

NOTE's Interim Report January–September 2019

Financial performance July–September

- Sales increased by 34% to SEK 434 (324) million. Excluding acquisitions, growth was 18%. The order backlog at the end of the third quarter was about 30% above the previous year's level.
- Operating profit was up by 104% to SEK 32 (16) million. Adjusted for non-recurring costs in the third quarter of the previous year, operating profit increased by 41% to SEK 32 (23) million.
- The operating margin widened by 2.5 percentage points to 7.3% (4.8%). Adjusted for non-recurring costs in the third quarter of the previous year, the operating margin widened by 0.3 percentage points to 7.3% (7.0%).
- Profit after financial items rose to SEK 30 (15) million.
- Profit after tax increased by 100% to SEK 22 (11) million, corresponding to SEK 0.76 (0.38) per share.
- Cash flow after investments amounted to SEK 1 (9) million, or SEK 0.03 (0.33) per share.

Financial performance January–September

- Sales increased by 30% to SEK 1,277 (982) million. Excluding acquisitions, growth was 16%.
- Operating profit was up by 59% to SEK 89 (56) million. Adjusted for non-recurring costs in the third quarter of the previous year, operating profit increased by 41% to SEK 89 (63) million.
- Operating margin widened by 1.3 percentage points to 7.0% (5.7%). Adjusted for non-recurring costs in the third quarter of the previous year, the operating margin widened by 0.6 percentage points to 7.0% (6.4%).
- Profit after financial items rose to SEK 83 (52) million.
- Profit after tax increased by 65% to SEK 66 (40) million, corresponding to SEK 2.29 (1.39) per share.
- Cash flow after investments amounted to SEK -21 (5) million, or SEK -0.73 (0.17) per share.

CEO's comment–Record growth, a stronger operating margin and about 30% larger order backlog.

"It is particularly gratifying that, despite a slowdown in the industrial economy, we managed to increase the growth rate during the third quarter. Growth during Q3 was 34%, of which 18 percentage points were organic. We increased sales in all home markets and at all plants.

In terms of profit, our positive trend continued year-to-date. Excluding non-recurring items last year, operating profit increased by 41% to SEK 89 million and the operating margin increased 0.6 percentage points to 7.0%.

We continue to win many new customers, our order books at the end of the period were about 30% larger than last year and we are in the start-up phase of several large customer projects. Despite a weaker market situation for some of our industrial customers, I therefore see good opportunities to continue our positive growth curve", 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 2020.

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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 1,674 million; the group has approximately 1,070 employees. NOTE is listed on Nasdaq Stockholm. For more information, please go to www.note.eu.

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