Press Release
Stockholm, Sweden, 19 April 2023

NOTE’s Interim Report January–March 2023

Financial performance January–March

- Sales increased by 28% to SEK 1,051 (821) million. Adjusted for acquisitions and currency effects, organic growth was 14%.
- Operating profit increased by 48% to SEK 112 (76) million.
- The operating margin widened by 1.4 percentage points to 10.7% (9.3%).
- Profit after financial items was up by 50% to SEK 104 (69) million.
- Profit after tax rose by 51% to SEK 85 (56) million, corresponding to SEK 2.92 (1.95) per share.
- Cash flow after investments amounted to SEK 49 (9) million, or SEK 1.69 (0.31) per share. Adjusted for acquisition-related payments in the period, operating cash flow after investments was SEK 72 (9) million.

CEO’s comment – NOTE is reporting sales of over SEK 1 billion for the second consecutive quarter. Growth is driving profitability, and NOTE’s operating margin is now 10.7%
“NOTE's sales in the period made brisk progress and for the second consecutive quarter NOTE reached sales of over 1 billion. Sales of SEK 1,051 million in the first quarter meant growth of about 28%. Adjusted for acquisitions and currency effects, organic growth was 14%. We are growing on most of our domestic markets, with our Swedish and Estonian businesses performing with particular strength.

Growth is driving profitability and the operating margin amounted to 10.7% for the quarter. Continued investments in our modern plants increase our growth, degree of automation and efficiency, which benefits both us and our customers. Shortly after the end of the quarter, we completed an acquisition of the Bulgarian EMS company ATM Electronics OOD. Through the acquisition, we add another profitable plant to the NOTE group and another option for our customers who are looking for cost-effective manufacturing in Europe.

The first quarter delivered positive cash flow (after investments) of SEK +49 million and adjusted for acquisition-related payments made, cash flow (after investments) amounted to SEK +72 million. NOTE's high growth in recent years together with the challenging situation in the market for electronic components has put pressure on NOTE's cash flow and it is therefore gratifying that the cash flow for Q1 came in so strong.

Our order backlog was some 20% higher than at the corresponding time last year. Given the strong order situation, we see good potential to continue our positive progress. For the second quarter, we expect a growth of 20% and for the full year 2023 to reach sales of at least SEK 4.2 billion. We anticipate a continued strengthening of our profitability”, says Johannes Lind-Widestam, CEO and President.

NOTE’s Interim Report for January–March is now available in PDF format at the web site, www.note-ems.com, and attached to this message. Today at 10.00 CET, NOTE organises a presentation for analysts, media and investors, where CEO and President Johannes Lind-Widestam presents the report. The Interim Report for January–June will be published on 13 July.

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About NOTE
NOTE produces PCBAs, subassemblies and box build products. NOTE is a competitive EMS provider and stable business partner to customers with high standards. NOTE’s products are embedded in complex systems for electronic control, surveillance and security, for example.

NOTE’s business model builds on delivering high end manufacture, custom logistics solutions and *consulting for the best possible total cost through long-term customer relationships and partnerships. Its customer offering covers complete product lifecycles, from design to after-sales. Primarily, its customer base consists of large corporations operating on the global market, and enterprises whose main sales are in northern Europe.*

NOTE has a presence in Sweden, Finland, the UK, Estonia, Bulgaria and China. Sales over the last 12 months were SEK 3,917 million, and the group has approximately 1,400 employees. NOTE is listed on Nasdaq Stockholm. For more information, please go to www.note-ems.com.

This information is such information that NOTE AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of Johannes Lind-Widestam, at 8:30 a.m. CET on 19 April 2023.