

NOTE's Year-end Report 2019

Financial performance October–December

- Sales increased by 22% to SEK 483 (397) million. Excluding acquisitions, growth was 20%.
- Operating profit was up by 27% to SEK 35 (28) million.
- The operating margin widened by 0.3 percentage points to 7.4% (7.1%).
- Profit after financial items increased by 24% to SEK 33 (27) million.
- Profit after tax increased to SEK 26 (24) million, corresponding to SEK 0.90 (0.83) per share.
- Cash flow after investments including acquisitions amounted to SEK 96 (-81) million, or SEK 3.32 (-2.80) per share.

Financial performance January–December

- Sales increased by 28% to SEK 1,760 (1,379) million. Excluding acquisitions, growth was 17%.
- Operating profit was up by 48% to SEK 124 (84) million. Adjusted for non-recurring costs in 2018, operating profit increased by 37% to SEK 124 (91) million.
- Operating margin widened by 1.0 percentage points to 7.1% (6.1%). Adjusted for non-recurring costs in 2018, the operating margin widened by 0.5 percentage points to 7.1% (6.6%).
- Profit after financial items rose to SEK 116 (79) million.
- Profit after tax increased by 44% to SEK 92 (64) million, corresponding to SEK 3.20 (2.22) per share.
- Cash flow after investments amounted to SEK 75 (-76) million, or SEK 2.60 (-2.63) per share.

Dividend

The Board of Directors is proposing a dividend of SEK 1.20 (0.70) per share, corresponding to SEK 35 (20) million.

CEO's comment – 2019 was a record year for NOTE with strong growth, increased profitability and exceptionally strong cash flow in Q4.

"In 2019, we increased sales by 28% to the new record level of SEK 1,760 million. Organically, growth was 17%. In Q4, sales growth was 22%, of which organic growth was as much as 20%. We still see high demand in all home markets and the order backlog was 25% higher than last year.

On the profitability side, we also reached a new record level of SEK 124 million in operating profit, an increase of 37% compared to the previous year (adjusted for non-recurring costs in 2018). Calculated in the same way, the operating margin increased by 0.5 percentage points to 7.1%, which in both cases are our highest levels ever.

During the second half of the year, we have reduced our inventory so it is now in balance. This has resulted in a strong cash flow for 2019, especially in the fourth quarter with SEK 96 million. Cash flow after investments for the full year amounted to SEK 75 (-76) million, which corresponds to SEK 2.60 (-2.63) per share.

Our market outlook is now much more positive than after Q3 and our view is that demand today is stronger. The order backlog continues to grow at the rate we expected, and our overall picture is that the conditions for continued strong growth are very good", says Johannes Lind-Widestam, President and CEO.

NOTE's Year-end Report for 2019 is now available in PDF format at the web site, www.note.eu, and attached to this message. Today at 10:00 a.m. CET NOTE will arrange a teleconference for analysts, media and investors where the report will be presented by NOTE's CEO and President Johannes Lind-Widestam. The Interim Report for January–March will be published on 23 April.

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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 1,760 million; the group has approximately 1,092 employees. NOTE is listed on Nasdaq Stockholm. For more information, please go to www.note.eu.

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