

Interim Report Jan- Sept 2018

JULY–SEPTEMBER 2018

- > Net sales increased 23 per cent to SEK 420.1 million (342.7). In USD, net sales increased 12 per cent.
- > Order intake increased 21 per cent to SEK 411.2 million (340.7). In USD, order intake increased 9 per cent.
- > EBITA was SEK 42.2 million (0.9), representing an EBITA margin of 10.1 per cent (0.2).
- > Adjusted* EBITA was SEK 42.2 million (30.9), representing an adjusted* EBITA margin of 10.1 per cent (9.0).
- > Operating profit was SEK 41.0 million (0.1). Operating margin was 10 per cent (0.0).
- > Profit after tax amounted to SEK 32.5 million (-11.0).
- > Earnings per share was SEK 1.93 (-0.79) before dilution and SEK 1.93 (-0.79) after dilution**.

JANUARY–SEPTEMBER 2018

- > Net sales increased 13 per cent to SEK 1,210.3 million (1,072.8). In USD, net sales increased 14 per cent.
- > Order intake increased 9 per cent to SEK 1,189.8 million (1,086.9). In USD, order intake increased 10 per cent.
- > EBITA was SEK 96.2 million (71.4), representing an EBITA margin of 7.9 per cent (6.7).
- > Adjusted* EBITA was SEK 107.7 million (101.4), representing an adjusted* EBITA margin of 8.9 per cent (9.4).
- > Operating profit was SEK 92.7 million (68.3). Operating margin was 7.7 per cent (6.4).
- > Profit after tax amounted to SEK 69.9 million (50.6).
- > Earnings per share was SEK 4.28 (3.17) before dilution and SEK 4.16 (3.12) after dilution**.

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

- > On 24 September, the US imposed import tariffs of 10 per cent, which included PCBs.
- > In August, a decision was taken to establish a company in Malaysia, and the recruitment of a local Managing Director is in progress.
- > A new office was opened in August near Stuttgart in Germany.

KEY PERFORMANCE INDICATORS	Jul–Sep			Jan–Sep			Full year	
	2018	2017	%	2018	2017	%	LTM***	2017
Order intake, SEK million	411.2	340.7	21	1,189.8	1,086.9	9	1,612.1	1,509.2
Order intake, USD million	45.9	41.9	9	138.6	126.0	10	189.4	176.8
Net sales, SEK million	420.1	342.7	23	1,210.3	1,072.8	13	1,537.6	1,400.1
Net sales, USD million	46.7	41.7	12	141.0	124.2	14	180.8	164.0
Gross margin, %	31.4	30.9		30.8	30.3		30.6	30.2
EBITA, SEK million	42.2	0.9		96.2	71.4	35	95.0	70.2
EBITA margin, %	10.1	0.2		7.9	6.7		6.2	5.0
Adjusted* EBITA, SEK million	42.2	30.9	37	107.7	101.4	6	120.0	113.7
Adjusted* EBITA margin, %	10.1	9.0		8.9	9.4		7.8	8.1
Operating profit, SEK million	41.0	0.1		92.7	68.3	36	90.0	65.6
Profit/loss after tax, SEK million	32.5	-11.0		69.9	50.6	38	59.7	40.4
Earnings per share before dilution**, SEK	1.93	-0.79		4.28	3.17	34	3.56	2.42
Earnings per share after dilution**, SEK	1.93	-0.79		4.16	3.12	33	3.47	2.38
Cash flow from operating activities, SEK million	38.4	14.3	268	28.9	25.3	14	41.1	37.4
Return on equity, %							32.0	30.3
Average exchange rate, SEK/USD	8.95	8.14		8.58	8.61		8.51	8.54
Average exchange rate, SEK/EUR	10.41	9.56		10.23	9.58		10.13	9.63

* Adjusted for non-recurring items of SEK 11.6 million in the January–September 2018 period, SEK 25.1 million for the last twelve months and SEK 43.5 million for the full year 2017. The adjustments refer to costs for the IPO and final settlement costs related to the agreement with the Russian tax authority.

** The Annual General Meeting on 14 March 2018 resolved to approve a 10:1 stock split. Earnings per share have been calculated retrospectively based on the total number of shares after the stock split for each period.

*** LTM = last twelve months

MESSAGE FROM THE CEO

Strong tailwind for NCAB during the third quarter

This is our second quarterly report as a listed company and I am pleased to report a strong result again. Plenty has gone our way in the third quarter: we noted continued strong demand in all regions and positive growth in all countries in which we operate. In Italy, which is a new market for us, the number of customers is increasing and growth is robust.

We are also strengthening our presence in Asia with a venture in Malaysia, where NCAB is now establishing operations and recruiting staff. Malaysia is a growth market with extensive existing PCB-A manufacturing and a growing local demand for PCBs. This offers a favourable position for a company such as NCAB.

We are also continuing to gain market share. For example, we have enjoyed considerable success with a major international customer that has manufacturing units in several countries in which we operate. At the same time, we must point out that we had a positive tailwind from the USD during the third quarter. Sales in the quarter increased with 23 per cent in SEK and 12 per cent in USD.

Utilisation levels in our factories are good though with some unutilised capacity, at the same time as capacity is being expanded with investments in new factories, which is positive for us as it gives us new available capacity at good terms.

We also reported a substantially improved EBITA, in the third quarter compared with the corresponding period last year, which is an effect of our investments into new markets now yielding increased sales.

During the period, the US imposed import tariffs of 10 per cent on items including PCBs. These tariffs are invoiced separately to all our US customers. The extra 10 per cent has not had a significant impact on our business – though the US has declared they will raise the tariff to 25 per cent from 1 January 2019. It is difficult to speculate what the implications of this may be, but it could be both positive and negative for NCAB.

I also would like to remind our followers that the fourth quarter is a seasonally weaker period regarding sales. Our order intake also shows signs of a somewhat lower growth rate. We do, however, have several exciting projects ongoing which makes us confident about our future.

Hans Ståhl

President and CEO, NCAB Group AB

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Plenty has gone our way in the quarter

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Q3 2018

23%

Sales growth

420

Net sales, SEK million

42.2

EBITA, SEK million

10.1%

EBITA margin

ABOUT NCAB

A leading supplier of PCBs

NCAB is one of the world's leading suppliers of printed circuit boards (PCBs) with some 1,650 customers across 45 markets globally. Being the leader does not necessarily mean being the biggest, even if size is important to us. We also want to be the leader in terms of expertise, service, sustainability and technology. Being the leading player also gives us the strength to attract customers through important projects, skilled employees and the best factories.



We take overall responsibility for supplying our customers with high-quality PCBs at the right price. We do not own any factories, but thanks to our local sales companies and our Factory Management team, we “own” the most important elements: the whole manufacturing process as well as the relationships with the customer and the factory. This gives us access to the best technology without being dependent on factory investments.

BUSINESS CONCEPT

PCBs for demanding customers, on time with zero defects and at the lowest total cost

VISION

The number 1 PCB producer – wherever we are

FINANCIAL TARGETS AND DIVIDEND POLICY

NCAB's medium-term target is to achieve average organic growth of about 8 per cent per year before acquisitions and an adjusted EBITA margin of approximately 8 per cent. The target for capital structure is that net debt in relation to adjusted EBITDA should be less than 2.0. The debt ratio may temporarily exceed this level, in connection with a major acquisition, for example. NCAB intends to distribute available cash flow after taking account of the company's debt situation and future growth opportunities, including acquisitions, which is expected to correspond to 50 per cent of net profit.

1,650
CUSTOMERS



15
COUNTRIES WITH
LOCAL PRESENCE



18
FACTORIES



45
MARKETS

367
SPECIALISTS



113
MILLION PCBs
MANUFACTURED PER YEAR



GROUP PERFORMANCE

JULY–SEPTEMBER 2018

NET SALES

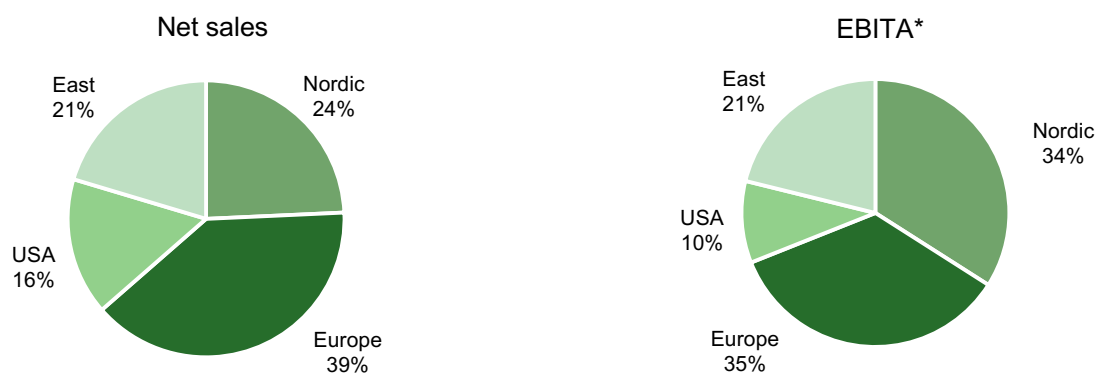
Net sales increased 23 per cent in the third quarter to SEK 420.1 million (342.7), with growth in USD at about 12 per cent. Most of NCAB's products are invoiced or priced in USD. All segments demonstrated sustained healthy growth, partly due to the favourable USD rate trend for NCAB. Higher sales were noted in all of the Group's companies, with Germany, the UK and Italy as the Group's strongest growth markets. Recruitments in recent years are now having a noticeably positive impact on sales. Order intake increased 21 per cent during the quarter, and 9 per cent in USD. Order intake grew in most of NCAB's markets, though with a slightly weaker growth rate in September.

EARNINGS

Adjusted EBITA *) amounted to SEK 42.2 million (30.9). For the third quarter of 2017, earnings were charged with SEK 30.0 million pertaining to a provision in Russia. The EBITA margin increased to 10.1 per cent compared with the year-earlier adjusted EBITA margin of 9.0 per cent. The increase was primarily due to a higher gross margin and that costs did not increase at the same rate as revenues, despite a strong focus on new recruitment and negative currency effects from a continued strong EUR. EBITA was SEK 42.2 million (0.9). Operating profit increased to SEK 41.0 million (0.1).

Net financial items amounted to SEK -3.3 million (-3.3), which was in line with the preceding year. Exchange-rate changes affected net financial items of SEK -2.5 million (-1.9). Income tax amounted to SEK -5.2 million (-7.8). Profit after tax for the period totalled SEK 32.5 million (-11.0). Earnings per share was SEK 1.93 (-0.79) before dilution and SEK 1.93 (-0.79) after dilution.

BREAKDOWN BY SEGMENT, JULY–SEPTEMBER 2018



*) No adjustment to EBITA in the segment during the quarter

JANUARY–SEPTEMBER 2018

NET SALES

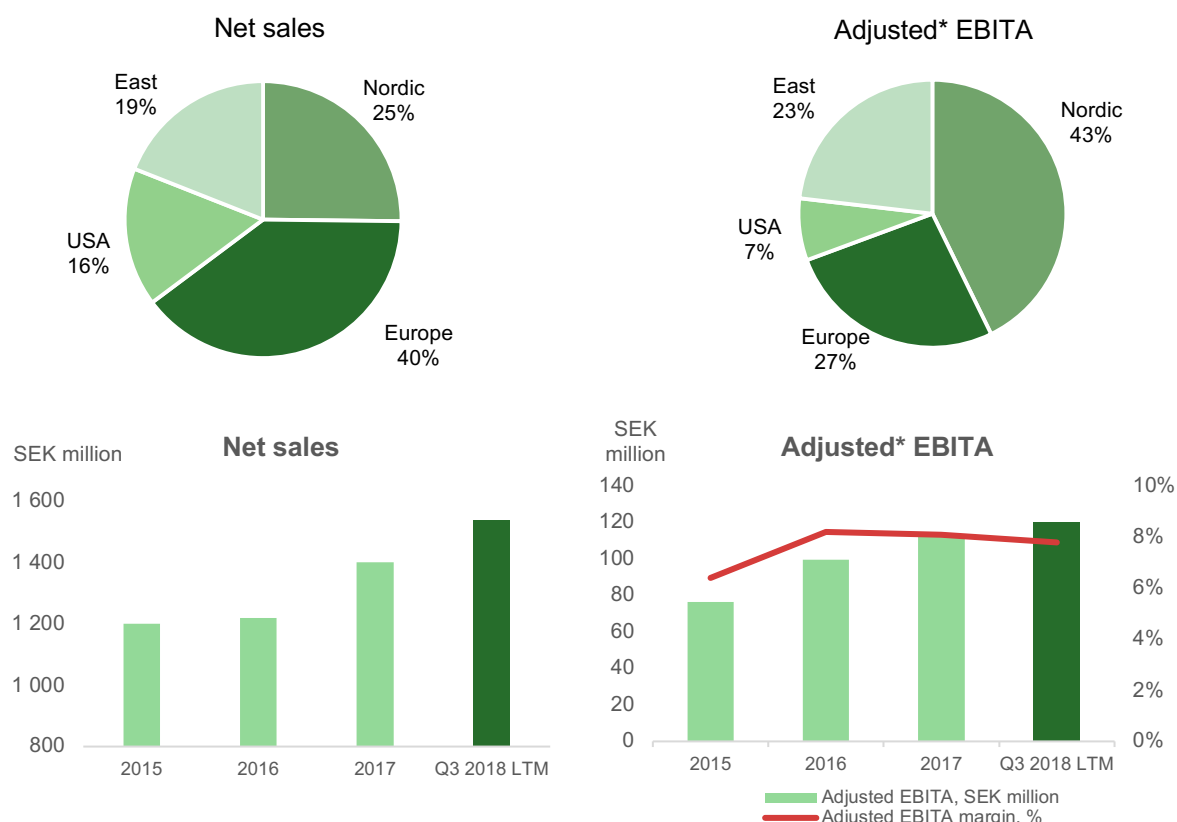
Net sales increased by 13 per cent during the period, to SEK 1,210.3 million (1,072.8). Underlying growth in USD was approximately 14 per cent. The difference between growth in SEK and USD was marginal for the period, but there were major variations during the year. In the first quarter of 2018, the USD was lower than in the preceding year, relatively comparable in the second quarter and higher in the third quarter. Sales in the US were slightly lower than in the previous year, while other segments reported strong growth. Europe grew 23 per cent, with strongest growth in Germany and the UK. The East segment generated growth of 17 per cent. The underlying market is positive in all segments, even if the rate of growth slowed slightly in September. Order intake grew in the first three quarters of the year by 9 per cent, while growth in USD was 10 per cent.

EARNINGS

Adjusted EBITA* was SEK 107.7 million (101.4) while the adjusted EBITA* margin decreased to 8.9 per cent (9.4). Gross margin increased 0.5 percentage points year-on-year. The decline in EBITA margin was mainly due to increased costs for new staff during the first two quarters of the year, though this aims to create future growth, and to certain negative currency effects. EBITA was SEK 96.2 million (71.4), negatively impacted by costs of SEK 10.7 million related to the IPO and costs of SEK 0.9 million related to final legal costs in the Russian tax settlement. Operating profit increased to SEK 92.7 million (68.3).

Net financial items amounted to SEK -9.5 million (-1.8), of which SEK -3.9 million (+2.4) refers to negative foreign exchange differences. The change in net financial items between the years was mainly an effect of foreign exchange differences. Income tax amounted to SEK -13.3 million (-15.9). Profit after tax for the period totalled SEK 69.9 million (50.6). Earnings per share was SEK 4.28 (3.17) before dilution and SEK 4.16 (3.12) after dilution.

BREAKDOWN BY SEGMENT, JANUARY–SEPTEMBER 2018



*) Adjusted for non-recurring items of SEK 11.6 million in EBITA related to costs in the first 6 months for the IPO and financial legal costs for the settlement with the Russian tax authority.

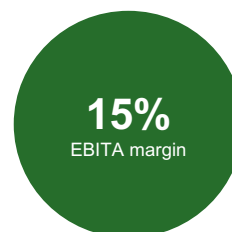
PERFORMANCE BY SEGMENT

NORDIC

Sweden, Norway, Denmark, Finland and Estonia. As all companies in the Nordic segment have relatively high market shares, the main focus is on profitability rather than growth and recruitment. The margin in this segment is generally higher due to a higher technology content and mostly shorter series.

Third quarter 2018

The third quarter demonstrated very strong growth, with extra momentum from a strong USD and a favourable trend in Sweden. Net sales increased 18 per cent to SEK 102.7 million (87.3). Underlying growth in USD was 8 per cent. EBITA increased to SEK 15.1 million (8.9) and the EBITA margin increased to 14.7 per cent (10.2), mainly an effect of increased sales and improved gross margin.



January–September 2018

Favourable growth in all of the companies in the segment linked to strong demand. For the first three quarters, net sales increased 8 per cent to SEK 305.6 million (282.5). Underlying growth in USD was 9 per cent. The establishment of operations in Estonia in 2017 opened for new growth opportunities. Strong gross margin, combined with higher sales, meant that EBITA rose to SEK 49.7 million (36.1) and the EBITA margin to 16.3 per cent (12.8).

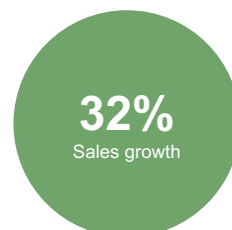
NORDIC SEK million	Jul–Sep			Jan–Sep			Full year	
	2018	2017	%	2018	2017	%	LTM	2017
Net sales	102.7	87.3	17.6	305.6	282.5	8.2	391.3	368.2
EBITA	15.1	8.9	70.4	49.7	36.1	37.8	60.8	47.2
EBITA margin, %	14.4	10.2		16.3	12.8		15.5	12.8

EUROPE

France, Germany, Spain, Poland, Italy and the UK. In the Europe segment, the main focus is on growth. All companies have relatively low market shares and several companies were established comparatively recently. A key factor for achieving continued growth is recruitment, which is putting short-term pressure on profitability. The number of employees has increased by 19 since September 2017 to 106 in September 2018.

Third quarter 2018

Net sales in the third quarter increased 32 per cent to SEK 166.3 million (126.3). Underlying growth in USD was 19 per cent. Growth remained strong in Germany, with several new customers, and in the UK. A new office was opened near Stuttgart in Germany. In Italy, where NCAB established operations early in 2017, the business has continued to expand favourably in terms of sales and now has 10 employees.



EBITA increased to SEK 15.2 million (10.7). EBITA margin grew to 9.2 per cent (8.5), despite setting up operations in Italy, which continue to generate negative EBITA. The stronger EUR also has an adverse effect on EBITA as fixed costs are primarily in EUR, while invoicing is largely in USD.

January–September 2018

Most companies in the segment reported continued favourable growth driven by new customers and strong growth among many of the customers added in recent years. In the first three quarters of the year, sales increased 23 per cent to SEK 480.5 million (391.8). Underlying growth in USD amounted to 23 per cent. Italy now has some 40 order-placing customers and NCAB has had a positive response from the market. EBITA increased to SEK 30.9 million (27.4).

EBITA margin declined slightly to 6.4 per cent (7.0) due to the many new recruits, setting up operations in Italy and the negative currency effects from the stronger EUR.

EUROPE SEK million	Jul-Sep			Jan-Sep			Full year	
	2018	2017	%	2018	2017	%	LTM	2017
Net sales	166.3	126.3	31.7	480.5	391.8	22.6	596.2	507.5
EBITA	15.2	10.7	42.3	30.9	27.4	12.8	33.3	29.8
EBITA margin, %	9.2	8.5		6.4	7.0		5.6	5.9

USA

NCAB established a presence in the US through two acquisitions in 2012 and 2014. Since then, three additional regional offices were opened to gain proximity to its customers. Our business in the US is in a transitional phase where sales of low-tech products are declining in favour of more high-tech products.

Third quarter 2018

In September, import tariffs of 10 per cent were imposed on PCBs from China. This is invoiced directly to our customers. It is still too early to assess the consequences of these tariffs, besides a greater administrative burden. Capacity utilisation at US factories is relatively high and they are substantially more expensive, and the impact on imports from China is therefore not expected to be significant. However, the US has given notice that tariffs will rise to 25 per cent after 1 January.



Net sales in the third quarter increased 8 per cent to SEK 67.9 million (63.0). In USD, sales were however 2 per cent lower year-on-year. EBITA improved to SEK 4.3 million (3.8) and the EBITA margin was 6.4 per cent (6.1). Profit was affected by continued investments in recruiting and in onboarding new customers.

January–September 2018

For the first three quarters, net sales decreased slightly to SEK 196.6 million (200.9). Underlying growth in USD was unchanged. EBITA decreased to SEK 8.7 million (11.2) and the EBITA margin declined to 4.4 per cent (5.6). In 2018, recruiting new staff had an adverse impact on profit.

USA SEK million	Jul-Sep			Jan-Sep			Full year	
	2018	2017	%	2018	2017	%	LTM	2017
Net sales	67.9	63.0	7.8	196.6	200.9	-2.1	256.8	261.0
EBITA	4.3	3.8	12.8	8.7	11.2	-22.3	9.8	12.3
EBITA margin, %	6.4	6.1		4.4	5.6		3.8	4.7

EAST

China, Macedonia and Russia. The East segment has a stable and expanding business in Russia and continued healthy growth in China. The Chinese business sells to European customers who are establishing production facilities in China as well as to Chinese customers.

Third quarter 2018

Net sales in the third quarter increased 30 per cent to SEK 86.2 million (66.3). Net sales increased by 20 per cent in USD. Growth was equally strong in Russia and China. Growth is from both new customers and existing customers. Adjusted EBITA* amounted to SEK 9.2 million (9.2), and the adjusted EBITA margin to 10.7 per cent (13.8).



January–September 2018

The segment reported favourable growth during the year, with new customers in both Russia and China. NCAB has two sales companies in China: one in China that sells in CNY and one in Hong Kong that sells in USD. Sales growth is strongest among customers whose end products are aimed at the Chinese market, with sales in CNY.

Net sales increased 17 per cent to SEK 230.7 million (197.8). Adjusted EBITA* increased to SEK 26.9 million (24.8), while the adjusted EBITA margin declined slightly to 11.7 per cent (12.5).

EAST SEK million	Jul–Sep			Jan–Sep			Full year	
	2018	2017	%	2018	2017	%	LTM	2017
Net sales	86.2	66.3	30.1	230.7	197.8	16.6	295.7	262.8
EBITA	9.2	-20.8		26.0	-5.2		27.1	-4.1
Adjusted* EBITA	9.2	9.2	0.9	26.9	24.8	8.6	29.9	27.8
EBITA margin, %	10.7	-31.5		11.3	-2.6		9.2	-1.6
Adjusted* EBITA margin, %	10.7	13.8		11.7	12.5		10.1	10.6

*) EBITA for the third quarter of 2017 was adjusted by SEK 30.0 million for legal costs in the settlement with the Russian tax authority. The full year 2017 figure was adjusted by SEK 31.9 million and the LTM figure by SEK 2.8 million.

FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the third quarter was SEK 38.4 million (14.3), primarily driven by strong earnings. Cash flow for the period was SEK 29.6 million (-3.0). The Group has limited investment needs and cash flow from investing activities was SEK -3.2 million (-1.1). For the period January – September cash flow from operations amounted to SEK 28,9 million (25.3) and cash flow from investing activities was SEK -4.5 million (-3.0).

LIQUIDITY AND FINANCIAL POSITION

The Group's net interest-bearing debt stood at SEK 29.2 million at the end of the period, compared with SEK 145.7 million at the end of the third quarter of 2017. The reduced net debt compared with the end of the third quarter of 2017 is largely attributable to the new share issue in connection with the IPO, through which the company raised SEK 100.0 million before transaction costs, though non-recurring items for the IPO and the Russian tax dispute had a negative impact. At 30 September, the equity/assets ratio was 39.2 per cent (19.4) and equity was SEK 263.8 million (108.1). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 181.5 million (63.8).

In connection with the IPO in June 2018, NCAB renegotiated its loans. Existing SEK and USD loans of SEK 117.6 million were redeemed and replaced by two new SEK loans of SEK 50.0 million each, both with maturity in 2023. One is free of instalments while the other is being repaid in quarterly instalments of SEK 2.5 million over the next five years. The company has also increased its overdraft facility by SEK 34.0 million to SEK 113.0 million. At the balance sheet date of 30 September 2018, the company was in compliance with all covenants under its financing agreement.

COSTS IN CONNECTION WITH THE IPO

The total costs for the preparation and implementation of the IPO were SEK 42.3 million, of which SEK 20.0 million refers to legal and other transaction costs, which have been charged directly to equity. The remaining IPO preparation costs of SEK 22.3 million were charged to the income statement, of which SEK 11.6 million in 2017 and SEK 10.7 million in 2018. The third quarter of 2018 was not affected by costs connected with the IPO.

Other information

SIGNIFICANT RISKS AND UNCERTAINTIES

Through its operations, the Group is exposed to risks of a financial and operational nature, which the Group can influence to a greater or lesser extent. Continuous processes are in place in the Group to identify any risks and assess how they should be managed.

Operational risks include commercial risks arising from changes in economic activity and demand as well as customer preferences and relationships to the company. Other risks are related to the production capabilities, capacity and order books of the company's manufacturers, and to the availability and prices of raw materials. The company is also dependent on the continued trust of its employees and its ability to recruit skilled employees.

It should be mentioned concerning financial risks that the Group is exposed to currency risk, primarily the exchange rates between USD, EUR and SEK, through the translation exposure of sales and purchase ledgers, and reported assets, liabilities and net investments in the operations. The Group is also exposed to other risks, such as interest rate risk, credit risk and liquidity risk.

See NCAB's 2017 Annual Report for a more detailed description of the Group's risk exposure and risk management.

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

Import tariffs of 10 per cent were imposed on PCBs imported to the US from China. These tariffs are invoiced directly to customers and are not included as Sales for NCAB. Notice has been given that the import tariffs will increase to 25 per cent from January 2019. It is still too early to assess the consequences of this, other than a greater administrative burden. It can be noted that China manufactures about 60 per cent of all PCBs consumed in the US and capacity utilisation in the US factories is relatively high.

A new office was opened in August near Stuttgart, to provide better service to customers in south-western Germany.

In August, a decision was made to establish a new company in Malaysia and the company is in the final phase of recruiting a Managing Director. The high-mix low-volume (HMLV) market for PCBs in Malaysia is growing rapidly largely due to increasing local demand.

RELATED-PARTY TRANSACTIONS

Transactions with related parties have taken place to the same limited extent as previously and in accordance with the same principles as are described in the latest annual report.

ORGANISATION

At 30 September 2018, the number of employees was 367 (327), of whom 172 (146) were women and 195 (181) were men. The average number of employees in the organisation during the period was 367 (324), of whom 172 (145) were women and 195 (179) were men.

PARENT COMPANY

The Parent Company's net sales for the third quarter of 2018 were SEK 15.9 million (11.5). Sales consist exclusively of internal billing. Profit after financial items was SEK 2.8 million (12.4). Profit was charged with increased costs arising from the need to comply with requirements applied to listed companies. The Parent Company also incurred foreign exchange losses on internal loans in 2018, after reporting a net foreign exchange gain in 2017.

Sales for the January to September period amounted to SEK 42.1 million (38.6). Loss after financial items was SEK -27.6 million (24.5). The deterioration was due to IPO costs and negative foreign exchange differences on internal and external loans.

DECLARATION OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board of Directors and Chief Executive Officer provide their assurance that the interim report gives a true and fair view of the Group's and the Parent Company's operations, position and results and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Bromma, 15 November 2018

Christian Salamon
Chairman of the Board

Jan-Olof Dahlén
Director

Per Hesselmark
Director

Magdalena Persson
Director

Hans Ramel
Director

Gunilla Rudebjer
Director

Hans Ståhl
Chief Executive Officer

CONTACT

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This is information that NCAB Group AB is obligated to disclose pursuant to the EU Market Abuse Regulation and the Swedish Security Markets Act. The information was issued for publication through the agency of the contact persons set out above, on 16 November 2018 at 6:00 a.m. CET.

NCAB Group AB (publ)

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NCAB will hold a web-cast telephone conference at 10:00 a.m. CET, when CEO Hans Ståhl and CFO Anders Forsén will present the report. The presentation will be followed by a Q&A session. The presentation will be held in English and can be followed on the web or over the phone. To participate in the conference call, call the following numbers: From Sweden: +46856642696, UK: +442030089808 US: +18558315945 The presentation and conference can also be followed from the following link: <https://tv.streamfabriken.com/ncab-group-q3-2018>

FINANCIAL CALENDAR

Year-end report 2018	22 February 2019
Annual General Meeting	13 May 2019
Interim report January-March 2019	14 May 2019
Interim report January-June 2019	30 July 2019
Interim report January-September 2019	6 November 2019



Auditor's report

NCAB Group AB (publ), org.nr 556733-0161

Introduction

We have reviewed the condensed interim financial information (interim report) of NCAB Group AB (publ) as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 15 november 2018

Öhrlings PricewaterhouseCoopers AB

Ola Salemyr

Authorized Public Accountant

Group

CONSOLIDATED INCOME STATEMENT

SEK million	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	LTM	Full year 2017
Operating revenue						
Net sales	420.1	342.7	1 210.3	1 072.8	1 537.6	1 400.1
Other operating income	2.3	0.3	5.7	0.8	5.1	0.2
Total	422.4	343.1	1 216.0	1 073.6	1 542.7	1 400.3
Raw materials and consumables	-290.3	-237.2	-842.8	-748.3	-1 072.3	-977.8
Other external expenses	-29.7	-19.1	-86.4	-62.8	-116.4	-92.8
Staff costs	-59.1	-53.5	-175.9	-156.8	-229.3	-210.2
Depreciation of property, plant and equipment, and amortisation of intangible assets	-2.2	-2.1	-6.7	-6.3	-8.9	-8.5
Other operating expenses	0.0	-31.1	-11.6	-31.1	-25.8	-45.3
Total operating expenses	-381.3	-342.9	-1 123.3	-1 005.3	-1 452.7	-1 334.7
Operating profit	41.0	0.1	92.7	68.3	90.0	65.6
Net financial expense	-3.3	-3.3	-9.5	-1.8	-13.3	-5.6
Profit/loss before tax	37.7	-3.2	83.2	66.5	76.7	60.0
Income tax	-5.2	-7.8	-13.3	-15.9	-17.0	-19.6
Profit/loss for the period	32.5	-11.0	69.9	50.6	59.7	40.4
Profit attributable to:						
Shareholders of the Parent Company	32.5	-11.1	69.7	50.5	59.6	40.3
Non-controlling interests	0.0	0.1	0.1	0.1	0.1	0.1
Average number of ordinary shares	16,847,124	12,202,040	14,220,843	12,136,840	1,5715,052	12,156,330
Average number of preference shares	0	2,912,620	1,696,361	2,912,620	2,002,925	2,912,620
Average total number of shares	16,847,124	15,114 660	16,371,111	15,049,460	15,717,977	15,068,950
Earnings per share before dilution	1.93	-0.79	4.28	3.17	3.62	2.42
Earnings per share after dilution	1.93	-0.79	4.16	3.12	3.53	2.38

The Annual General Meeting on 14 March 2018 resolved to approve a 10:1 stock split. Earnings per share have been calculated retrospectively based on the total number shares after the stock split for each period. During the second quarter, the preference shares were converted into ordinary shares following a resolution of the shareholders' meeting. As the company's preference shares, in addition to interest payments, entitle the holder to dividends on the same terms as for ordinary shares, the total number of shares (i.e. ordinary shares and preference shares) is used in calculating earnings per share. In connection with the IPO, all outstanding options were exercised to acquire new shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jul–Sep 2018	Jul–Sep 2017	Jan– Sep 2018	Jan– Sep 2017	LTM	Full year 2017
Profit/loss for the period	32.5	-11.0	69.7	50.5	59.6	40.4
Other comprehensive income, items that can subsequently be reclassified to profit or loss:						
Foreign exchange differences	-2.1	-7.4	6.0	-14.5	14.6	-5.9
Total comprehensive income	30.4	-18.4	75.9	36.1	74.3	34.5
Profit attributable to:						
Shareholders of the Parent Company	30.4	-18.5	75.8	36.0	74.2	34.4
Non-controlling interests	0.0	0.1	0.1	0.1	0.1	0.1

CONSOLIDATED BALANCE SHEET

SEK million			
ASSETS	30 Sep 2018	30 Sep 2017	31 Dec 2017
Non-current assets			
Goodwill	132.2	128.8	129.4
Other intangible assets	4.5	9.3	8.1
Leasehold improvement costs	1.7	1.7	1.9
Plant and equipment	4.3	4.9	4.9
Financial assets	4.3	0.7	1.0
Deferred tax assets	0.8	1.2	0.7
Total non-current assets	147.8	146.6	146.0
Current assets			
Inventories	91.8	72.0	97.5
Trade receivables	335.8	279.4	254.3
Other current receivables	19.5	11.1	15.9
Prepaid expenses and accrued income	7.5	12.3	9.4
Cash and cash equivalents	69.6	35.2	31.2
Total current assets	524.4	410.0	408.3
TOTAL ASSETS	672.2	556.6	554.3
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Parent Company			
Share capital	1.7	1.5	1.5
Additional paid-in capital	201.6	117.6	117.6
Reserves	-1.3	-16.0	-7.4
Retained earnings	61.5	4.8	-5.5
Non-controlling interests	0.3	0.2	0.1
Total equity	263.8	108.1	106.4
Non-current liabilities			
Borrowings*	87.5	92.2	-
Deferred tax	3.5	-	3.5
Total non-current liabilities	91.0	92.2	3.5
Current liabilities			
Other provisions	-	30.0	17.6
Current liabilities*	11.4	88.7	165.1
Trade payables	220.0	166.6	192.9
Current tax liabilities	11.7	10.6	7.1
Other current liabilities	21.8	23.5	19.4
Accrued expenses and deferred income	52.5	36.9	42.4
Total current liabilities	317.4	356.3	444.5
TOTAL EQUITY AND LIABILITIES	672.2	556.6	554.3

*Due to non-compliance with a solvency covenant at 31 December 2017, all bank loans were classified as non-current liabilities. The company received a waiver from the bank.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Attributable to shareholders of the Parent Company					Non-controlling interests	Total equity
	Share capital	Addition al paid-in capital	Reserves	Retained earnings	Total		
1 Jan 2017	1.5	115.3	-1.5	44.2	159.5	0.1	159.7
Profit for the period				50.5	50.5	0.1	50.6
Other comprehensive income for the period			-14.5		-14.5		-14.5
Total comprehensive income			-14.5	50.5	36.0	0.1	36.1
Issue of new ordinary shares	0.0	2.3	-	-	2.3	-	2.3
Dividend	-	-	-	-90.0	-90.0	-	-90
Total transactions with shareholders, recognised directly in equity	0.0	2.3	0.0	-90.0	-87.7	0.0	-87.7
30 Sep 2017	1.5	117.6	-16.0	4.8	107.9	0.2	108.1

	Attributable to shareholders of the Parent Company					Non-controlling interests	Total equity
	Share capital	Addition al paid-in capital	Reserves	Retained earnings	Total		
1 Jan 2018	1.5	117.6	-7.4	-5.5	106.2	0.1	106.4
Profit for the period				69.7	69.7	0.1	69.9
Other comprehensive income for the period			6.0		6.0		6.0
Total comprehensive income			6.0	69.7	75.8	0.1	75.9
Issue of new ordinary shares	0.2	104.0	-	-	104.2	-	104.2
Dividend, preference shares	-	-	-	-2.7	-2.7	-	-2.7
Costs for issue of shares / IPO	-	-20.0	-	-	-20.0	-	-20.0
Total transactions with shareholders, recognised directly in equity	0.2	84.0	0.0	-2.7	81.5	0.0	81.5
30 Sep 2018	1.7	201.6	-1.3	61.5	263.5	0.3	263.8

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	LTM	Full year 2017
Cash flow from operating activities						
Profit before net financial income/expense	41.0	0.1	92.7	68.3	90.0	65.6
Adjustment for non-cash items	9.7	-8.6	6.3	-9.4	15.3	-0.4
Provisions	-	30.0	-17.7	30.0	-30.1	17.6
Interest received	0.2	0.0	0.3	0.1	1.1	0.8
Interest paid	-2.7	-1.1	-5.8	-3.2	-9.8	-7.2
Income taxes paid	-2.9	-5.6	-17.7	-15.0	-21.4	-18.6
Cash flow from operating activities before changes in working capital	45.1	14.8	58.0	70.8	45.0	57.7
Change in inventories	-0.6	-5.6	5.6	17.2	-19.9	-8.2
Change in current receivables	-6.3	-0.6	-74.3	-55.5	-51.3	-32.6
Change in current operating liabilities	0.2	5.7	39.7	-7.2	67.3	20.5
Total changes in working capital	-6.7	-0.5	-29.1	-45.5	-3.9	-20.3
Cash flow from operating activities	38.4	14.3	28.9	25.3	41.1	37.4
Cash flow from investing activities						
Investments in property, plant and equipment	-0.3	-0.9	-1.1	-2.3	-2.3	-3.5
Investments in intangible assets	-0.2	-0.2	-0.4	-0.7	-0.5	-0.7
Investments in financial assets	-2.7	0.0	-2.9	-0.1	-3.3	-0.5
Cash flow from investing activities	-3.2	-1.1	-4.5	-3.0	-6.1	-4.6
Cash flow from financing activities						
Issue of new shares	0.0	0.7	104.2	2.3	104.2	2.3
Costs for issue of shares / IPO	0.0	0.0	-20.0	0.0	-20.0	-
Change in overdraft facility	-3.0	23.3	-38.0	29.7	-41.3	26.4
Borrowings	0.0	0.0	100.0	57.2	100.0	57.2
Transaction cost, loans	0.0	0.0	0.0	-0.6	0.0	-0.6
Repayment of loans	-2.5	-10.2	-130.4	-25.6	-140.6	-35.8
Dividend	0.0	-30.0	-2.7	-90.0	-2.8	-90.1
Cash flow from financing activities	-5.5	-16.2	13.1	-27.0	-0.5	-40.6
Decrease/increase in cash and cash equivalents						
Cash flow for the period	29.6	-3.0	37.5	-4.8	34.5	-7.8
Foreign exchange difference in cash and cash equivalents	-0.1	0.0	0.9	0.0	0.0	-0.9
Cash and cash equivalents at beginning of period	40.1	38.1	31.2	39.9	35.1	39.9
Cash and cash equivalents at end of period	69.6	35.1	69.6	35.1	69.6	31.2

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Full year 2017
Operating revenue					
Net sales	15.9	11.5	42.1	38.6	55.3
Total	15.9	11.5	42.1	38.6	55.3
Other external expenses	-9.5	-6.0	-29.5	-22.4	-30.0
Staff costs	-5.1	-6.7	-17.4	-16.1	-22.7
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.2	-0.3	-0.6	-0.8	-1.0
Other operating expenses	0.0	0.0	-10.6	0.0	-11.6
Total operating expenses	-14.8	-13.0	-58.2	-39.3	-65.3
Operating profit	1.0	-1.5	-16.1	-0.7	-10.0
Income from investments in Group companies	-	3.3	4.3	6.9	26.6
Other interest income and similar income	4.2	4.2	12.8	19.7	25.7
Interest expense and similar charges	-2.4	6.4	-28.6	-1.4	-11.8
Net financial income/expense	1.8	13.9	-11.5	25.2	40.5
Profit/loss before tax	2.8	12.4	-27.6	24.5	30.5
Appropriations	0.0	-3.8	-	-3.8	-1.0
Tax on profit for the period	0.0	-3.1	-	-3.1	-0.7
Profit/loss for the period	2.8	5.5	-27.6	17.6	28.8

The Parent Company has no items which are accounted for as other comprehensive income. Total comprehensive income is therefore the same as profit for the period.

As of 2018, the company recognises foreign exchange differences on a net basis in Other interest income and similar income and Interest expense and similar charges. For 2017 and in previous reports, foreign exchange differences were reported on a gross basis.

PARENT COMPANY BALANCE SHEET

SEK million			
ASSETS	30 Sep 2018	30 Sep 2017	31 Dec 2017
Non-current assets			
Capitalised development costs	0.4	1.1	0.9
Plant and equipment	0.1	0.2	0.2
Non-current financial assets	211.2	205.7	206.2
Total non-current assets	211.7	207.0	207.3
Current assets			
Trade receivables	1.7	1.0	0.6
Receivables from Group companies	145.3	133.8	128.8
Other current receivables	4.2	0.3	7.0
Prepaid expenses and accrued income	2.5	1.7	2.0
Cash and cash equivalents	27.0	0.1	0.1
Total current assets	180.7	136.9	138.5
TOTAL ASSETS	392.4	343.9	345.8
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (16,847,124 shares)	1.7	1.5	1.5
Non-restricted equity			
Share premium account	201.6	117.6	117.6
Retained earnings	-31.5	-40.1	-57.7
Profit/loss for the period	-27.6	17.6	28.8
Total equity	144.2	79.0	90.2
Untaxed reserves	8.8	11.6	8.8
Non-current liabilities			
Liabilities to credit institutions*	87.5	92.3	-
Other provisions	-	-	-
Total non-current liabilities	87.5	92.3	0.0
Current liabilities			
Liabilities to credit institutions*	10.0	40.6	123.8
Trade payables	1.9	1.7	12.1
Overdraft facility	-	48.9	37.7
Liabilities to Group companies	130.5	62.4	63.4
Current tax liabilities	-	1.5	1.5
Other current liabilities	1.2	-	-
Accrued expenses and deferred income	8.3	5.9	8.2
Total current liabilities	151.9	161.0	246.7
TOTAL EQUITY AND LIABILITIES	392.4	343.9	345.8

*Due to non-compliance with a solvency covenant at 31 December 2017, all bank loans were classified as non-current liabilities. The company received a waiver from the bank.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 Jan 2017	1.5	115.3	32.3	149.2
Profit/loss for the period			17.6	17.6
Total comprehensive income			17.6	17.6
Dividend	-	-	-90.0	-90.0
Issue of new shares	0.0	2.3	-	2.3
Total transactions with shareholders, recognised directly in equity	-	1.6	-90.0	-87.7
30 Sep 2017	1.5	117.6	-40.1	79.0

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 Jan 2018	1.5	117.6	-28.8	90.3
Profit/loss for the period			-27.6	-27.6
Total comprehensive income			-27.6	-27.6
Issue of new ordinary shares	0.2	104.0	-	104.2
Dividend, preference shares	-	-	-2.7	-2.7
Costs for issue of shares / IPO		-20.0		-20.0
Total transactions with shareholders, recognised directly in equity	0.2	84.0	-2.7	81.5
30 Sep 2018	1.7	201.6	-59.1	144.2

Notes

Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The financial statements of the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board.

The applied accounting policies are consistent with the policies described in the annual report for the financial year ended 31 December 2017 and should be read in conjunction with these. With the exception of the accounting policies described below, the applied accounting policies are consistent with those described in the NCAB Group's annual report for 2017, which is available on NCAB Group's website.

The interim financial information on pages 1–27 is an integral part of this financial report.

Significant estimates and judgements

For information on significant estimates and judgements made by management in preparing the consolidated financial statements, see Note 2 of the annual report for 2017.

Effects of new IFRS standards

IFRS 9 Financial Instruments is effective from 1 January 2018. The new standard contains rules for the classification and measurement of financial assets and liabilities, impairment of financial instruments and hedge accounting. As indicated by the previous analysis, the application of IFRS 9 has not had any significant impact on the company's financial statements.

IFRS 15 Revenue from Contracts with Customers is effective from 1 January 2018 and introduces new rules for the determination of obligations and transaction price as well as for when an entity should recognise revenue. The Group's material revenue flows and contracts have been reviewed and it has been established that control is mainly transferred at a point in time, when a good is delivered. The company applies the standard retrospectively. As indicated in the previous analysis, the introduction of the standard has not had any significant impact on the company's financial statements other than additional disclosure requirements. As the company's revenue streams refer exclusively to one product, printed circuit boards, no other presentation of revenue recognition than the breakdown by segment is made.

IFRS 16 Leases will be effective for financial years beginning on 1 January 2019. The standard will replace IAS 17 Leases and the related interpretations. The standard requires that assets and liabilities attributable to all leases, with a few exceptions, be recognised in the balance sheet. This accounting treatment is based on the view that the lessee has a right to use an asset during a specific period of time as well as an obligation to pay for this right. The Group has made an evaluation of the effects of IFRS 16 on the company's financial statements, which shows that the effects will be small. NCAB plans to use the so called simplified method when implementing IFRS 16.

Note 2 Information on financial assets and liabilities

For more information on financial assets and liabilities, see the 2017 Annual Report, Note 2. All of the Group's financial assets and liabilities are measured at amortised cost. There are no financial assets and liabilities which are measured at fair value. The carrying amounts of the Group's financial assets and liabilities are deemed to approximate their fair values. All financial assets are recognised in the category "Loans and receivables". All financial liabilities are recognised in the category "Other financial liabilities".

Note 3 Pledged assets and contingent liabilities

The Group has provided shares in subsidiaries as collateral for liabilities to credit institutions. These are of the same extent as described in the latest annual report.

Note 4 Segments

Description of segments and principal activities

In NCAB Group, the CEO is the Group's chief operating decision maker. The segments are based on the information that is handled by the CEO and used as a basis for decisions on the allocation of resources and evaluation of results. NCAB Group has identified four segments, which also constitute reportable segments in the Group's operations:

NORDIC

Provides a broad range of PCBs from NCAB Group's companies in Sweden, Norway, Denmark, Finland and Estonia. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

EUROPE

Provides a broad range of PCBs from NCAB Group's companies in the UK, Poland, France, Italy, Germany and Spain. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

USA

Provides a broad range of PCBs from NCAB Group's companies in the United States. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

EAST

Provides a broad range of PCBs from NCAB Group's companies in Macedonia, China and Russia. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

Revenue

Revenue is generated from a large number of customers across all segments. There are no sales of goods between segments. However, minor amounts may be invoiced between the segments for freight and services, which are provided on market terms.

Sales and earnings of segments, July–September

SEK million	Nordic		Europe		USA		East		Central functions		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net sales	102.7	87.3	166.3	126.3	67.9	63.0	86.2	66.3	-3.0	-0.2	420.1	342.7
Adjusted EBITA	15.1	8.9	15.2	10.7	4.3	3.8	9.2	9.2	-1.8	-1.7	42.2	30.9
Adjusted EBITA margin, %	14.7	10.2	9.2	8.5	6.4	6.1	10.7	13.8	-	-	10.1	9.0
Non-recurring items	-	-	-	-	-	-	-	-30.0	-	-	-	-30.0
EBITA	15.1	8.9	15.2	10.7	4.3	3.8	9.2	-20.8	-1.8	-1.7	42.2	0.9
EBITA margin, %	14.7	10.2	9.2	8.5	6.4	6.1	10.7	-31.5	-	-	10.1	0.3
Amortis. intangible assets											-1.1	-0.8
Operating profit/loss											41.0	0.1
Operating margin, %											9.8	0.0
Net financial expense											-3.3	-3.3
Profit/loss before tax											37.7	-3.2
Net working capital	38.1	34.8	81.5	79.1	17.1	17.7	17.8	13.0	-6.7	-6.5	147.7	138.1

Sales and earnings of segments, January–September

SEK million	Nordic		Europe		USA		East		Central functions		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net sales	305.6	282.5	480.5	391.8	196.6	200.9	230.7	197.8	-3.1	-0.2	1 210.3	1 072.8
Adjusted EBITA	49.7	36.1	30.9	27.4	8.7	11.2	26.9	24.8	-8.6	1.9	107.7	101.4
Adjusted EBITA margin, %	16.3	12.8	6.4	7.0	4.4	5.6	11.7	12.5	-	-	8.9	9.4
Non-recurring items	-	-	-	-	-	-	-0.9	-30.0	-10.7	-	-11.6	-30.0
EBITA	49.7	36.1	30.9	27.4	8.7	11.2	26.0	-5.2	-19.3	1.9	96.2	71.4
EBITA margin, %	16.3	12.8	6.4	7.0	4.4	5.6	11.3	-2.6	-	-	7.9	6.7
Amortis. intangible assets											-3.5	-3.1
Operating profit											92.7	68.3
Operating margin, %											7.7	6.4
Net financial expense											-6.1	-1.8
Profit before tax											86.6	66.5
Net working capital	38.1	34.8	81.5	79.1	17.1	17.7	17.8	13.0	-6.7	-6.5	147.7	138.1

Sales and earnings of segments, 12 months

SEK million	Nordic		Europe		USA		East		Central functions		Group	
	2018 LTM	2017	2018 LTM	2017	2018 LTM	2017	2018 LTM	2017	2018 LTM	2017	2018 LTM	2017
Net sales	391.3	368.2	596.2	507.5	256.8	261.0	295.7	262.8	-2.3	0.6	1 537.6	1 400.1
Adjusted EBITA	60.8	47.2	33.3	29.8	9.8	12.3	29.9	27.8	-	-3.4	123.0	113.7
Adjusted EBITA margin, %	15.5	12.8	5.5	5.9	3.8	4.7	10.1	10.6	13.8	-	7.8	8.1
Non-recurring items	-	-	-	-	-	-	-2.8	-31.9	-	-11.6	-25.1	-43.5
EBITA	60.8	47.2	33.3	29.8	9.8	12.3	27.1	-4.1	-	-15.0	95.0	70.2
EBITA margin, %	15.5	12.8	5.6	5.9	3.8	4.7	9.2	-1.6	22.3	-	6.2	5.0
Amortis. intangible assets									36.1	-	-5.0	-4.6
Operating profit											90.0	65.6
Operating margin, %											5.9	4.7
Net financial expense											-13.3	-5.6
Profit before tax											76.7	60.0
Net working capital	38.1	27.8	81.5	69.7	17.1	16.8	17.8	13.9	-6.7	-12.4	147.7	115.3

Note 5 Quarterly summary

	Q3 '18	Q2 '18	Q1 '18	Q4 '17	Q3 '17	Q2 '17	Q1 '17	Q4 '16
Order intake, SEK million	411.2	409.6	369.0	422.3	340.7	369.3	376.9	375.1
Order intake, USD million	45.9	47.2	45.6	50.7	41.9	41.9	42.2	41.3
Net sales, SEK million	420.1	415.8	374.4	327.3	342.7	376.1	354.0	309.9
SEK annual growth, %	22.6	10.5	5.8	5.6	17.0	24.0	14.0	8.0
Net sales, USD million	46.7	48.0	46.2	39.6	41.7	42.6	39.9	34.3
USD annual growth, %	12.0	12.8	15.8	15.5	21.0	15.0	8.0	2.0
Gross margin, %	31.4	30.6	30.4	29.7	30.9	29.7	30.4	31.6
EBITA, SEK million	42.2	22.8	31.1	-1.1	0.9	34.2	36.2	22.4
Adjusted EBITA, SEK million	42.2	32.0	33.5	12.4	30.9	34.2	36.2	22.4
Adjusted EBITA margin, %	10.1	7.7	8.9	3.8	9.0	9.1	10.2	7.2
Operating profit, SEK million	41.0	21.7	30.0	-2.7	0.1	33.2	35.0	21.4
Total assets, SEK million	672.2	644.2	590.7	554.3	556.6	541.1	533.2	533.3
Cash flow from operating activities, SEK million	37.1	11.5	-20.9	14.8	13.1	4.4	6.5	32.1
Equity/assets ratio, %	39.2	36.2	22.3	19.2	19.4	28.0	35.8	29.6
Number of employees	367	366	365	354	327	320	312	307
Average exchange rate, SEK/USD	8.95	8.67	8.11	8.32	8.14	8.81	8.92	9.04
Average exchange rate, SEK/EUR	10.41	10.33	9.97	9.80	9.56	9.68	9.51	9.76

Note 6 Alternative performance measures

Some of the information contained in this report that is used by management and analysts to assess the Group's performance has not been prepared in accordance with IFRS. Management believes that this information helps investors to analyse the Group's financial performance and financial position. Investors should regard this information as complementary rather than as replacing financial reporting in accordance with IFRS.

Gross profit

SEK million	Jul-Sep 2018	Jul-Sep 2017	Jan- Sep 2018	Jan- Sep 2017	LTM	Full year 2017
Net sales	420.1	342.7	1 210.3	1 072.8	1537.6	1,400.1
Other operating income	1.2	4.2	4.6	3.5	3.2	2.1
Cost of goods sold	-290.3	-237.2	-842.8	-748.3	-1 072.3	-977.8
Translation differences	1.1	-3.9	1.1	-2.7	1.9	-1.9
Total gross profit	132.1	105.9	373.2	325.3	470.4	422.5
Gross margin, %	31.4	30.9	30.8	30.3	30.6	30.2

EBITA and adjusted EBITA

SEK million	Jul-Sep 2018	Jul-Sep 2017	Jan- Sep 2018	Jan- Sep 2017	LTM	Full year 2017
Operating profit	41.0	0.1	92.7	68.3	90.4	65.6
Amortisation and impairment of intangible assets	1.2	1.1	3.5	3.1	4.6	4.6
EBITA	42.2	1.2	96.2	71.4	95.0	70.2
EBITA margin, %	10.1	0.4	7.9	6.7	6.2	5.0
Non-recurring items	-	30.0	11.6	30.0	25.1	43.5
Adjusted EBITA	42.2	31.2	107.7	101.4	120.0	113.7
Adjusted EBITA margin, %	10.1	9.1	8.9	9.4	7.8	8.1

EBITDA and adjusted EBITDA

SEK million	Jul-Sep 2018	Jul-Sep 2017	Jan- Sep 2018	Jan- Sep 2017	LTM	Full year 2017
Operating profit	41.0	0.1	92.7	68.3	90.4	65.6
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	2.2	2.1	6.7	6.3	8.9	8.6
EBITDA	43.3	2.2	99.3	74.6	98.9	74.1
EBITDA margin, %	10.3	0.7	8.2	7.0	6.4	5.3
Non-recurring items	-	30.0	11.6	30.0	25.1	43.5
Adjusted EBITDA	43.3	32.2	110.9	104.6	123.9	117.6
Adjusted EBITA margin, %	10.3	9.4	9.2	9.8	8.1	8.4

Return on equity

SEK million	Sep 2018	Sep 2017	Full year 2017
Profit for the period - rolling 12 months	59.6	61.3	40.4
Equity (average)	186.0	123.6	133.0
Return on equity, %	32.0	49.6	30.3

Net working capital

SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017
Inventories	91.8	72.0	97.5
Trade receivables	335.8	279.4	254.3
Other current receivables	19.5	11.1	15.9
Prepaid expenses and accrued income	7.5	12.3	9.4
Trade payables	-220.0	-166.6	-192.9
Current tax liabilities	-11.7	-10.6	-7.1
Other current liabilities	-21.8	-23.5	-19.4
Accrued expenses and deferred income	-52.5	-36.9	-42.4
Net working capital	148.7	137.2	115.3

Equity/assets ratio

SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017
Equity	263.8	108.1	106.4
Total	263.8	108.1	106.4
Total assets	672.2	556.6	554.3
Equity/assets ratio, %	39.2	19.4	19.2

Net debt

SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017
Interest-bearing liabilities	98.9	108.9	165.1
Cash and cash equivalents	-69.6	-35.2	-31.2
Total net debt	29.2	145.7	133.9
Adjusted EBITDA LTM	123.9	106.9	117.6
Net debt / Adjusted EBITDA	0.2	1.4	1.1

Alternative performance measure	Definition	Purpose
Gross profit	Net sales less raw materials and consumables adjusted for translation differences on trade receivables and trade payables	Gross profit provides an indication of the surplus that is needed to cover fixed and semi-fixed costs in the NCAB Group
Gross margin	Gross profit divided by net sales	The gross margin provides an indication of the surplus as a percentage of net sales that is needed to cover fixed and semi-fixed costs in the NCAB Group
EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	EBITDA along with EBITA provide an overall picture of operating earnings
Adjusted EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets adjusted for non-recurring items	Adjusted EBITDA is adjusted for extraordinary items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets	EBITDA provides an overall picture of operating earnings
Adjusted EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for non-recurring items	Adjusted EBITA is adjusted for non-recurring items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
Adjusted EBITA margin	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for non-recurring items, divided by net sales	Adjusted EBITA margin is adjusted for non-recurring items. NCAB Group therefore considers that it is a useful performance measure for comparing the company's margin with other companies regardless of whether the business is driven by acquisitions or organic growth
Return on equity	Profit/loss for the past 12 months divided by average equity	Return on equity is used to analyse the company's profitability, based on how much equity is used
Net working capital	Current assets excluding cash and cash equivalents less non-interest-bearing current liabilities	This measure shows how much working capital is tied up in the business
Equity/assets ratio	Equity and untaxed reserves net of deferred tax, divided by total assets	NCAB Group considers that this is a useful measure for showing what portion of total assets is financed by equity. It is used by management to monitor the Group's long-term financial position
Net debt	Interest-bearing liabilities less cash and cash equivalents	Net debt is a measure which shows the company's total indebtedness