

## Improved cash flow and continued strong financial position

Today's report by Nolato for the first half of 2016 posts a very strong performance by Nolato Medical and significant lower volumes for Nolato Telecom.

- Sales totalled SEK 1,037 million (1,280)
- Operating profit (EBITA) was SEK 110 million (167)
- The EBITA margin was 10.6% (13.0)
- Profit after tax was SEK 79 million (125)
- Earnings per share were SEK 3.00 (4.75)
- Cash flow after investments was SEK 61 million (-52)

“Adjusted for currency, sales in the second quarter decreased by 17% compared with the year-earlier period,” noted Nolato's President and CEO, Christer Wahlquist. “The decline is entirely within Nolato Telecom, where volumes were exceptionally strong the previous year.”

Nolato Medical's sales increased to SEK 397 million (365), which when adjusted for currency represents an increase of 12%. Operating profit (EBITA) increased to SEK 53 million (47), with an EBITA margin of 13.4% (12.9).

“Volumes have increased in both Medical Devices and Pharma Packaging and most customer segments experienced healthy growth,” commented Christer Wahlquist.

Nolato Telecom's sales amounted to SEK 311 million (584), which when adjusted for currency is a drop of 44%. Operating profit (EBITA) totalled SEK 28 million (101), with an EBITA margin of 9.0% (17.3).

“Last year volumes were very strong for Nolato Telecom owing to extremely high demand for customers' mobile phone models on the consumer market. Combined with a favourable product mix, this led to an exceptionally strong operating margin in the second quarter of 2015,” said Christer Wahlquist.

Nolato Industrial's sales were SEK 331 million (332); adjusted for currency, sales levels were unchanged. Operating income totalled SEK 34 million (34), with an EBITA margin of 10.3% (10.2).

“Production volumes mainly within the automotive segment showed positive performance, while project revenue fell slightly short of volumes for the year-earlier period,” noted Christer Wahlquist.

Cash flow in the second quarter increased to SEK 61 million (-52). The improvement is largely due to lower investments compared with the same period in 2015. The Group's financial position remains strong, with net debt of SEK 55 million (101) and an equity/assets ratio of 56% (49).

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*Nolato is a Swedish group with operations in Europe, Asia and North America. We develop and manufacture products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, telecom, automotive, hygiene and other selected industrial sectors. Nolato's shares are listed on Nasdaq Stockholm in the Mid Cap segment, where they are included in the Industrials sector.*

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