operating activities (SEK million)	2015	217	9	—	—	—
	2014	61	92	39	138	330
	2013	40	157	92	223	512
Cash flow from operating activities per share (SEK)	2015	8.25	0.34	—	—	—
	2014	2.32	3.50	1.48	5.25	12.54
	2013	1.52	5.97	3.50	8.48	19.46
Cash flow after investments, excl. acq. and disp. (SEK million)	2015	104	- 52	—	—	—
	2014	17	33	- 13	90	127
	2013	16	120	61	165	362
Cash flow after investm., excl. acq. and disp. per share (SEK)	2015	3.95	- 1.98	—	—	—
	2014	0.65	1.25	- 0.49	3.42	4.83
	2013	0.61	4.56	2.32	6.27	13.76
Earnings per share, basic and diluted (SEK)	2015	3.54	4.75	—	—	—
	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	4.86	—	—	—
	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	60	—	—	—
	2014	53	49	53	60	60
	2013	47	45	48	51	51
Return on total capital (%)	2015	17.6	19.5	—	—	—
	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	31.6	—	—	—
	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	36.4	—	—	—
	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	30.1	—	—	—
	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	365	—	—	—
	2014	326	343	330	334	1,333
	2013	328	323	310	313	1,274
Nolato Telecom	2015	418	584	—	—	—
	2014	320	344	502	633	1,799
	2013	627	541	516	395	2,079
Nolato Industrial	2015	312	332	—	—	—
	2014	286	279	264	277	1,106
	2013	299	300	293	278	1,170
Group adjustments, Parent Company	2015	-1	-1	—	—	—
	2014	—	-1	-1	-2	-4
	2013	—	—	—	-1	-1
Group total	2015	1,073	1,280	—	—	—
	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	47	—	—	—
	<i>EBITA margin (%)</i>	<i>13.4</i>	<i>12.9</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	101	—	—	—
	<i>EBITA margin (%)</i>	<i>11.2</i>	<i>17.3</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	34	—	—	—
	<i>EBITA margin (%)</i>	<i>10.9</i>	<i>10.2</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	-15	—	—	—
	2014	-5	-6	-6	-6	-23
	2013	-7	-4	-6	-6	-23
Group total	2015	123	167	—	—	—
	<i>EBITA margin (%)</i>	<i>11.5</i>	<i>13.0</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	123	167	—	—	—
	<i>EBITA margin (%)</i>	<i>9.7</i>	<i>10.0</i>	<i>11.3</i>	<i>9.7</i>	<i>10.2</i>
	2013	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	22	—	—	—
	2014	18	19	19	20	76
	2013	18	20	18	19	75
Nolato Telecom	2015	11	11	—	—	—
	2014	10	10	11	14	45
	2013	10	10	9	10	39
Nolato Industrial	2015	14	12	—	—	—
	2014	11	10	11	12	44
	2013	11	10	10	12	43
Group total	2015	45	45	—	—	—
	2014	39	39	41	46	165
	2013	39	40	37	41	157

## Group financial highlights

	Q2 2015	Q2 2014	Q1 - Q2 2015	Q1 - Q2 2014	Rolling 12 months	Full year 2014
Net sales (SEK million)	1,280	965	2,353	1,897	4,690	4,234
Sales growth (%)	33	- 17	24	- 22	17	- 6
Percentage of sales outside Sweden (%)	80	78	80	77	80	79
Operating profit (EBITDA) (SEK million)	208	135	372	264	727	619
Operating profit (EBITA) (SEK million)	167	100	290	194	566	470
EBITA margin (%)	13.0	10.4	12.3	10.2	12.1	11.1
Profit after financial income and expense (SEK million)	162	104	283	192	553	462
Profit margin (%)	12.7	10.8	12.0	10.1	11.8	10.9
Profit after tax (SEK million)	125	81	218	148	434	364
Return on total capital (%)	19.5	14.3	19.5	14.3	19.5	17.1
Return on capital employed (%)	31.6	24.1	31.6	24.1	31.6	28.4
Return on operating capital (%)	36.4	28.0	36.4	28.0	36.4	33.0
Return on shareholders' equity (%)	30.1	24.0	30.1	24.0	30.1	25.0
Equity/assets ratio (%)	49	51	49	51	49	54
Debt/equity (%)	26	19	26	19	26	13
Interest coverage ratio (times)	96	41	89	42	105	58
Net investments affecting cash flow, excl. acq. and disposals (SEK million)	61	59	174	103	274	203
Cash flow after inv., excl. acq. and disp. (SEK million)	- 52	33	52	50	129	127
Cash conversion (%)	—	—	—	—	23	28
Net financial liabilities (-) / assets (+) (SEK million)	- 101	- 37	- 101	- 37	- 101	59
Earnings per share, basic and diluted (SEK)	4.75	3.08	8.29	5.63	16.50	13.84
Adjusted earnings per share (SEK)	4.86	3.19	8.51	5.85	16.95	14.29
Cash flow from operating activities per share (SEK)	0.34	3.50	8.59	5.82	15.32	12.54
Cash flow per share, excl. acq. and disposals (SEK)	- 1.98	1.25	1.98	1.90	4.90	4.83
Shareholders' equity per share (SEK)	—	—	60	49	—	60
Average number of employees	—	—	8,305	6,152	—	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 from operating activities per share

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

### Cash flow per share, excl. acq. and disposals

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	Q2 2015	Q2 2014	Q1 - Q2 2015	Q1 - Q2 2014	Rolling 12 months	Full year 2014
Net sales	7	7	16	15	30	29
Other operating income	—	1	—	1	-1	—
Selling expenses	-3	-3	-6	-5	-12	-11
Administrative expenses	-16	-13	-28	-24	-54	-50
Other operating expenses	-4	—	-12	—	-16	-4
<b>Operating profit</b>	<b>-16</b>	<b>-8</b>	<b>-30</b>	<b>-13</b>	<b>-53</b>	<b>-36</b>
Profit from participations in Group companies	5	17	18	17	92	91
Financial income	-8	19	26	24	36	34
Financial expenses	—	—	-1	-2	-3	-4
<b>Profit after financial income and expense</b>	<b>-19</b>	<b>28</b>	<b>13</b>	<b>26</b>	<b>72</b>	<b>85</b>
Appropriations	—	—	—	—	291	291
Tax	—	—	1	1	-66	-66
<b>Profit after tax</b>	<b>-19</b>	<b>28</b>	<b>14</b>	<b>27</b>	<b>297</b>	<b>310</b>
Depreciation/amortisation	—	—	—	—	—	—

## ■ Parent Company balance sheet (summary)

SEK million	30/06/2015	30/06/2014	31/12/2014
<b>Assets</b>			
Property, plant and equipment	1	1	1
Financial assets	1,146	1,002	1,127
Deferred tax assets	11	10	6
<b>Total fixed assets</b>	<b>1,158</b>	<b>1,013</b>	<b>1,134</b>
Other receivables	219	183	428
Cash and bank	65	29	17
<b>Total current assets</b>	<b>284</b>	<b>212</b>	<b>445</b>
<b>Total assets</b>	<b>1,442</b>	<b>1,225</b>	<b>1,579</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	824	752	1,033
Untaxed reserves	161	181	161
Other provisions	10	8	9
Long-term liabilities	55	—	—
Current liabilities	392	284	376
<b>Total shareholders' equity and liabilities</b>	<b>1,442</b>	<b>1,225</b>	<b>1,579</b>
Pledged assets	—	—	—
Contingent liabilities	127	130	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								
Subsidiary	Jan-Jun 2015	16	-2	10	—	18	606	139
Subsidiary	Jan-Jun 2014	15	-2	10	—	17	549	137

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.

