

NOTE's Interim Report January–September 2018

Financial performance July–September

- Sales increased by 22% to SEK 323.6 (265.2) million.
- Operating profit amounted to SEK 15.5 (20.1) million, adjusted for the change of CEO, the operating profit increased to SEK 22.5 (20.1) million.
- Operating margin amounted to 4.8% (7.6%), adjusted for non-recurring items of this quarter, the operating margin amounted to 7.0% (7.6%).
- Profit after financial items amounted to SEK 15.0 (18.8) million. Adjusted for non-recurring items of this quarter, the profit after financial items rose to SEK 22.0 (18.8) million.
- Profit after tax amounted to SEK 10.9 (15.8) million, corresponding to SEK 0.38 (0.55) per share.
- Cash flow after investments amounted to SEK 9.4 (-11.2) million, or SEK 0.33 (-0.39) per share.

Financial performance January–September

- Sales increased by 15% to SEK 982.1 (850.7) million.
- Operating profit amounted to SEK 55.8 (70.8) million, adjusted for non-recurring items in the first quarter and for the change of CEO, operating profit increased by SEK 7.7 million to SEK 62.8 (55.1) million.
- Operating margin was 5.7% (8.3%), adjusted for non-recurring items of this year and last year, operating margin amounted to 6.4% (6.5%).
- Profit after financial items amounted to SEK 51.7 (67.2) million. Adjusted for non-recurring items of this year and last year, the profit after financial items rose to SEK 58.7 (51.5) million.
- Profit after tax amounted to SEK 40.2 (54.3) million, corresponding to SEK 1.39 (1.88) per share.
- Cash flow after investments amounted to SEK 4.8 (67.9) million, or SEK 0.17 (2.35) per share.

CEO's comment

“As a newly appointed CEO, it's delightful to present a strong report for the third quarter. Year to date, sales increased by 15% to SEK 982 million. The increase was mainly on our larger customers within the industrial sector in Sweden and Finland. In Q3, sales increased by 22%. At the end of the quarter, the order backlog was up by 20% compared to last year, which supports continued positive development.

Adjusted for non-recurring items, the operating profit year to date increased by SEK 7.7 million (14%) to SEK 62.8 million, corresponding to an operating margin of 6.4%. The underlying operating margin in the third quarter was 7.0%.

The strong growth naturally requires more working capital. Therefore, it is gratifying that the cash flow in the third quarter improved by approximately SEK 20 million to about SEK 9 million. We are financially well equipped for the future. Our Balance Sheet is one of the strongest in the sector, with an equity to assets ratio of just over 46%, and a low net debt of SEK 51 million. This enables continued future investments with our customers”, says Johannes Lind-Widestam, CEO and President.

NOTE's Interim Report for January–September is now available in PDF format on the corporate web site, www.note.eu, and attached to this message. NOTE's year-end report will be published on 5 February 2019.

For more information, please contact:

Johannes Lind-Widestam, CEO and President, tel. +46 (0)70 541 7222
Henrik Nygren, CFO, tel. +46 (0)70 977 0686

About NOTE

NOTE is one of northern Europe's leading EMS partners, producing 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 1,307 million; the group has approximately 980 employees. NOTE is listed on Nasdaq Stockholm. For more information, please go to www.note.eu.

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