

Nolato AB (publ) three-month interim report 2016

Strong performance by Nolato Medical

■ First quarter of 2016 in brief

- Sales totalled SEK 1,022 million (1,073)
- Operating profit (EBITA) amounted to SEK 113 million (123)
- EBITA margin of 11.1% (11.5)
- Profit after tax was SEK 83 million (93)
- Earnings per share were SEK 3.16 (3.54)
- Cash flow after investments totalled SEK 30 million (104)

■ Group highlights

SEK million unless otherwise specified	Q1 2016	Q1 2015	Rolling 12 months	Full year 2015
Net sales	1,022	1,073	4,675	4,726
Operating profit (EBITDA) ¹⁾	155	164	728	737
Operating profit (EBITA) ²⁾	113	123	560	570
EBITA margin, %	11.1	11.5	12.0	12.1
Operating profit (EBIT) ³⁾	110	119	547	556
Profit after financial income and expense	109	121	543	555
Profit after tax	83	93	410	420
Earnings per share, basic and diluted, SEK *	3.16	3.54	15.59	15.97
Adjusted earnings per share, SEK ⁴⁾ *	3.23	3.65	15.93	16.35
Cash flow after investments, excl. acquisitions and disposals	30	104	214	288
Net investments affecting cash flow, excl. acquisitions and disposals	63	113	194	244
Cash conversion, % ⁵⁾	—	—	39	52
Return on capital employed, %	27.2	28.5	27.2	29.6
Return on shareholders' equity, %	23.2	25.1	23.2	25.3
Equity/assets ratio, %	60	54	60	54
Net financial assets (+) / liabilities (-)	144	192	144	122

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

¹⁾ Operating profit (EBITDA): Earnings before financial income and expense, taxes and depreciation/amortisation.

²⁾ Operating profit (EBITA): Earnings before financial income and expense, taxes and amortisation of intangible assets arising from acquisitions.

³⁾ Operating profit (EBIT): Earnings before financial income and expense and taxes.

⁴⁾ Adjusted earnings per share: Profit after tax, excluding amortisation of intangible assets arising from acquisitions, divided by the average number of shares.

⁵⁾ 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.

First quarter 2016

- Sales totalled SEK 1,022 million (1,073); adjusted for currency, sales decreased by 4%
- Operating profit (EBITA) was SEK 113 million (123)
- EBITA margin of 11.1% (11.5)
- Strong performance by Nolato Medical

Sales

Consolidated sales totalled SEK 1,022 million (1,073). Adjusted for currency, sales decreased by 4%.

Nolato Medical's sales increased to SEK 390 million (344); adjusted for currency, sales grew by a strong 14%. Volumes increased in both the Medical Devices and Pharma Packaging sectors and most customer segments experienced healthy growth. The growth was partly boosted by temporary inventory build-up at some customers.

Nolato Telecom's sales amounted to SEK 300 million (418); adjusted for currency, sales decreased by 27%. As expected, product changeovers took place in the quarter and this contributed to significantly lower volumes. Activity in the EMC (electromagnetic compatibility) area continued to develop well.

Nolato Industrial's sales rose to SEK 334 million (312); adjusted for currency, sales growth was 7%. Volumes in areas such as automotive showed positive development.

Profit

The Group's operating profit (EBITA) was SEK 113 million (123).

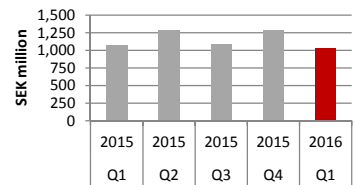
Nolato Medical's operating profit (EBITA) increased to SEK 52 million (46), Nolato Telecom's decreased to SEK 33 million (47) and Nolato Industrial's was unchanged at SEK 34 million (34).

The EBITA margin for Nolato Medical was 13.3% (13.4). For Nolato Telecom it was 11.0% (11.2). Significantly lower volumes for mobile phones had a negative impact on the margin, while good EMC performance had a positive effect. Nolato Industrial's EBITA margin was 10.2% (10.9). New product start-ups in the quarter had some negative effect on the margin compared with last year. Overall, the Group's EBITA margin was a strong 11.1% (11.5).

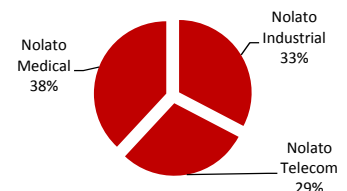
Operating profit (EBIT) was SEK 110 million (119).

Profit after net financial income/expense was SEK 109 million (121). Net financial income/expense included exchange rate fluctuations affecting earnings by SEK -1 million (3).

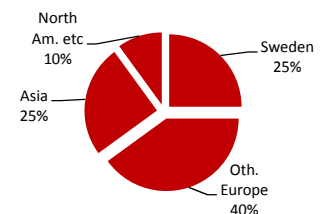
Sales



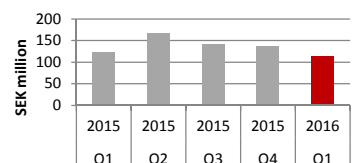
Business areas' share of sales



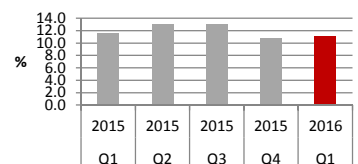
Sales by geographic markets



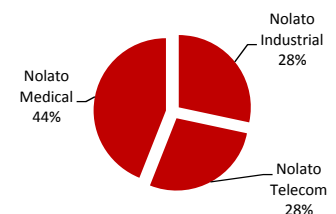
Operating profit (EBITA)



EBITA margin

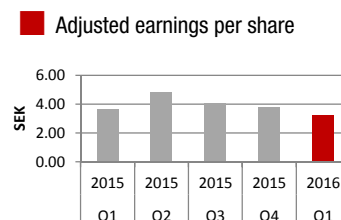


Business areas' share of operating profit (EBITA)



Profit after tax was SEK 83 million (93). Earnings per share, basic and diluted, stood at SEK 3.16 (3.54). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 3.23 (3.65). The effective tax rate was 24% (23).

Return on capital employed was 27.2% for the last 12-month period (29.6% for the 2015 calendar year). Return on equity was 23.2% for the last 12 months (25.3% for the 2015 calendar year).



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

SEK million	Sales Q1/2016	Sales Q1/2015	Op. Profit EBITA Q1/2016	Op. Profit EBITA Q1/2015	EBITA margin Q1/2016	EBITA margin Q1/2015
Nolato Medical	390	344	52	46	13.3%	13.4%
Nolato Telecom	300	418	33	47	11.0%	11.2%
Nolato Industrial	334	312	34	34	10.2%	10.9%
Intra-Group adj., Parent Co	- 2	- 1	- 6	- 4	—	—
Group total	1,022	1,073	113	123	11.1%	11.5%

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

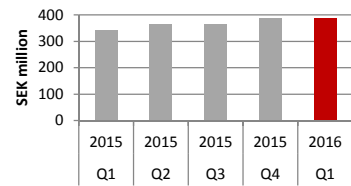
Nolato Medical

Sales and profit Q1 (SEK million)	2016	2015
Sales	390	344
Operating profit (EBITA)	52	46
EBITA margin (%)	13.3	13.4
Operating profit (EBIT)	49	43

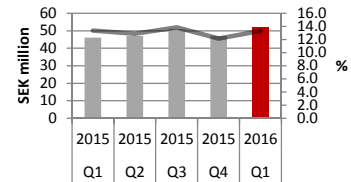
Nolato Medical's sales were SEK 390 million (344); adjusted for currency, sales grew by a strong 14%. Volumes increased in both the Medical Devices and Pharma Packaging sectors and most customer segments experienced healthy growth. The growth was partly boosted by temporary inventory build-up at some customers.

Operating profit (EBITA) was SEK 52 million (46). The EBITA margin was 13.3% (13.4).

Nolato Medical sales



Nolato Medical operating profit (EBITA) & EBITA margin %



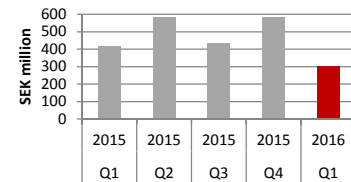
Nolato Telecom

Sales and profit Q1 (SEK million)	2016	2015
Sales	300	418
Operating profit (EBITA)	33	47
EBITA margin (%)	11.0	11.2
Operating profit (EBIT)	33	47

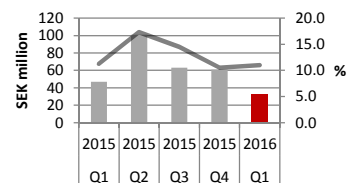
Nolato Telecom's sales amounted to SEK 300 million (418); adjusted for currency, sales decreased by 27%. As expected, product changeovers took place in the quarter and this contributed to significantly lower volumes. Activity in the EMC (electromagnetic compatibility) area continued to develop well.

Operating profit (EBITA) was SEK 33 million (47). The EBITA margin was 11.0% (11.2). Significantly lower volumes for mobile phones had a negative impact on the margin, while good EMC performance had a positive effect.

Nolato Telecom sales



Nolato Telecom operating profit (EBITA) & EBITA margin %



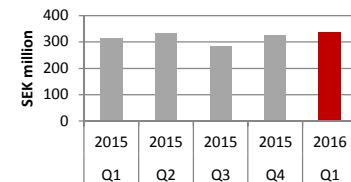
Nolato Industrial

Sales and profit Q1 (SEK million)	2016	2015
Sales	334	312
Operating profit (EBITA)	34	34
EBITA margin (%)	10.2	10.9
Operating profit (EBIT)	34	33

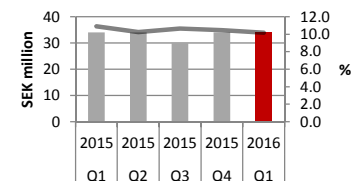
Nolato Industrial's sales were SEK 334 million (312); adjusted for currency, sales growth was 7%. Volumes in areas such as automotive showed positive development.

Operating profit (EBITA) was unchanged at SEK 34 million (34), with an EBITA margin of 10.2% (10.9). New product start-ups in the quarter had some negative effect on the margin compared with last year.

Nolato Industrial sales



Nolato Industrial operating profit (EBITA) & EBITA margin %



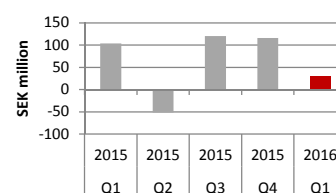
Cash flow

Cash flow after investments was SEK 30 million (104) in the first quarter. Cash flow was impacted by a slight increase in working capital requirements, resulting in a negative change of SEK 18 million (+101). Net investments affecting cash flow decreased considerably to SEK 63 million (113). Final payments were made last year for the expansion of factories, which, together with investments in machine capacity, led to a higher level of investment. A lower positive change in working capital had a negative effect on cash flow, while lower investments than the previous year had a positive impact.

Financial position

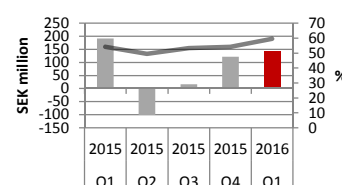
Interest-bearing assets decreased to SEK 391 million (464), and interest-bearing liabilities and provisions to SEK 247 million (272). Net financial assets consequently totalled SEK 144 million (192). Shareholders' equity rose to SEK 1,829 million (1,698). The equity/assets ratio was 60% (54). Adjusted for the proposed dividend of SEK 263 million, the equity/assets ratio was 56% (51).

Cash flow after investments



Excluding acquisitions and disposals.

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



Consolidated performance analysis

SEK million	Q1 2016	Q1 2015	Full year 2015
Net sales	1,022	1,073	4,726
Gross profit excl. depreciation/amortisation	224	224	986
<i>As a percentage of net sales</i>	21.9	20.9	20.9
Costs	-69	-60	-249
<i>As a percentage of net sales</i>	6.8	5.6	5.3
Operating profit (EBITDA)	155	164	737
<i>As a percentage of net sales</i>	15.2	15.3	15.6
Depreciation and amortisation	-42	-41	-167
Operating profit (EBITA)	113	123	570
<i>As a percentage of net sales</i>	11.1	11.5	12.1
Amortisation of intangible assets arising from acquisitions	-3	-4	-14
Operating profit (EBIT)	110	119	556
Financial income and expense	-1	2	-1
Profit after financial income and expense	109	121	555
Tax	-26	-28	-135
<i>As a percentage of profit after financial income and expense</i>	23.9	23.1	24.3
Profit after tax	83	93	420

Financial position

SEK million	31/03/2016	31/03/2015	31/12/2015
Interest-bearing liabilities, credit institutions	-120	-144	-154
Interest-bearing pension liabilities	-127	-128	-127
Total borrowings	-247	-272	-281
Cash and bank	391	464	403
Net financial assets (+) / liabilities (-)	144	192	122
Working capital	252	29	196
<i>As a percentage of sales (avg.) (%)</i>	3.0	0.8	3.2
Capital employed	2,075	1,969	2,039
<i>Return on capital employed (avg.) (%)</i>	27.2	28.5	29.6
Shareholders' equity	1,829	1,698	1,759
<i>Return on shareholders' equity (avg.) (%)</i>	23.2	25.1	25.3

■ Personnel

The average number of employees during the period was 5,027 (7,044). The decrease 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 2015 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 10,659 shareholders at 31 March. The largest shareholders are the Jorlén family with 10%, the Boström family with 9%, Swedbank Robur Funds with 6%, Didner & Gerge Funds with 5 procent, the Paulsson family with 3% and DnB Carlson Funds with 3% of the capital.

■ The Parent Company

Sales amounted to SEK 9 million (9). Profit after financial income and expense amounted to SEK -14 million (32), owing mainly to lowered 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 2015 Annual Report on pages 56 – 58.

The new or revised IFRS standards or IFRIC interpretations, which came into effect on 1 January 2016, 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 2016: 19 July 2016
- Nine-month interim report 2016: 25 October 2016

Torekov, 28 April 2016

Nolato AB (publ)

Christer Wahlquist, President and CEO

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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 28 April 2016 at 3:00 PM.

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

■ Consolidated income statement (summary)

SEK million	Q1 2016	Q1 2015	Rolling 12 months	Full year 2015
Net sales	1,022	1,073	4,675	4,726
Cost of goods sold	- 840	- 888	- 3,856	- 3,904
Gross profit	182	185	819	822
Other operating income	—	3	10	13
Selling expenses	- 27	- 28	- 108	- 109
Administrative expenses	- 44	- 41	- 173	- 170
Other operating expenses	- 1	—	- 1	—
	- 72	- 66	- 272	- 266
Operating profit	110	119	547	556
Financial income and expense	- 1	2	- 4	- 1
Profit after financial income and expense	109	121	543	555
Tax	- 26	- 28	- 133	- 135
Profit after tax	83	93	410	420
All earnings are attrib. to the Parent Co.'s shareholders				
Depreciation/amortisation	45	45	181	181
Earnings per share, basic and diluted (SEK)	3.16	3.54	15.59	15.97
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	Q1 2016	Q1 2015	Rolling 12 months	Full year 2015
Profit after tax	83	93	410	420
Other comprehensive income				
<i>Items that cannot be transferred to profit for the period</i>				
Revaluations of defined benefit pension plans	—	—	1	1
Tax attributable to items that cannot be transferred to profit for the period	—	—	—	—
	—	—	1	1
<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	- 14	40	- 61	- 7
Changes in the fair value of cash flow hedges for the period *	1	- 3	7	3
Tax attributable to changes in the fair value of cash flow hedges *	—	1	- 2	- 1
	- 13	38	- 56	- 5
Other comprehensive income, net of tax	- 13	38	- 55	- 4
Total comp. income for the period attributable to the Parent Co.'s shareholders	70	131	355	416

* 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 2016	Q1 2015	Rolling 12 months	Full year 2015
Operating profit (EBIT)				
Nolato Medical	49	43	184	178
Nolato Telecom	33	47	258	272
Nolato Industrial	34	33	132	131
Group adjustments, Parent Company	- 6	- 4	- 27	- 25
Consolidated operating profit (EBIT)	110	119	547	556
Financial income and expense (not distributed by business areas)	- 1	2	- 4	- 1
Consolidated profit before tax	109	121	543	555

■ Consolidated balance sheet (summary)

SEK million	31/03/2016	31/03/2015	31/12/2015
Assets			
Non-current assets			
Intangible non-current assets	531	559	543
Property, plant and equipment	958	949	952
Non-current financial assets	2	2	2
Other non-current receivables	1	1	1
Deferred tax assets	43	50	44
Total fixed assets	1,535	1,561	1,542
Current assets			
Inventories	303	297	279
Accounts receivable	649	655	874
Other current assets * 2)	169	153	135
Cash and bank	391	464	403
Total current assets	1,512	1,569	1,691
Total assets	3,047	3,130	3,233
Shareholders' equity and liabilities			
Shareholders' equity	1,829	1,698	1,759
Long-term liabilities and provisions ¹⁾	159	158	159
Deferred tax liabilities ¹⁾	70	54	69
Current liabilities and provisions * 1) 3)	989	1,220	1,246
Total liabilities and provisions	1,218	1,432	1,474
Total shareholders' equity and liabilities	3,047	3,130	3,233
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	247	272	281
Non-interest-bearing liabilities and provisions	971	1,160	1,193
Total liabilities and provisions	1,218	1,432	1,474
* Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2.			
²⁾ Derivative assets are included in other current assets at	21	1	7
³⁾ Derivative liabilities are included in current liabilities and provisions at	1	44	1

■ Changes in consolidated shareholders' equity (summary)

SEK million	Q1 2016	Q1 2015	Full year 2015
Shareholders' equity at the beginning of the period	1,759	1,567	1,567
Total comprehensive income for the period	70	131	416
Dividends	—	—	– 224
Shareholders' equity at the end of period attrib. to Parent Co's shareholders	1,829	1,698	1,759

In 2015, a dividend totalling SEK 224 million was paid to the Parent Company's shareholders, corresponding to a dividend of SEK 8.50 per share. The Group does not have any incentive programmes resulting in a dilutive effect on the number of shares.

■ Consolidated cash flow statement (summary)

SEK million	Q1 2016	Q1 2015	Rolling 12 months	Full year 2015
Cash flow from operating activities before changes in working capital	111	116	547	552
Changes in working capital	- 18	101	- 139	- 20
Cash flow from operating activities	93	217	408	532
Cash flow from investment activities	- 63	- 113	- 194	- 244
Cash flow before financing activities	30	104	214	288
Cash flow from financing activities	- 34	75	- 247	- 138
Cash flow for the period	- 4	179	- 33	150
Liquid assets at the beginning of the period	403	256	—	256
Exchange rate difference in liquid assets	- 8	29	—	- 3
Liquid assets at the end of the period	391	464	—	403

■ Earnings per share

SEK million	Q1 2016	Q1 2015	Rolling 12 months	Full year 2015
Profit after tax	83	93	410	420
Adjusted earnings:				
Amortisation of intangible assets arising from acquisitions	3	4	13	14
Tax on amortisation	- 1	- 1	- 4	- 4
Adjusted earnings	85	96	419	430
Average number of shares *	26,307,408	26,307,408	26,307,408	26,307,408
Earnings per share, basic and diluted (SEK) *	3.16	3.54	15.59	15.97
Adjusted earnings per share (SEK) *	3.23	3.65	15.93	16.35

* 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)	2016	1,022	—	—	—	—
	2015	1,073	1,280	1,084	1,289	4,726
	2014	932	965	1,095	1,242	4,234
Operating profit (EBITDA) (SEK million)	2016	155	—	—	—	—
	2015	164	208	185	180	737
	2014	129	135	149	206	619
Operating profit (EBITA) (SEK million)	2016	113	—	—	—	—
	2015	123	167	142	138	570
	2014	94	100	112	164	470
EBITA margin (%)	2016	11.1	—	—	—	—
	2015	11.5	13.0	13.1	10.7	12.1
	2014	10.1	10.4	10.2	13.2	11.1
Operating profit (EBIT) (SEK million)	2016	110	—	—	—	—
	2015	119	163	139	135	556
	2014	90	96	108	160	454
Profit after financial income and expense (SEK million)	2016	109	—	—	—	—
	2015	121	162	137	135	555
	2014	88	104	108	162	462
Profit after tax (SEK million)	2016	83	—	—	—	—
	2015	93	125	105	97	420
	2014	67	81	83	133	364
Cash flow from operating activities (SEK million)	2016	93	—	—	—	—
	2015	217	9	153	153	532
	2014	61	92	39	138	330
Cash flow from operating activities per share (SEK)	2016	3.54	—	—	—	—
	2015	8.25	0.34	5.82	5.82	20.22
	2014	2.32	3.50	1.48	5.25	12.54
Cash flow after investments, excl. acq. and disp. (SEK million)	2016	30	—	—	—	—
	2015	104	- 52	120	116	288
	2014	17	33	- 13	90	127
Cash flow after investm., excl. acq. and disp. per share (SEK)	2016	1.14	—	—	—	—
	2015	3.95	- 1.98	4.56	4.41	10.95
	2014	0.65	1.25	- 0.49	3.42	4.83
Earnings per share, basic and diluted (SEK)	2016	3.16	—	—	—	—
	2015	3.54	4.75	3.99	3.69	15.97
	2014	2.55	3.08	3.15	5.06	13.84
Adjusted earnings per share (SEK)	2016	3.23	—	—	—	—
	2015	3.65	4.86	4.07	3.77	16.35
	2014	2.66	3.19	3.27	5.17	14.29
Shareholders' equity per share (SEK)	2016	70	—	—	—	—
	2015	65	60	64	67	67
	2014	53	49	53	60	60
Return on total capital (%)	2016	17.8	—	—	—	—
	2015	17.6	19.5	19.8	18.3	18.3
	2014	14.3	14.3	14.3	17.1	17.1
Return on capital employed (%)	2016	27.2	—	—	—	—
	2015	28.5	31.6	32.0	29.6	29.6
	2014	24.7	24.1	24.6	28.4	28.4
Return on operating capital (%)	2016	34.2	—	—	—	—
	2015	34.7	36.4	37.3	35.3	35.3
	2014	29.1	28.0	27.4	33.0	33.0
Return on shareholders' equity (%)	2016	23.2	—	—	—	—
	2015	25.1	30.1	29.6	25.3	25.3
	2014	22.3	24.0	23.2	25.0	25.0

Quarterly data business areas

Net sales (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2016	390	—	—	—	—
	2015	344	365	368	387	1,464
	2014	326	343	330	334	1,333
Nolato Telecom	2016	300	—	—	—	—
	2015	418	584	434	581	2,017
	2014	320	344	502	633	1,799
Nolato Industrial	2016	334	—	—	—	—
	2015	312	332	282	325	1,251
	2014	286	279	264	277	1,106
Group adjustments, Parent Company	2016	-2	—	—	—	—
	2015	-1	-1	—	-4	-6
	2014	—	-1	-1	-2	-4
Group total	2016	1,022	—	—	—	—
	2015	1,073	1,280	1,084	1,289	4,726
	2014	932	965	1,095	1,242	4,234

Operating profit (EBITA) (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2016	52	—	—	—	—
	<i>EBITA margin (%)</i>	<i>13.3</i>	—	—	—	—
	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>	
Nolato Telecom	2016	33	—	—	—	—
	<i>EBITA margin (%)</i>	<i>11.0</i>	—	—	—	—
	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>	
Nolato Industrial	2016	34	—	—	—	—
	<i>EBITA margin (%)</i>	<i>10.2</i>	—	—	—	—
	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>	
Group adjustments, Parent Company	2016	-6	—	—	—	—
	2015	-4	-15	-2	-4	-25
	2014	-5	-6	-6	-6	-23
Group total	2016	113	—	—	—	—
	<i>EBITA margin (%)</i>	<i>11.1</i>	—	—	—	—
	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>	

Depreciation/amortisation (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2016	22	—	—	—	—
	2015	20	22	22	22	86
	2014	18	19	19	20	76
Nolato Telecom	2016	9	—	—	—	—
	2015	11	11	10	10	42
	2014	10	10	11	14	45
Nolato Industrial	2016	14	—	—	—	—
	2015	14	12	14	13	53
	2014	11	10	11	12	44
Group total	2016	45	—	—	—	—
	2015	45	45	46	45	181
	2014	39	39	41	46	165

■ Group financial highlights

	Q1 2016	Q1 2015	Rolling 12 months	Full year 2015
Net sales (SEK million)	1,022	1,073	4,675	4,726
Sales growth (%)	- 5	15	7	12
Percentage of sales outside Sweden (%)	75	80	76	77
Operating profit (EBITDA) (SEK million)	155	164	728	737
Operating profit (EBITA) (SEK million)	113	123	560	570
EBITA margin (%)	11.1	11.5	12.0	12.1
Profit after financial income and expense (SEK million)	109	121	543	555
Profit margin (%)	10.7	11.3	11.6	11.7
Profit after tax (SEK million)	83	93	410	420
Return on total capital (%)	17.8	17.6	17.8	18.3
Return on capital employed (%)	27.2	28.5	27.2	29.6
Return on operating capital (%)	34.2	34.7	34.2	35.3
Return on shareholders' equity (%)	23.2	25.1	23.2	25.3
Equity/assets ratio (%)	60	54	60	54
Debt/equity (%)	14	16	14	16
Interest coverage ratio (times)	100	82	81	78
Net investments affecting cash flow, excl. acq. and disposals (SEK million)	63	113	194	244
Cash flow after investments, excl. acq. and disposals (SEK million)	30	104	214	288
Cash conversion (%)	—	—	39	52
Net financial assets (+) / liabilities (-) (SEK million)	144	192	144	122
Earnings per share, basic and diluted (SEK)	3.16	3.54	15.59	15.97
Adjusted earnings per share (SEK)	3.23	3.65	15.93	16.35
Cash flow from operating activities per share (SEK)	3.54	8.25	15.51	20.22
Cash flow per share, excl. acq. and disposals (SEK)	1.14	3.95	8.13	10.95
Shareholders' equity per share (SEK)	70	65	70	67
Average number of employees	5,027	7,044	—	7,759

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 financial income and expense, taxes and depreciation/amortisation.

Operating profit (EBITA)

Earnings before financial income and expense, taxes and amortisation of intangible assets arising from acquisitions.

Operating profit (EBIT)

Earnings before financial income and expense 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 2016	Q1 2015	Rolling 12 months	Full year 2015
Net sales	9	9	31	31
Selling expenses	- 3	- 3	- 11	- 11
Administrative expenses	- 13	- 12	- 54	- 53
Other operating income	1	—	1	—
Other operating expenses	- 1	- 8	- 10	- 17
Operating profit	- 7	- 14	- 43	- 50
Profit from participations in Group companies	—	13	133	146
Financial income	5	34	- 8	21
Financial expenses	- 12	- 1	- 27	- 16
Profit after financial income and expense	- 14	32	55	101
Appropriations	—	—	262	262
Tax	1	1	- 53	- 53
Profit after tax	- 13	33	264	310
Depreciation/amortisation	—	—	—	—

■ Parent Company balance sheet (summary)

SEK million	31/03/2016	31/03/2015	31/12/2015
Assets			
Property, plant and equipment	1	1	1
Financial assets	1,144	1,150	1,151
Deferred tax assets	7	7	7
Total fixed assets	1,152	1,158	1,159
Other receivables	527	506	520
Cash and bank	42	23	37
Total current assets	569	529	557
Total assets	1,721	1,687	1,716
Shareholders' equity and liabilities			
Shareholders' equity	1,106	1,066	1,119
Untaxed reserves	129	161	129
Other provisions	12	9	11
Long-term liabilities	55	—	55
Current liabilities	419	451	402
Total shareholders' equity and liabilities	1,721	1,687	1,716

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	Q1 2016	9	- 1	5	—	—	921	342
Subsidiary	Q1 2015	9	- 1	5	—	13	911	313

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.

