

## Nolato AB (publ) year-end report 2015

## Strong financial position and proposed dividend increase

### ■ Fourth quarter of 2015 in brief

- Sales increased to SEK 1,289 million (1,242)
- Operating profit (EBITA) amounted to SEK 138 million (164)
- Profit after tax was SEK 97 million (133)
- Earnings per share was SEK 3.69 (5.06)
- Cash flow after investments increased to SEK 116 million (90)

### ■ Full year 2015 in brief

- Sales increased to SEK 4,726 million (4,234)
- Operating profit (EBITA) rose to SEK 570 million (470)
- The operating margin (EBITA) was 12.1% (11.1)
- Earnings per share rose to SEK 15.97 (13.84)
- The equity/assets ratio was 54% (54) and net financial assets were SEK 122 million (59)
- The Board of Directors proposes a dividend of SEK 10.00 (8.50) per share

### ■ Group highlights

SEK million unless otherwise specified	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Net sales	1,289	1,242	4,726	4,234
Operating profit (EBITDA) <sup>1)</sup>	180	206	737	619
Operating profit (EBITA) <sup>2)</sup>	138	164	570	470
EBITA margin, %	10.7	13.2	12.1	11.1
Operating profit (EBIT) <sup>3)</sup>	135	160	556	454
Profit after financial income and expense	135	162	555	462
Profit after tax	97	133	420	364
Earnings per share, basic and diluted, SEK *	3.69	5.06	15.97	13.84
Adjusted earnings per share, SEK <sup>4)</sup> *	3.77	5.17	16.35	14.29
Cash flow after investments, excl. acquisitions and disposals	116	90	288	127
Net investm. affecting cash flow, excl. acq. and disposals	37	48	244	203
Cash conversion, % <sup>5)</sup>	—	—	52	28
Return on capital employed, %	29.6	28.4	29.6	28.4
Return on shareholders' equity, %	25.3	25.0	25.3	25.0
Equity/assets ratio, %	54	54	54	54
Net financial assets	122	59	122	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, if any.

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 2015

- Sales rose by 4% to SEK 1,289 million (1,242); adjusted for currency, sales decreased by 3%
- Operating profit (EBITA) was SEK 138 million (164)
- Strong financial position

### ■ Sales

Consolidated sales rose to SEK 1,289 million (1,242). Adjusted for currency, sales decreased by 3%, which was fully attributable to Nolato Telecom.

Nolato Medical's sales increased to SEK 387 million (334); adjusted for currency, sales grew by 10%. Most of the business area's customer segments saw volumes grow, which together with high project activity resulted in strong growth.

Nolato Telecom's sales amounted to SEK 581 million (633); adjusted for currency, sales decreased by 19%. Volumes in the quarter were higher than previously expected owing to the extended life of outgoing models. Product changeovers will instead therefore take place in the first quarter of 2016, which will result in substantially lower volumes in the current quarter sequentially.

Nolato Industrial's sales amounted to SEK 325 million (277); adjusted for currency, sales increased by a strong 17%. Volumes particularly in the automotive segment showed very good performance, and high project activity relating to new products resulted in higher sales.

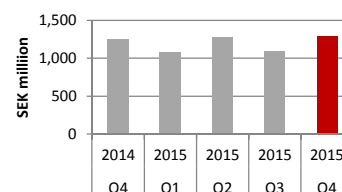
### ■ Profit

The Group's operating profit (EBITA) was SEK 138 million (164).

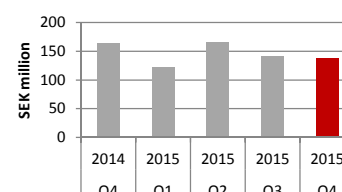
Nolato Medical's operating profit (EBITA) increased to SEK 47 million (43), Nolato Telecom's decreased to SEK 61 million (98) and Nolato Industrial's increased to SEK 34 million (29).

The EBITA margin for Nolato Medical was 12.1% (12.9). The margin was affected by a more unfavourable product mix. The EBITA margin for Nolato Telecom was 10.5% (15.5). The margin was negatively affected by lower volumes and a larger proportion of outgoing products compared with the exceptional quarter in the previous year. Nolato Industrial's EBITA margin was 10.5% (10.5). Overall, the Group's EBITA margin was 10.7% (13.2).

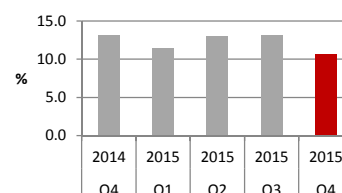
### ■ Sales



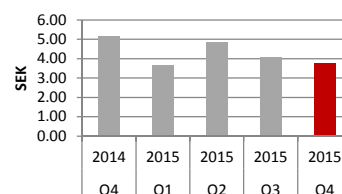
### ■ Operating profit (EBITA)



### ■ EBITA margin



### ■ Adjusted earnings per share



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

SEK million	Sales Q4/2015	Sales Q4/2014	Op. Profit EBITA Q4/2015	Op. Profit EBITA Q4/2014	EBITA margin Q4/2015	EBITA margin Q4/2014
Nolato Medical	387	334	47	43	12.1%	12.9%
Nolato Telecom	581	633	61	98	10.5%	15.5%
Nolato Industrial	325	277	34	29	10.5%	10.5%
Intra-Group adj., Parent Co	- 4	- 2	- 4	- 6	—	—
<b>Group total</b>	<b>1,289</b>	<b>1,242</b>	<b>138</b>	<b>164</b>	<b>10.7%</b>	<b>13.2%</b>

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

Operating profit (EBIT) was SEK 135 million (160).

Profit after net financial income/expense was SEK 135 million (162). Net financial income/expense included currency exchange rate fluctuations affecting earnings by SEK 2 million (3).

Profit after tax was SEK 97 million (133). Earnings per share, basic and diluted, were SEK 3.69 (5.06). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 3.77 (5.17).

## Full year 2015

### ■ Sales and earnings

Consolidated sales rose by 12% to SEK 4,726 million (4,234) in 2015. Adjusted for currency, sales were unchanged.

Nolato Medical's sales increased by 10% to SEK 1,464 million (1,333), Nolato Telecom's by 12% to SEK 2,017 million (1,799) and Nolato Industrial's by 13% to SEK 1,251 million (1,106).

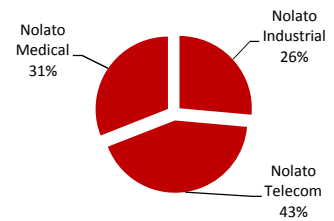
Consolidated operating profit (EBITA) rose by 21% to SEK 570 million (470), giving an EBITA margin of 12.1% (11.1). Operating profit (EBIT) increased to SEK 556 million (454).

Profit after net financial income/expense was SEK 555 million (462).

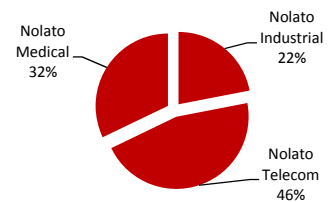
Profit after tax rose to SEK 420 million (364). Earnings per share, basic and diluted, rose to SEK 15.97 (13.84). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 16.35 (14.29). The effective tax rate was 24% (21), which was 1 percentage point higher than the tax rate earlier in the year. The increase is due to changes in earnings in different countries with different tax rates.

The return on capital employed rose to a strong 29.6% (28.4). Return on equity was 25.3% (25.0). Cash conversion was 52% (28). Cash conversion was negatively affected by increased working capital requirements during the year and temporarily higher investments.

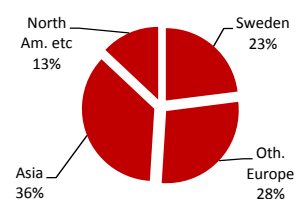
### ■ Business areas' share of sales



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



### ■ Sales by geographic markets



### Nolato Medical

Sales and profit full year (SEK million)	2015	2014
Sales	1,464	1,333
Operating profit (EBITA)	191	176
EBITA margin (%)	13.0	13.2
Operating profit (EBIT)	178	163

Nolato Medical's sales rose to SEK 1,464 million (1,333); adjusted for currency, sales increased by 2%.

Operating profit (EBITA) rose to SEK 191 million (176). The EBITA margin was 13.0% (13.2). Nolato's focus on expanding partnerships with customers was well received in the market and is resulting in higher activity and healthy project activity.

### Nolato Telecom

Sales and profit full year (SEK million)	2015	2014
Sales	2,017	1,799
Operating profit (EBITA)	272	199
EBITA margin (%)	13.5	11.1
Operating profit (EBIT)	272	199

Nolato Telecom's sales totalled SEK 2,017 million (1,799); adjusted for currency, sales decreased by 8%. High volumes in the second quarter resulting from the success of customer handsets on the consumer market contributed to strong sales. Product changeovers took place to some degree in the second half of the year, but to a lesser extent than previously expected. Product changeovers will instead take place in the first quarter of 2016, resulting in substantially lower volumes sequentially. Activity in the EMC (electromagnetic compatibility) area is continuing to develop positively.

Operating profit (EBITA) rose to SEK 272 million (199). The EBITA margin grew to a strong 13.5% (11.1). A favourable product mix and high efficiency led to a higher margin.

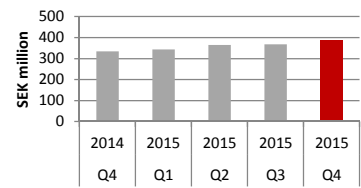
### Nolato Industrial

Sales and profit full year (SEK million)	2015	2014
Sales	1,251	1,106
Operating profit (EBITA)	132	118
EBITA margin (%)	10.6	10.7
Operating profit (EBIT)	131	115

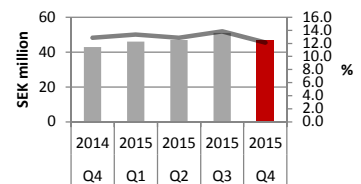
Nolato Industrial's sales rose to SEK 1,251 million (1,106); adjusted for currency, sales increased by 11%. Volumes in the automotive segment increased significantly and volumes in the hygiene segment were also higher than the previous year. Continued investments in technology and increased market share are having a positive effect. The significant project activity during the year relating to new products has generated increased sales.

Operating profit (EBITA) rose to SEK 132 million (118), with a strong EBITA margin of 10.6% (10.7).

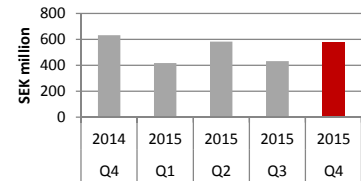
### Nolato Medical sales



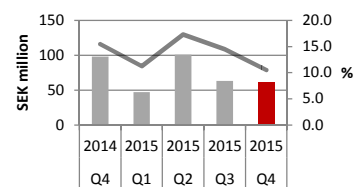
### Nolato Medical operating profit (EBITA) & EBITA margin %



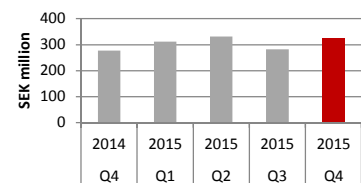
### Nolato Telecom sales



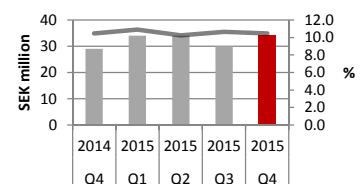
### Nolato Telecom operating profit (EBITA) & EBITA margin %



### Nolato Industrial sales



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



## Cash flow

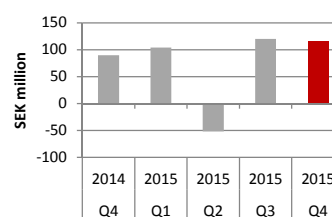
Strong earnings, lower working capital requirements and lower investments contributed to strong cash flow after investments of SEK 116 million (90) in the fourth quarter.

Cash flow after investments for the year amounted to SEK 288 million (127). The strong earnings and, in particular, less negative change in working capital had a positive impact on cash flow, while higher investments than the previous year had a negative effect. The change in working capital was a negative SEK 20 million (-208). Net investments affecting cash flow rose to SEK 244 million (203). Payments for expansion in China, Hungary and Malaysia, together with increased investments in machine capacity, have led to higher investments.

## Financial position

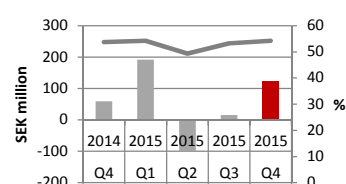
Interest-bearing assets totalled SEK 403 million (256), and interest-bearing liabilities and provisions totalled SEK 281 million (197). Net financial assets consequently totalled SEK 122 million (59). Shareholders' equity was SEK 1,759 million (1,567). The equity/assets ratio was 54% (54). In the second quarter of the year, dividends totalling SEK 224 million (210) were paid out.

## Cash flow after investments



Excluding acquisitions and disposals

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



## Consolidated performance analysis

SEK million	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Net sales	1,289	1,242	4,726	4,234
Gross profit excl. depreciation/amortisation	248	272	986	859
<i>As a percentage of net sales</i>	19.2	21.9	20.9	20.3
Costs	-68	-66	-249	-240
<i>As a percentage of net sales</i>	5.3	5.3	5.3	5.7
Operating profit (EBITDA)	180	206	737	619
<i>As a percentage of net sales</i>	14.0	16.6	15.6	14.6
Depreciation and amortisation	-42	-42	-167	-149
Operating profit (EBIT)	138	164	570	470
<i>As a percentage of net sales</i>	10.7	13.2	12.1	11.1
Amortisation of intangible assets arising from acquisitions	-3	-4	-14	-16
Operating profit (EBIT)	135	160	556	454
Financial income and expense	—	2	-1	8
Profit after financial income and expense	135	162	555	462
Tax	-38	-29	-135	-98
<i>As a percentage of profit after financial income and expense</i>	28.1	17.9	24.3	21.2
Profit after tax	97	133	420	364

## Financial position

SEK million	31/12/2015	31/12/2014
Interest-bearing liabilities, credit institutions	-154	-69
Interest-bearing pension liabilities	-127	-128
<b>Total borrowings</b>	<b>-281</b>	<b>-197</b>
Cash and bank	403	256
<b>Net financial assets</b>	<b>122</b>	<b>59</b>
Working capital	196	107
<i>As a percentage of sales (avg.) (%)</i>	3.2	1.6
Capital employed	2,039	1,764
<i>Return on capital employed (avg.) (%)</i>	29.6	28.4
Shareholders' equity	1,759	1,567
<i>Return on shareholders' equity (avg.) (%)</i>	25.3	25.0

## ■ Personnel

The average number of employees for the year was 7,759 (8,020).

## ■ 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

Christer Wahlquist has been appointed to succeed Hans Porat as the new President and CEO of Nolato and will take up his post on 5 February 2016 (see separate press release from 28 October 2015).

## ■ Dividend

At the Annual General Meeting, the Board of Directors and the President and CEO will propose that the dividend be increased to SEK 10.00 per share (SEK 8.50), which corresponds to SEK 263 million (224). The pay-out ratio is 63% (61). The dividend yield was 3.9% in relation to the listed share price at 31 December 2015. Nolato's dividend policy is to propose a dividend that exceeds 50% of profit after tax, taking accounting of Nolato's long-term development opportunities, financial position and investment needs.

## ■ Ownership and legal structure

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

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

There were 10,487 shareholders at 31 December. The largest shareholders are the Jorlén family with 10%, the Boström family with 9%, Swedbank Robur Funds with 7%, and the Paulsson family, Didner & Gerge Funds and DnB Carlson Funds with 3% of the capital each.

## ■ The Parent Company

For the parent company, which has no operating activities, sales amounted to SEK 31 million (29). Profit after financial income and expense increased to SEK 101 million (85), owing mainly to improved earnings from investments in group companies.

## ■ 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.

## ■ Annual General Meeting

The Annual General Meeting will be held at 4 pm on 28 April 2016 in Grevie, Sweden. Shareholders who would like to submit proposals to the nomination committee can contact the Chairman of the nomination committee, Henrik Jorlén by email at [henrik.jorlen@gmail.com](mailto:henrik.jorlen@gmail.com) or by post at Kommendörsgatan 4, 269 77 Torekov, Sweden.

## ■ Financial calendar

- 2015 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 2016: 28 April 2016
- 2016 Annual General Meeting: 28 April 2016
- Six-month interim report 2016: 19 July 2016
- Nine-month interim report 2016: 25 October 2016

*Torekov, 4 February 2016  
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 4 February 2016 at 2:30 PM.*

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

## ■ Consolidated income statement (summary)

SEK million	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Net sales	1,289	1,242	4,726	4,234
Cost of goods sold	- 1,083	- 1,011	- 3,904	- 3,520
<b>Gross profit</b>	<b>206</b>	<b>231</b>	<b>822</b>	<b>714</b>
Other operating income	1	—	13	5
Selling expenses	- 28	- 28	- 109	- 101
Administrative expenses	- 44	- 41	- 170	- 162
Other operating expenses	—	- 2	—	- 2
	- 71	- 71	- 266	- 260
<b>Operating profit</b>	<b>135</b>	<b>160</b>	<b>556</b>	<b>454</b>
Financial income and expense	—	2	- 1	8
<b>Profit after financial income and expense</b>	<b>135</b>	<b>162</b>	<b>555</b>	<b>462</b>
Tax	- 38	- 29	- 135	- 98
<b>Profit after tax</b>	<b>97</b>	<b>133</b>	<b>420</b>	<b>364</b>
All earnings are attrib. to the Parent Co.'s shareholders				
Depreciation/amortisation	45	46	181	165
Earnings per share, basic and diluted (SEK)	3.69	5.06	15.97	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	Q4 2015	Q4 2014	Full year 2015	Full year 2014
<b>Profit after tax</b>	<b>97</b>	<b>133</b>	<b>420</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	1	- 11	1	- 20
Tax attributable to items that cannot be transferred to profit for the period	—	2	—	4
	<b>1</b>	<b>- 9</b>	<b>1</b>	<b>- 16</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.	- 24	43	- 7	84
Changes in the fair val. of cash flow hedges for the per. *	—	- 1	3	- 4
Tax attr. to changes in the fair val. of cash flow hedges *	—	—	- 1	1
	<b>- 24</b>	<b>42</b>	<b>- 5</b>	<b>81</b>
<b>Other comprehensive income, net of tax</b>	<b>- 23</b>	<b>33</b>	<b>- 4</b>	<b>65</b>
<b>Total comp. income for the period attributable to the Parent Co.'s shareholders</b>	<b>74</b>	<b>166</b>	<b>416</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	Full year 2015	Full year 2014
<b>Operating profit (EBIT)</b>		
Nolato Medical	178	163
Nolato Telecom	272	199
Nolato Industrial	131	115
Group adjustments, Parent Company	- 25	- 23
<b>Consolidated operating profit (EBIT)</b>	<b>556</b>	<b>454</b>
Financial income and expense (not distributed by business areas)	- 1	8
<b>Consolidated profit before tax</b>	<b>555</b>	<b>462</b>

## ■ Consolidated balance sheet (summary)

SEK million	31/12/2015	31/12/2014
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible non-current assets	543	549
Property, plant and equipment	952	894
Non-current financial assets	2	2
Other non-current receivables	1	1
Deferred tax assets	44	45
<b>Total fixed assets</b>	<b>1,542</b>	<b>1,491</b>
<b>Current assets</b>		
Inventories	279	264
Accounts receivable	874	755
Other current assets <sup>2)</sup>	135	148
Cash and bank	403	256
<b>Total current assets</b>	<b>1,691</b>	<b>1,423</b>
<b>Total assets</b>	<b>3,233</b>	<b>2,914</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>	<b>1,759</b>	<b>1,567</b>
Long-term liabilities and provisions <sup>1)</sup>	159	157
Deferred tax liabilities <sup>1)</sup>	69	61
Current liabilities and provisions <sup>1) 2)</sup>	1,246	1,129
<b>Total liabilities and provisions</b>	<b>1,474</b>	<b>1,347</b>
<b>Total shareholders' equity and liabilities</b>	<b>3,233</b>	<b>2,914</b>
<sup>1)</sup> Interest-bearing/non-interest-bearing liabilities and provisions:		
Interest-bearing liabilities and provisions	281	197
Non-interest-bearing liabilities and provisions	1,193	1,150
<b>Total liabilities and provisions</b>	<b>1,474</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 at	7	—
<sup>2)</sup> Derivative liabilities are included in current liabilities and provisions at	1	10

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

SEK million	Full year 2015	Full year 2014
<b>Shareholders' equity at the beginning of the period</b>	<b>1,567</b>	<b>1,348</b>
Total comprehensive income for the period	416	429
Dividends	– 224	– 210
<b>Shareholders' equity at the end of period attrib. to Parent Co's shareholders</b>	<b>1,759</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	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Cash flow from op. activities bef. changes in working capital	129	201	552	538
Changes in working capital	24	- 63	- 20	- 208
<b>Cash flow from operating activities</b>	<b>153</b>	<b>138</b>	<b>532</b>	<b>330</b>
Cash flow from investment activities	- 37	- 48	- 244	- 203
<b>Cash flow before financing activities</b>	<b>116</b>	<b>90</b>	<b>288</b>	<b>127</b>
Cash flow from financing activities	- 64	- 62	- 138	- 227
<b>Cash flow for the period</b>	<b>52</b>	<b>28</b>	<b>150</b>	<b>- 100</b>
<b>Liquid assets at the beginning of the period</b>	<b>362</b>	<b>206</b>	<b>256</b>	<b>318</b>
Exchange rate difference in liquid assets	- 11	22	- 3	38
<b>Liquid assets at the end of the period</b>	<b>403</b>	<b>256</b>	<b>403</b>	<b>256</b>

## ■ Earnings per share

SEK million	Q4 2015	Q4 2014	Full year 2015	Full year 2014
<b>Profit after tax</b>	<b>97</b>	<b>133</b>	<b>420</b>	<b>364</b>
Adjusted earnings:				
Amortisation of intangible assets arising from acquis.	3	4	14	16
Tax on amortisation	- 1	- 1	- 4	- 4
<b>Adjusted earnings</b>	<b>99</b>	<b>136</b>	<b>430</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) *	3.69	5.06	15.97	13.84
Adjusted earnings per share (SEK) *	3.77	5.17	16.35	14.29

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

## ■ Five-year overview

	2015	2014	2013	2012	2011
Net sales (SEK million)	4,726	4,234	4,522	3,874	2,977
Operating profit (EBITA) (SEK million)	570	470	427	303	199
EBITA margin (%)	12.1	11.1	9.4	7.8	6.7
Operating profit (EBIT) (SEK million)	556	454	411	287	190
Profit after financial income and expense (SEK million)	555	462	403	272	183
Profit after tax (SEK million)	420	364	314	202	132
Cash flow after investments, excl. acq. and disposals (SEK million)	288	127	362	317	112
Cash conversion (%)	52	28	82	111	45
Return on capital employed (%) *	29.6	28.4	26.7	19.4	13.9
Return on shareholders' equity (%) *	25.3	25.0	24.9	17.7	11.6
Net financial assets (+) liabilities (-) (SEK million) *	122	59	122	- 113	- 119
Equity/assets ratio (%) *	54	54	52	44	52
Earnings per share (SEK)	15.97	13.84	11.94	7.68	5.02
Adjusted earnings per share (SEK)	16.35	14.29	12.39	8.13	5.28
Dividend per share (2015 proposal) (SEK)	10.00	8.50	8.00	6.00	5.00
Average number of employees	7,759	8,020	9,357	8,421	5,496

## ■ Quarterly data (summary)

		Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	2015	1,073	1,280	1,084	1,289	4,726
	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	185	180	737
	2014	129	135	149	206	619
	2013	157	147	136	128	568
Operating profit (EBITA) (SEK million)	2015	123	167	142	138	570
	2014	94	100	112	164	470
	2013	122	111	103	91	427
EBITA margin (%)	2015	11.5	13.0	13.1	10.7	12.1
	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	139	135	556
	2014	90	96	108	160	454
	2013	118	107	99	87	411
Profit after financial income and expense (SEK million)	2015	121	162	137	135	555
	2014	88	104	108	162	462
	2013	113	105	97	88	403
Profit after tax (SEK million)	2015	93	125	105	97	420
	2014	67	81	83	133	364
	2013	85	78	74	77	314
Cash flow from operating activities (SEK million)	2015	217	9	153	153	532
	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	5.82	5.82	20.22
	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	120	116	288
	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	4.56	4.41	10.95
	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	3.99	3.69	15.97
	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	4.07	3.77	16.35
	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	64	67	67
	2014	53	49	53	60	60
	2013	47	45	48	51	51
Return on total capital (%)	2015	17.6	19.5	19.8	18.3	18.3
	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	32.0	29.6	29.6
	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	37.3	35.3	35.3
	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	29.6	25.3	25.3
	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	368	387	1,464
	2014	326	343	330	334	1,333
	2013	328	323	310	313	1,274
Nolato Telecom	2015	418	584	434	581	2,017
	2014	320	344	502	633	1,799
	2013	627	541	516	395	2,079
Nolato Industrial	2015	312	332	282	325	1,251
	2014	286	279	264	277	1,106
	2013	299	300	293	278	1,170
Group adjustments, Parent Company	2015	-1	-1	—	-4	-6
	2014	—	-1	-1	-2	-4
	2013	—	—	—	-1	-1
Group total	2015	1,073	1,280	1,084	1,289	4,726
	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	51	47	191
	<i>EBITA margin (%)</i>	<i>13.4</i>	<i>12.9</i>	<i>13.9</i>	<i>12.1</i>	<i>13.0</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>
	2013	43	42	41	39	165
	<i>EBITA margin (%)</i>	<i>13.1</i>	<i>13.0</i>	<i>13.2</i>	<i>12.5</i>	<i>13.0</i>
Nolato Telecom	2015	47	101	63	61	272
	<i>EBITA margin (%)</i>	<i>11.2</i>	<i>17.3</i>	<i>14.5</i>	<i>10.5</i>	<i>13.5</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>
	2013	57	43	35	31	166
	<i>EBITA margin (%)</i>	<i>9.1</i>	<i>7.9</i>	<i>6.8</i>	<i>7.8</i>	<i>8.0</i>
Nolato Industrial	2015	34	34	30	34	132
	<i>EBITA margin (%)</i>	<i>10.9</i>	<i>10.2</i>	<i>10.6</i>	<i>10.5</i>	<i>10.6</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>
	2013	29	30	33	27	119
	<i>EBITA margin (%)</i>	<i>9.7</i>	<i>10.0</i>	<i>11.3</i>	<i>9.7</i>	<i>10.2</i>
Group adjustments, Parent Company	2015	-4	-15	-2	-4	-25
	2014	-5	-6	-6	-6	-23
	2013	-7	-4	-6	-6	-23
Group total	2015	123	167	142	138	570
	<i>EBITA margin (%)</i>	<i>11.5</i>	<i>13.0</i>	<i>13.1</i>	<i>10.7</i>	<i>12.1</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>
	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	22	22	86
	2014	18	19	19	20	76
	2013	18	20	18	19	75
Nolato Telecom	2015	11	11	10	10	42
	2014	10	10	11	14	45
	2013	10	10	9	10	39
Nolato Industrial	2015	14	12	14	13	53
	2014	11	10	11	12	44
	2013	11	10	10	12	43
Group total	2015	45	45	46	45	181
	2014	39	39	41	46	165
	2013	39	40	37	41	157

## ■ Group financial highlights

	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Net sales (SEK million)	1,289	1,242	4,726	4,234
Sales growth (%)	4	26	12	- 6
Percentage of sales outside Sweden (%)	74	82	77	79
Operating profit (EBITDA) (SEK million)	180	206	737	619
Operating profit (EBITA) (SEK million)	138	164	570	470
EBITA margin (%)	10.7	13.2	12.1	11.1
Profit after financial income and expense (SEK million)	135	162	555	462
Profit margin (%)	10.5	13.0	11.7	10.9
Profit after tax (SEK million)	97	133	420	364
Return on total capital (%)	18.3	17.1	18.3	17.1
Return on capital employed (%)	29.6	28.4	29.6	28.4
Return on operating capital (%)	35.3	33.0	35.3	33.0
Return on shareholders' equity (%)	25.3	25.0	25.3	25.0
Equity/assets ratio (%)	54	54	54	54
Debt/equity (%)	16	13	16	13
Interest coverage ratio (times)	60	148	78	58
Net investments affecting cash flow, excl. acq. and disposals (SEK million)	37	48	244	203
Cash flow after inv., excl. acq. and disp. (SEK million)	116	90	288	127
Cash conversion (%)	—	—	52	28
Net financial assets (SEK million)	122	59	122	59
Earnings per share, basic and diluted (SEK)	3.69	5.06	15.97	13.84
Adjusted earnings per share (SEK)	3.77	5.17	16.35	14.29
Cash flow from operating activities per share (SEK)	5.82	5.25	20.22	12.54
Cash flow per share, excl. acq. and disposals (SEK)	4.41	3.42	10.95	4.83
Shareholders' equity per share (SEK)	—	—	67	60
Average number of employees	—	—	7,759	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, if any.

#### 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 2015	Q4 2014	Full year 2015	Full year 2014
Net sales	7	7	31	29
Other operating income	—	-1	—	—
Selling expenses	-2	-2	-11	-11
Administrative expenses	-20	-14	-53	-50
Other operating expenses	-2	-4	-17	-4
<b>Operating profit</b>	<b>-17</b>	<b>-14</b>	<b>-50</b>	<b>-36</b>
Profit from participations in Group companies	128	74	146	91
Financial income	-11	-10	21	34
Financial expenses	-14	-1	-16	-4
<b>Profit after financial income and expense</b>	<b>86</b>	<b>49</b>	<b>101</b>	<b>85</b>
Appropriations	262	291	262	291
Tax	-55	-67	-53	-66
<b>Profit after tax</b>	<b>293</b>	<b>273</b>	<b>310</b>	<b>310</b>
Depreciation/amortisation	—	—	—	—

## ■ Parent Company balance sheet (summary)

SEK million	31/12/2015	31/12/2014
<b>Assets</b>		
Property, plant and equipment	1	1
Financial assets	1,151	1,127
Deferred tax assets	7	6
<b>Total fixed assets</b>	<b>1,159</b>	<b>1,134</b>
Other receivables	520	428
Cash and bank	37	17
<b>Total current assets</b>	<b>557</b>	<b>445</b>
<b>Total assets</b>	<b>1,716</b>	<b>1,579</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	1,119	1,033
Untaxed reserves	129	161
Other provisions	11	9
Long-term liabilities	55	—
Current liabilities	402	376
<b>Total shareholders' equity and liabilities</b>	<b>1,716</b>	<b>1,579</b>
Pledged assets	—	—
Contingent liabilities	125	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
Subsidiary	Full year 2015	31	-4	21	—	146	931	290
Subsidiary	Full year 2014	29	-4	19	—	91	816	283

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.

