



Nolato AB (publ) six-month interim report 2016

Improved cash flow and continued strong financial position

■ Second quarter of 2016 in brief

- Sales totalled SEK 1,037 million (1,280)
- Operating profit (EBITA) amounted to SEK 110 million (167)
- EBITA margin of 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)

■ First six months of 2016 in brief

- Sales totalled SEK 2,059 million (2,353)
- Operating profit (EBITA) was SEK 223 million (290)
- Earnings per share were SEK 6.16 (8.29)
- Cash flow after investments was SEK 91 million (52)

■ Group highlights

SEK million unless otherwise specified	Q2 2016	Q2 2015	Q1 - Q2 2016	Q1 - Q2 2015	Rolling 12 months	Full year 2015
Net sales	1,037	1,280	2,059	2,353	4,432	4,726
Operating profit (EBITDA) ¹⁾	152	208	307	372	672	737
Operating profit (EBITA) ²⁾	110	167	223	290	503	570
EBITA margin, %	10.6	13.0	10.8	12.3	11.3	12.1
Operating profit (EBIT) ³⁾	106	163	216	282	490	556
Profit after financial income and expense	103	162	212	283	484	555
Profit after tax	79	125	162	218	364	420
Earnings per share, basic and diluted, SEK*	3.00	4.75	6.16	8.29	13.84	15.97
Adjusted earnings per share, SEK ⁴⁾ *	3.12	4.86	6.35	8.51	14.19	16.35
Cash flow after investments, excl. acquisitions and disposals	61	- 52	91	52	327	288
Net investments affecting cash flow, excl. acq. and disposals	52	61	115	174	185	244
Cash conversion, % ⁵⁾	—	—	—	—	67	52
Return on capital employed, %	24.8	31.6	24.8	31.6	24.8	29.6
Return on shareholders' equity, %	22.5	30.1	22.5	30.1	22.5	25.3
Equity/assets ratio, %	56	49	56	49	56	54
Net financial liabilities (-) / assets (+)	- 55	- 101	- 55	- 101	- 55	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.

Second quarter 2016

- Sales totalled SEK 1,037 million (1,280); adjusted for currency, sales decreased by 17%
- Very strong performance by Nolato Medical
- Significant lower volumes for Nolato Telecom
- Operating profit (EBITA) was SEK 110 million (167)
- EBITA margin of 10.6% (13.0)
- Improved cash flow; after investments totalled SEK 61 million (-52)

■ Sales

Consolidated sales totalled SEK 1,037 million (1,280). Adjusted for currency, sales decreased by 17%.

Nolato Medical's sales increased to SEK 397 million (365); adjusted for currency, sales grew by 12%. Volumes increased in both the Medical Devices and Pharma Packaging sectors, and most customer segments experienced healthy growth.

Nolato Telecom's sales amounted to SEK 311 million (584); adjusted for currency, sales decreased by 44%. In the previous year, volumes were very strong owing to extremely high demand for customers' handsets on the consumer market. Product changeovers took place as planned during the first half of the year.

Nolato Industrial's sales were SEK 331 million (332); adjusted for currency, sales levels were unchanged. Production volumes have continued to rise within most customer segments, while project revenue fell short of the previous year's exceptionally high level.

■ Profit

The Group's operating profit (EBITA) was SEK 110 million (167).

Nolato Medical's operating profit (EBITA) rose to SEK 53 million (47), Nolato Telecom's earnings declined and amounted to SEK 28 million (101) and Nolato Industrial's remained the same at SEK 34 million (34).

The EBITA margin for Nolato Medical was 13.4% (12.9). Increased capacity utilisation and a favourable product mix contributed to an improved margin. The EBITA margin for Nolato Telecom was 9.0% (17.3). Last year the margin was unusually strong due to high volumes and a favourable product mix. Nolato Industrial's EBITA margin was 10.3% (10.2). Overall, the Group's EBITA margin was 10.6% (13.0).

Operating profit (EBIT) was SEK 106 million (163).

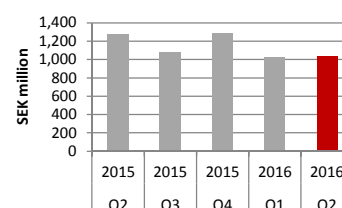
Profit after net financial income/expense was SEK 103 million (162). Net financial income/expense included exchange rate fluctuations affecting earnings by SEK -2 million (-2) in the second quarter.

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

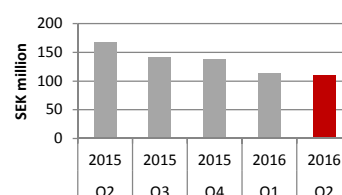
SEK million	Sales Q2/2016	Sales Q2/2015	Op. Profit EBITA Q2/2016	Op. Profit EBITA Q2/2015	EBITA margin Q2/2016	EBITA margin Q2/2015
Nolato Medical	397	365	53	47	13.4%	12.9%
Nolato Telecom	311	584	28	101	9.0%	17.3%
Nolato Industrial	331	332	34	34	10.3%	10.2%
Intra-Group adj., Parent Co	-2	-1	-5	-15	—	—
Group total	1,037	1,280	110	167	10.6%	13.0%

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

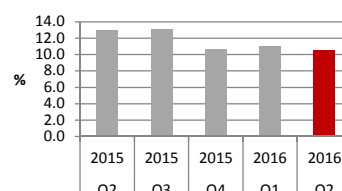
■ Sales



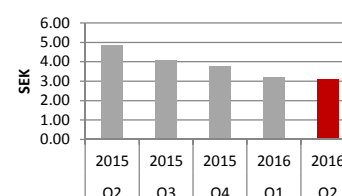
■ Operating profit (EBITA)



■ EBITA margin



■ Adjusted earnings per share



Profit after tax was SEK 79 million (125). Earnings per share, basic and diluted, were SEK 3.00 (4.75). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 3.12 (4.86).

First six months 2016

■ Sales and earnings

Consolidated sales totalled SEK 2,059 million (2,353) for the first six months of 2016. Adjusted for currency, sales decreased by 11%.

Nolato Medical's sales rose by 11% to SEK 787 million (709), Nolato Telecom's sales fell by 39% to SEK 611 million (1,002) and Nolato Industrial's sales rose by 3% to SEK 665 million (644).

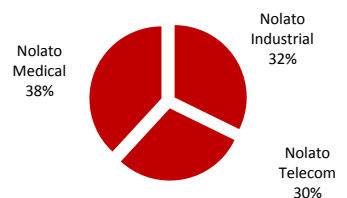
Consolidated operating profit (EBITA) amounted to SEK 223 million (290) and the EBITA margin was 10.8% (12.3). Operating profit (EBIT) was SEK 216 million (282).

Profit after net financial income/expense was SEK 212 million (283).

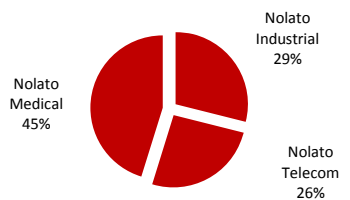
Profit after tax was SEK 162 million (218). Earnings per share, basic and diluted, were SEK 6.16 (8.29). Adjusted earnings per share excluding amortisation of intangible assets arising from acquisitions were SEK 6.35 (8.51). The effective tax rate was 24% (23).

The return on capital employed was 24.8% for the last twelve months (29.6% for the 2015 calendar year). Return on equity was 22.5% for the last 12 months (25.3% for the 2015 calendar year). Cash conversion for the last twelve months was 67% (52% for the 2015 calendar year).

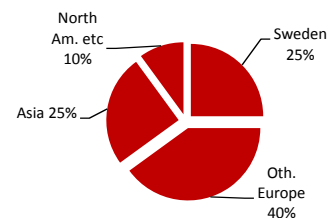
■ Business areas' share of sales



■ Business areas' share of operating profit (EBITA)



■ Sales by geographic markets



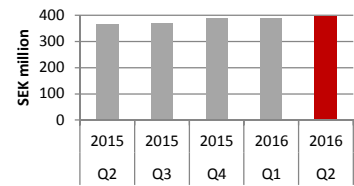
Nolato Medical

Sales and profit Q1-Q2 (SEK million)	2016	2015
Sales	787	709
Operating profit (EBITA)	105	93
EBITA margin (%)	13.3	13.1
Operating profit (EBIT)	98	86

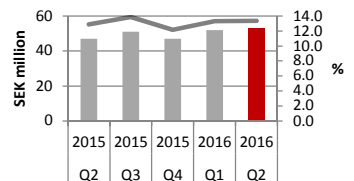
Nolato Medical’s sales increased to SEK 787 million (709); adjusted for currency, sales grew by a full 13%. Volumes increased in both the Medical Devices and Pharma Packaging sectors and most customer segments experienced healthy growth. The first half of the year was characterised by a high level of activity on the market and healthy project activity.

Operating profit (EBITA) rose to SEK 105 million (93) and the EBITA margin was 13.3% (13.1). Increased capacity utilisation and a favourable product mix contributed to a stronger margin.

Nolato Medical sales



Nolato Medical operating profit (EBITA) & EBITA margin %



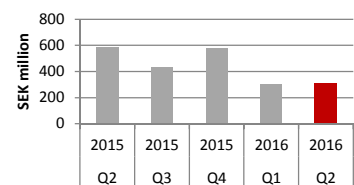
Nolato Telecom

Sales and profit Q1-Q2 (SEK million)	2016	2015
Sales	611	1,002
Operating profit (EBITA)	61	148
EBITA margin (%)	10.0	14.8
Operating profit (EBIT)	61	148

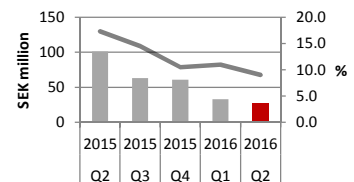
Nolato Telecom’s sales amounted to SEK 611 million (1,002); adjusted for currency, sales decreased by 37%. In the previous year, volumes were very strong owing to extremely high demand for customers’ handsets on the consumer market. Product changeovers took place as planned during the first half of the year. Activity in the EMC (electromagnetic compatibility) area continued to develop well in the first half of the year.

Operating profit (EBITA) was SEK 61 million (148). The EBITA margin was 10.0% (14.8). Last year the margin was exceptionally strong due to high volumes and a favourable product mix.

Nolato Telecom sales



Nolato Telecom operating profit (EBITA) & EBITA margin %



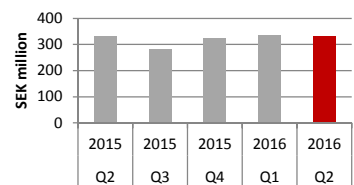
Nolato Industrial

Sales and profit Q1-Q2 (SEK million)	2016	2015
Sales	665	644
Operating profit (EBITA)	68	68
EBITA margin (%)	10.2	10.6
Operating profit (EBIT)	68	67

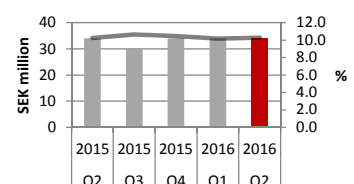
Nolato Industrial’s sales rose to SEK 665 million (644); adjusted for currency, sales increased by 3%. Volumes displayed positive development, primarily in the automotive segment. Increased market share has had a positive effect on production volumes within most customer segments, while project revenue was somewhat lower.

Operating profit (EBITA) was unchanged at SEK 68 million (68), with an EBITA margin of 10.2% (10.6). New product start-ups had a slightly negative effect on the margin compared with last year.

Nolato Industrial sales



Nolato Industrial operating profit (EBITA) & EBITA margin %

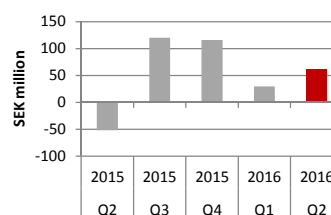


■ Cash flow

Cash flow after investments in Q2 increased to SEK 61 million (-52). Cash flow has mainly improved as a result of lower investments compared with the same period last year. For the first six months as well, cash flow after investments increased, amounting to SEK 91 million (52).

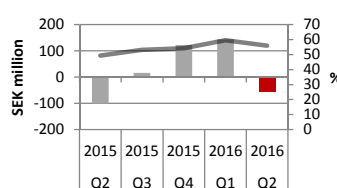
Investments affecting cash flow totalled SEK 115 million (174).

■ Cash flow after investments



Excluding acquisitions and disposals

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



■ Financial position

Interest-bearing assets totalled SEK 250 million (317), and interest-bearing liabilities and provisions totalled SEK 305 million (418). Consequently, net debt amounted to SEK 55 million (101). Shareholders' equity was SEK 1,653 million (1,578). The equity/assets ratio was 56% (49). In the second quarter, dividends totalling SEK 263 million (224) were paid out.

■ Consolidated performance analysis

SEK million	Q2 2016	Q2 2015	Q1 - Q2 2016	Q1 - Q2 2015	Rolling 12 months	Full year 2015
Net sales	1,037	1,280	2,059	2,353	4,432	4,726
Gross profit excl. depreciation/amortisation	215	287	439	511	914	986
<i>As a percentage of net sales</i>	20.7	22.4	21.3	21.7	20.6	20.9
Costs	-63	-79	-132	-139	-242	-249
<i>As a percentage of net sales</i>	6.1	6.2	6.4	5.9	5.5	5.3
Operating profit (EBITDA)	152	208	307	372	672	737
<i>As a percentage of net sales</i>	14.7	16.3	14.9	15.8	15.2	15.6
Depreciation and amortisation	-42	-41	-84	-82	-169	-167
Operating profit (EBIT)	110	167	223	290	503	570
<i>As a percentage of net sales</i>	10.6	13.0	10.8	12.3	11.3	12.1
Amortisation of intangible assets arising from acquisitions	-4	-4	-7	-8	-13	-14
Operating profit (EBIT)	106	163	216	282	490	556
Financial income and expense	-3	-1	-4	1	-6	-1
Profit after financial income and expense	103	162	212	283	484	555
Tax	-24	-37	-50	-65	-120	-135
<i>As a percentage of profit after financial income and expense</i>	23.3	22.8	23.6	23.0	24.8	24.3
Profit after tax	79	125	162	218	364	420

■ Financial position

SEK million	30/06/2016	30/06/2015	31/12/2015
Interest-bearing liabilities, credit institutions	-175	-290	-154
Interest-bearing pension liabilities	-130	-128	-127
Total borrowings	-305	-418	-281
Cash and bank	250	317	403
Net financial liabilities (-) / assets (+)	-55	-101	122
Working capital	253	211	196
<i>As a percentage of sales (avg.) (%)</i>	5.2	2.8	3.2
Capital employed	1,958	1,996	2,039
<i>Return on capital employed (avg.) (%)</i>	24.8	31.6	29.6
Shareholders' equity	1,653	1,578	1,759
<i>Return on shareholders' equity (avg.) (%)</i>	22.5	30.1	25.3

■ Personnel

The average number of employees during the period was 5,825 (8,305). 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.

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 11,230 shareholders at 30 June. The largest shareholders are the Jorlén family with 10%, the Boström family with 9%, Swedbank Robur Funds and Didner & Gerge Funds with 6% each, Herenco and DnB Carlson Funds with 3% each, of the capital.

■ The Parent Company

Sales in the Parent Company, which is not an operating company, amounted to SEK 18 million (16). Profit after financial income and expense increased to SEK 58 million (13), mainly through increased dividends from subsidiaries. Contingent liabilities amounted to 114 MSEK (127).

■ 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.

■ Contact:

- Christer Wahlquist, President and CEO, tel. +46705 804848
- Per-Ola Holmström, CFO, tel. +46705 763340.

This information is information that Nolato AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 14:30 CET on 19 July 2016.

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

■ Financial information schedule

■ Nine-month interim report 2016: 25 October 2016

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.

Tuesday 19 July 2016

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

Jenny Sjö Dahl
Board member

Björn Jacobsson
Board member
Employee representative

Håkan Svensson
Board member
Employee representative

Christer Wahlquist
President and CEO

■ Review report

Nolato AB, corporate identity number 556080-4592

Introduction

We have reviewed the condensed interim report for Nolato AB as at June 30, 2016 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 19 July 2016

Ernst & Young AB
Stefan Engdahl
Authorised public accountant

THE COMPANY IN BRIEF

■ Nolato's business

Nolato develops and manufactures products in polymer materials such as plastic, silicone and TPE for customers within medical technology, pharmaceuticals, telecom, automotive and other selected industrial sectors.

Operations encompass everything from individual components, which the customer assembles in its own product, to complete products that are ready for delivery to a customer's client.

Nolato also develops and manufactures its own products, such as pharmaceutical packaging.

■ Nolato's business model

Nolato's business model is based on close, long-term, innovative collaboration with our customers. By being part of their process at an early stage and providing support during both the development and production phases, Nolato helps its customers create a product that is as competitive as possible.

Nolato creates added value for its customers and owners through progressive, leading technology, extensive expertise in development and design, advanced project management and highly efficient production.

■ Nolato's strategies

- Early involvement in customers' development processes
- Close and long-term collaboration/partnerships with our customers
- Innovative, integrated and high-tech solutions
- High productivity/Lean manufacturing
- Advancing up the value chain/Greater added value
- Global presence
- Responsible business practice

SEASONAL EFFECTS

Nolato does not experience any significant seasonal variations. However, in the third quarter sales within Nolato Industrial, and to a certain degree Nolato Medical, can be negatively affected by the fact that the holiday period falls in this quarter both for Nolato and its customers.

■ Consolidated income statement (summary)

SEK million	Q2 2016	Q2 2015	Q1 - Q2 2016	Q1 - Q2 2015	Rolling 12 months	Full year 2015
Net sales	1,037	1,280	2,059	2,353	4,432	4,726
Cost of goods sold	- 864	- 1,034	- 1,704	- 1,922	- 3,686	- 3,904
Gross profit	173	246	355	431	746	822
Other operating income	4	- 1	4	2	15	13
Selling expenses	- 28	- 28	- 55	- 56	- 108	- 109
Administrative expenses	- 44	- 53	- 88	- 94	- 164	- 170
Other operating expenses	1	- 1	—	- 1	1	—
	- 67	- 83	- 139	- 149	- 256	- 266
Operating profit	106	163	216	282	490	556
Financial income and expense	- 3	- 1	- 4	1	- 6	- 1
Profit after financial income and expense	103	162	212	283	484	555
Tax	- 24	- 37	- 50	- 65	- 120	- 135
Profit after tax	79	125	162	218	364	420
All earnings are attrib. to the Parent Co.'s shareholders						
Depreciation/amortisation	46	45	91	90	182	181
Earnings per share, basic and diluted (SEK)	3.00	4.75	6.16	8.29	13.84	15.97
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 2016	Q2 2015	Q1 - Q2 2016	Q1 - Q2 2015	Rolling 12 months	Full year 2015
Profit after tax	79	125	162	218	364	420
Other comprehensive income						
<i>Items that cannot be transferred to profit for the period</i>						
Revaluations of defined benefit pension plans	- 2	—	- 2	—	- 1	1
Tax attributable to items that cannot be transferred to profit for the period	—	—	—	—	—	—
	- 2	—	- 2	—	- 1	1
<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.	12	- 24	- 2	16	- 25	- 7
Changes in the fair value of cash flow hedges for the per. *	- 2	5	- 1	2	—	3
Tax attr. to changes in the fair value of cash flow hedges *	—	- 2	—	- 1	—	- 1
	10	- 21	- 3	17	- 25	- 5
Other comprehensive income, net of tax	8	- 21	- 5	17	- 26	- 4
Total comp. income for the period attributable to the Parent Co.'s shareholders	87	104	157	235	338	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 - Q2 2016	Q1 - Q2 2015	Rolling 12 months	Full year 2015
Operating profit (EBIT)				
Nolato Medical	98	86	190	178
Nolato Telecom	61	148	185	272
Nolato Industrial	68	67	132	131
Group adjustments, Parent Company	- 11	- 19	- 17	- 25
Consolidated operating profit (EBIT)	216	282	490	556
Financial income and expense (not distributed by business areas)	- 4	1	- 6	- 1
Consolidated profit before tax	212	283	484	555

■ Consolidated balance sheet (summary)

SEK million	30/06/2016	30/06/2015	31/12/2015
Assets			
Non-current assets			
Intangible non-current assets	528	554	543
Property, plant and equipment	972	949	952
Non-current financial assets	2	2	2
Other non-current receivables	1	1	1
Deferred tax assets	43	48	44
Total fixed assets	1,546	1,554	1,542
Current assets			
Inventories	296	295	279
Accounts receivable	686	867	874
Other current assets * 2)	170	160	135
Cash and bank	250	317	403
Total current assets	1,402	1,639	1,691
Total assets	2,948	3,193	3,233
Shareholders' equity and liabilities			
Shareholders' equity	1,653	1,578	1,759
Long-term liabilities and provisions ¹⁾	161	159	159
Deferred tax liabilities ¹⁾	60	55	69
Current liabilities and provisions * 1) 3)	1,074	1,401	1,246
Total liabilities and provisions	1,295	1,615	1,474
Total shareholders' equity and liabilities	2,948	3,193	3,233
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions:			
Interest-bearing liabilities and provisions	305	418	281
Non-interest-bearing liabilities and provisions	990	1,197	1,193
Total liabilities and provisions	1,295	1,615	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

³⁾ Derivative liabilities are included in current liabilities and provisions at

10	2	7
5	25	1

■ Changes in consolidated shareholders' equity (summary)

SEK million	Q1 - Q2 2016	Q1 - Q2 2015	Full year 2015
Shareholders' equity at the beginning of the period	1,759	1,567	1,567
Total comprehensive income for the period	157	235	416
Dividends	- 263	- 224	- 224
Shareholders' equity at the end of period attrib. to Parent Co's shareholders	1,653	1,578	1,759

In 2016, a dividend totalling SEK 263 million was paid to the Parent Company's shareholders, corresponding to a dividend of SEK 10.00 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	Q2 2016	Q2 2015	Q1 - Q2 2016	Q1 - Q2 2015	Rolling 12 months	Full year 2015
Cash flow from op. activities bef. changes in work. cap.	134	157	245	273	524	552
Changes in working capital	- 21	- 148	- 39	- 47	- 12	- 20
Cash flow from operating activities	113	9	206	226	512	532
Cash flow from investment activities	- 52	- 61	- 115	- 174	- 185	- 244
Cash flow before financing activities	61	- 52	91	52	327	288
Cash flow from financing activities	- 208	- 77	- 242	- 2	- 378	- 138
Cash flow for the period	- 147	- 129	- 151	50	- 51	150
Liquid assets at the beginning of the period	391	464	403	256	—	256
Exchange rate difference in liquid assets	6	- 18	- 2	11	—	- 3
Liquid assets at the end of the period	250	317	250	317	—	403

■ Earnings per share

SEK million	Q2 2016	Q2 2015	Q1 - Q2 2016	Q1 - Q2 2015	Rolling 12 months	Full year 2015
Profit after tax	79	125	162	218	364	420
Adjusted earnings:						
Amortisation of intangible assets arising from acquis.	4	4	7	8	13	14
Tax on amortisation	- 1	- 1	- 2	- 2	- 4	- 4
Adjusted earnings	82	128	167	224	373	430
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) *	3.00	4.75	6.16	8.29	13.84	15.97
Adjusted earnings per share (SEK) *	3.12	4.86	6.35	8.51	14.19	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 (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	1,037	—	—	—
	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	152	—	—	—
	2015	164	208	185	180	737
	2014	129	135	149	206	619
Operating profit (EBITA) (SEK million)	2016	113	110	—	—	—
	2015	123	167	142	138	570
	2014	94	100	112	164	470
EBITA margin (%)	2016	11.1	10.6	—	—	—
	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	106	—	—	—
	2015	119	163	139	135	556
	2014	90	96	108	160	454
Profit after financial income and expense (SEK million)	2016	109	103	—	—	—
	2015	121	162	137	135	555
	2014	88	104	108	162	462
Profit after tax (SEK million)	2016	83	79	—	—	—
	2015	93	125	105	97	420
	2014	67	81	83	133	364
Cash flow from operating activities (SEK million)	2016	93	113	—	—	—
	2015	217	9	153	153	532
	2014	61	92	39	138	330
Cash flow from operating activities per share (SEK)	2016	3.54	4.30	—	—	—
	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	61	—	—	—
	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	2.32	—	—	—
	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	3.00	—	—	—
	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	3.12	—	—	—
	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	63	—	—	—
	2015	65	60	64	67	67
	2014	53	49	53	60	60
Return on total capital (%)	2016	17.8	16.0	—	—	—
	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	24.8	—	—	—
	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	28.9	—	—	—
	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	22.5	—	—	—
	2015	25.1	30.1	29.6	25.3	25.3
	2014	22.3	24.0	23.2	25.0	25.0
Closing share price Nolato B (Nasdaq Stockholm)	2016	227.5	221.5	—	—	—
	2015	208.5	189.5	210.0	257.5	257.5
	2014	163.0	152.0	163.5	178.0	178.0

Quarterly data business areas

Net sales (SEK million)		Q1	Q2	Q3	Q4	Full year
Nolato Medical	2016	390	397	—	—	—
	2015	344	365	368	387	1,464
	2014	326	343	330	334	1,333
Nolato Telecom	2016	300	311	—	—	—
	2015	418	584	434	581	2,017
	2014	320	344	502	633	1,799
Nolato Industrial	2016	334	331	—	—	—
	2015	312	332	282	325	1,251
	2014	286	279	264	277	1,106
Group adjustments, Parent Company	2016	-2	-2	—	—	—
	2015	-1	-1	—	-4	-6
	2014	—	-1	-1	-2	-4
Group total	2016	1,022	1,037	—	—	—
	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	53	—	—	—
	<i>EBITA margin (%)</i>	<i>13.3</i>	<i>13.4</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>	
Nolato Telecom	2016	33	28	—	—	—
	<i>EBITA margin (%)</i>	<i>11.0</i>	<i>9.0</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>	
Nolato Industrial	2016	34	34	—	—	—
	<i>EBITA margin (%)</i>	<i>10.2</i>	<i>10.3</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>	
Group adjustments, Parent Company	2016	-6	-5	—	—	—
	2015	-4	-15	-2	-4	-25
	2014	-5	-6	-6	-6	-23
Group total	2016	113	110	—	—	—
	<i>EBITA margin (%)</i>	<i>11.1</i>	<i>10.6</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>	
Group total	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	22	—	—	—
	2015	20	22	22	22	86
	2014	18	19	19	20	76
Nolato Telecom	2016	9	9	—	—	—
	2015	11	11	10	10	42
	2014	10	10	11	14	45
Nolato Industrial	2016	14	15	—	—	—
	2015	14	12	14	13	53
	2014	11	10	11	12	44
Group total	2016	45	46	—	—	—
	2015	45	45	46	45	181
	2014	39	39	41	46	165

■ Group financial highlights

	Q2 2016	Q2 2015	Q1 - Q2 2016	Q1 - Q2 2015	Rolling 12 months	Full year 2015
Net sales (SEK million)	1,037	1,280	2,059	2,353	4,432	4,726
Sales growth (%)	- 19	33	- 12	24	- 6	12
Percentage of sales outside Sweden (%)	75	80	75	80	75	77
Operating profit (EBITDA) (SEK million)	152	208	307	372	672	737
Operating profit (EBITA) (SEK million)	110	167	223	290	503	570
EBITA margin (%)	10.6	13.0	10.8	12.3	11.3	12.1
Profit after financial income and expense (SEK million)	103	162	212	283	484	555
Profit margin (%)	9.9	12.7	10.3	12.0	10.9	11.7
Profit after tax (SEK million)	79	125	162	218	364	420
Return on total capital (%)	16.0	19.5	16.0	19.5	16.0	18.3
Return on capital employed (%)	24.8	31.6	24.8	31.6	24.8	29.6
Return on operating capital (%)	28.9	36.4	28.9	36.4	28.9	35.3
Return on shareholders' equity (%)	22.5	30.1	22.5	30.1	22.5	25.3
Equity/assets ratio (%)	56	49	56	49	56	54
Debt/equity (%)	18	26	18	26	18	16
Interest coverage ratio (times)	75	96	86	89	75	78
Net investments affecting cash flow, excl. acq. and disposals (SEK million)	52	61	115	174	185	244
Cash flow after inv., excl. acq. and disp. (SEK million)	61	- 52	91	52	327	288
Cash conversion (%)	—	—	—	—	67	52
Net financial liabilities (-) / assets (+) (SEK million)	- 55	- 101	- 55	- 101	- 55	122
Earnings per share, basic and diluted (SEK)	3.00	4.75	6.16	8.29	13.84	15.97
Adjusted earnings per share (SEK)	3.12	4.86	6.35	8.51	14.19	16.35
Cash flow from operating activities per share (SEK)	4.30	0.34	7.83	8.59	19.46	20.22
Cash flow per share, excl. acq. and disposals (SEK)	2.32	- 1.98	3.46	1.98	12.43	10.95
Shareholders' equity per share (SEK)	—	—	63	60	—	67
Average number of employees	—	—	5,825	8,305	—	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	Q2 2016	Q2 2015	Q1 - Q2 2016	Q1 - Q2 2015	Rolling 12 months	Full year 2015
Net sales	9	7	18	16	33	31
Selling expenses	-3	-3	-6	-6	-11	-11
Administrative expenses	-9	-16	-22	-28	-47	-53
Other operating income	—	—	1	—	1	—
Other operating expenses	-1	-4	-2	-12	-7	-17
Operating profit	-4	-16	-11	-30	-31	-50
Profit from participations in Group companies	63	5	63	18	191	146
Financial income	5	-8	10	26	5	21
Financial expenses	8	—	-4	-1	-19	-16
Profit after financial income and expense	72	-19	58	13	146	101
Appropriations	—	—	—	—	262	262
Tax	—	—	1	1	-53	-53
Profit after tax	72	-19	59	14	355	310
Depreciation/amortisation	—	—	—	—	—	—

■ Parent Company balance sheet (summary)

SEK million	30/06/2016	30/06/2015	31/12/2015
Assets			
Property, plant and equipment	1	1	1
Financial assets	1,143	1,146	1,151
Deferred tax assets	14	11	7
Total fixed assets	1,158	1,158	1,159
Other receivables	201	219	520
Cash and bank	81	65	37
Total current assets	282	284	557
Total assets	1,440	1,442	1,716
Shareholders' equity and liabilities			
Shareholders' equity	915	824	1,119
Untaxed reserves	129	161	129
Other provisions	12	10	11
Long-term liabilities	55	55	55
Current liabilities	329	392	402
Total shareholders' equity and liabilities	1,440	1,442	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	Jan-Jun 2016	18	-2	10	—	63	576	200
Subsidiary	Jan-Jun 2015	16	-2	10	—	18	606	139

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.

