

NOTE's Year-end Report 2021

Financial performance in Q4 (October-December)

- Sales increased by 75% to SEK 814 (466) million. Adjusted for acquisitions and currency effects, growth was 48%.
- Operating profit was up by 125% to SEK 87 (38) million. Operating profit includes positive non-recurring items of SEK 5 million.
- Operating margin increased by 2.3 percentage points to 10.6% (8.3%), adjusted for non-recurring items, the operating margin was 10.0%.
- Profit after tax increased by 115% to SEK 68 (32) million, corresponding to SEK 2.39 (1.12) per share.
- Cash flow after investments was negatively impacted by high organic growth, and was SEK -44 (44) million, or SEK -1.54 (1.55) per share. Payment for the acquisition of iPRO affected cash flow by SEK -12 million.

Financial performance in January–December

- Sales increased by 41% to SEK 2,643 (1,874) million. Adjusted for acquisitions and currency effects, growth was 30%.
- Operating profit was up by 68% to SEK 251 (149) million.
- Operating margin increased by 1.5 percentage points to 9.5% (8.0%).
- Profit after tax increased by 68% to SEK 194 (116) million, corresponding to SEK 6.82 (4.11) per share.
- Cash flow after investments and acquisitions amounted to SEK -142 (172) million, or SEK -4.97 (6.06) per share. Payment for the acquisition of iPRO affected cash flow by SEK -80 million.

Dividend

To ensure maximum financial freedom of action in the ongoing structural transformation of the industry, the Board proposes that no dividend be paid for 2021.

CEO's comment – accelerated growth and sharply increased profitability during Q4

"In 2021, NOTE increased sales by 41% to the new record level of SEK 2,643 million. Organic growth was 30%, which clearly exceeds our long-term growth target. We ended the year very strong and during Q4 sales increased by 75% to SEK 814 million, which is our highest sales level ever for a single quarter. NOTE's organic growth during Q4 was close to 50%.

It is also gratifying that despite the pandemic and a very challenging shortage situation in the component market, we managed to continue our positive earnings trend. Operating profit in 2021 increased by 68% to SEK 251 million and the operating margin was strengthened by 1.5 percentage points to 9.5%, which in both cases is our highest levels ever. For Q4, which was our strongest quarter ever, operating profit increased by 125% to SEK 87 million and the operating margin amounted to just over 10%. Viewed throughout the year, the return on operating capital (ROOC) strengthened to 28% and earnings per share increased to SEK 6.82 (4.11).

In addition to the strong electrification trend in society, there is much indicating a continued positive development of our industry. A clear increase in focus on sustainability issues, the consequences of the pandemic and expanded trade barriers in the world economy are three factors that significantly increase the interest of European customers to seek manufacturing partners closer to their core business. This is a development that strongly benefits NOTE with most of the plants and customers in Europe.

NOTE is still in an expansive phase with many new major customers with a high growth rate. We expect a very strong sales development in 2022. Despite the ongoing pandemic and the challenging situation in the component market, we see good opportunities to achieve growth of around 50% in Q1. The conditions for continuing our positive earnings trend are very good", says Johannes Lind-Widestam, CEO and President.

NOTE's Year-end Report for 2021 is now available in PDF format at the web site, www.note-ems.com, 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 20 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 2,643 million; the group has approximately 1,300 employees. NOTE is listed on Nasdaq Stockholm. For more information, please go to www.note-ems.com.

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