

NOTE grows in the UK market through the acquisition of DVR Ltd.

NOTE expands its manufacturing capacity in the UK market through the acquisition of all shares in the electronics manufacturer DVR Ltd. The British EMS market is expected to have a strong growth in the coming years and through the acquisition NOTE becomes a larger player in the British EMS market. DVR's turnover for 2023 is expected to reach GBP 12 million with profitability in line with NOTE's.

DVR has a business model similar to NOTE's with PCB and box-build manufacturing at high quality and good delivery precision. The company focuses on long-term customer relationships and has a strong customer portfolio combined with a good influx of customers in recent years. A substantial part of the customers can be found in the Industrial and Greentech segments. DVR's operations were founded by the Hellings family and have been run and developed successfully, most recently under the leadership of David Hellings, who will continue his role as CEO of the company. The number of employees amounts to approximately 95.

The business is run in modern premises in Basildon, Essex. The British EMS market, which corresponds to the Scandinavian market in size, is expected to have clearly higher growth than the European EMS market in general. Through the acquisition of a fourth plant in England, NOTE gains greater coverage and becomes a larger player in the growing British EMS market.

The purchase price amounts to GBP 9 million on a debt-free basis, which corresponds to an adjusted EV/EBIT multiple of approximately 7 given the company's average profitability in recent years. In addition, the purchase price may be increased by an additional purchase price of a maximum of GBP 3.0 million based on future growth and profitability targets.

“Our business continues to develop strongly, and we are now making our third acquisition in the past year. We are very excited that DVR will now become part of the NOTE Group. The acquisition strengthens our position in the UK EMS market, which we strongly believe in and which is expected to have a strong growth in the coming years. DVR has a strong customer portfolio with exciting projects and we also see opportunities for synergies with our existing customers and suppliers. We look forward to continuing the profitable growth journey together with customers, staff and management at DVR”, says Johannes Lind-Widestam, CEO and President at NOTE.

“I have come to appreciate NOTE as a company that shares our core values of long-term customer relationships and high quality in what we do. We have many exciting customers and projects in our portfolio and see great advantages for both us and our customers to become part of a larger group and continue to develop our business together”, says David Hellings, CEO at DVR Ltd.

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About NOTE

NOTE produces PCBAs, subassemblies and box build products. NOTE is a competitive EMS provider and stable business partner to customers with high standards. NOTE's products are embedded in complex systems for electronic control, surveillance and security, for example.

NOTE's business model builds on delivering high end manufacture, custom logistics solutions and consulting for the best possible total cost through long-term customer relationships and partnerships. Its customer offering covers complete product lifecycles, from design to after-sales. Primarily, its customer base consists of large corporations operating on the global market, and enterprises whose main sales are in northern Europe.

NOTE has a presence in Sweden, Finland, the UK, Estonia, Bulgaria and China. Sales over the last 12 months were SEK 3,917 million, and the group has approximately 1,400 employees. NOTE is listed on Nasdaq Stockholm. For more information, please go to www.note-ems.com.

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