

Press Release
Danderyd, Sweden, 18 July 2016

NOTE's Interim Report January–June 2016

Financial performance April–June

- Sales increased by 1% to SEK 282.4 (279.5) million.
- Operating profit rose to SEK 15.4 (11.2) million.
- Operating margin expanded by 1.5 percentage points to 5.5% (4.0%).
- Profit after financial items increased to SEK 13.6 (9.2) million.
- Profit after tax up to SEK 11.0 (8.5) million, corresponding to SEK 0.38 (0.29) per share.
- Cash flow after investments increased to SEK 4.1 (-18.0) million, or SEK 0.14 (-0.62) per share.

Financial performance January–June

- Sales increased by 1% to SEK 561.5 (554.8) million.
- Operating profit rose to SEK 29.6 (23.1) million.
- Operating margin expanded by 1.1 percentage points to 5.3% (4.2%).
- Profit after financial items increased to SEK 26.5 (20.2) million.
- Profit after tax up to SEK 21.2 (17.8) million, corresponding to SEK 0.73 (0.62) per share.
- Cash flow after investments increased to SEK 31.2 (3.8) million, or SEK 1.08 (0.13) per share.

CEO's comment

“NOTE is one of the most competitive electronics manufacturers in the Nordics with first class quality and delivery precision. During the first six months, we saw a continued positive development for several of our customers, among other within the medtech sector, and in the defence sector.

To sharpen our focus on markets with good sales growth, we divested our Norwegian operation in the second quarter. Adjusted for the sale of our Norwegian operation, sales growth was 3% in the first and second quarters. Higher sales and the associated increased services content, helped operating profit increasing SEK 6.5 million to SEK 29.6 million, which meant an expansion of operating margin by 1.1 percentage points to 5.3%. In the second quarter, we achieved an operating margin of 5.5%. Cash flow continued to progress positively and amounted to SEK 31.2 million. Our Balance Sheet remained strong with a low net debt and an equity assets ratio of 44.4%.

In the short term, our order book, which is a combination of fixed orders and customer forecasts, suggests continued positive sales performance. If we consider the number of ongoing business discussions on new projects, the situation also looks positive”, says Stefan Hedelius, CEO and President.

NOTE's Interim Report for January–June is now available in PDF format on the corporate web site, www.note.eu, and attached to this message. The Interim Report for January–September will be published on 25 October.

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About NOTE

NOTE is one of the leading Northern European manufacturing and logistics partners for production of electronics-based products. NOTE produces PCBAs, subassemblies and box build products. NOTE's offering covers the complete product lifecycle, from design to after-sales. NOTE has a presence in Sweden, Finland, the UK, Estonia and China. Net sales in the last 12 months were SEK 1,128 million; the group has approximately 1,000 employees. NOTE is listed on Nasdaq Stockholm. For more information, please go to www.note.eu.

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