

Interim Report January–September 2019

JULY–SEPTEMBER 2019

- > Net sales increased 5% to SEK 439.8 million (420.1). In USD, net sales decreased 3%.
- > Order intake increased 9% to SEK 446.6 million (411.2). In USD, order intake increased 2%.
- > EBITA was SEK 46.3 million (42.2), representing an EBITA margin of 10.5% (10.1).
- > Operating profit was SEK 45.9 million (41.0). Operating margin was 10.4% (9.8).
- > Profit after tax amounted to SEK 38.5 million (32.5).
- > Earnings per share before and after dilution was SEK 2.29 (1.93).
- > IFRS 16 increased EBITA by SEK 0.1 million.

JANUARY–SEPTEMBER 2019

- > Net sales increased by 12% to SEK 1,358.8 million (1,210.3). In USD, net sales increased 3%.
- > Order intake increased 13% to SEK 1,338.6 million (1,189.8). In USD, order intake increased 3%.
- > EBITA was SEK 124.2 million (96.2), representing an EBITA margin of 9.1% (7.9).
- > Adjusted* EBITA was SEK 124.2 million (107.7), representing an adjusted* EBITA margin of 9.1% (8.9).
- > Operating profit was SEK 121.0 million (92.7). Operating margin was 8.9% (7.7).
- > Profit after tax amounted to SEK 96.7 million (69.9).
- > Earnings per share was SEK 5.74 (4.28) before dilution and SEK 5.74 (4.16) after dilution**.
- > IFRS 16 increased EBITA by SEK 0.4 million and increased total assets by SEK 35.7 million.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > First orders received in Malaysia and Benelux.
- > NCAB's CEO Hans Ståhl has told the Board that he wishes to retire during 2020. The Board will initiate a search process for a successor aiming to close the matter before halfyear 2020.

Key performance indicators

	Jul-Sep			Jan-Sep			Full-year	
	2019	2018	%	2019	2018	%	LTM	2018
Order intake, SEK million	446.6	411.2	9	1,338.6	1,189.8	13	1,813.4	1,664.5
Order intake, USD million	46.7	45.9	2	142.5	138.6	3	195.0	191.1
Net sales, SEK million	439.8	420.1	5	1,358.8	1,210.3	12	1,765.5	1,617.0
Net sales, USD million	45.2	46.7	-3	144.0	141.0	2	189.0	186.0
Gross margin, %	32.2	31.4		31.5	30.8		31.8	31.3
EBITA, SEK million	46.3	42.2	10	124.2	96.2	29	160.3	132.2
EBITA margin, %	10.5	10.1		9.1	7.9		9.1	8.2
Adjusted* EBITA, SEK million	46.3	42.2	10	124.2	107.7	15	160.3	143.8
Adjusted* EBITA margin, %	10.5	10.1		9.1	8.9		9.1	8.9
Operating profit, SEK million	45.9	41.0	12	121.0	92.7	31	155.9	127.6
Operating margin, %	10.4	9.8		8.9	7.7		8.8	7.9
Profit after tax, SEK million	38.5	32.5	18	96.7	69.9	38	131.4	104.6
Earnings per share before dilution**, SEK	2.29	1.93	18	5.74	4.28	34	7.80	6.37
Earnings per share after dilution**, SEK	2.29	1.93	18	5.74	4.16	38	7.80	6.24
Cash flow from operating activities, SEK million	57.8	38.4	51	108.2	28.9	274	149.2	69.9
Return on capital employed, %							38.1	37.9
Return on equity, %							44.8	51.9
USD/SEK - average	9.59	8.95		9.40	8.58		9.02	8.69
EUR/SEK - average	10.66	10.41		10.57	10.23		10.35	10.26

* Adjusted for non-recurring items of SEK 11.6 million in the January–December 2018 period. 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 shares after the stock split for each period.

MESSAGE FROM THE CEO

Growth slows but earnings improve for NCAB

NCAB continued to grow even if the pace has slowed down. Order intake is still increasing at healthy levels and we noted a rise in gross margin and EBITA margin. However, the performance among our segments differs more now than in the past.

Nordic remained strong, with good contributions from Norway and Denmark in particular. It is exciting that growth in Norway is so strong, which is derived from several different electronics companies. In Denmark, it is gratifying to note the highly positive impact of our acquisition of Multiprint and that our order intake has more than doubled year-on-year. Profitability in the acquired operation increased through the implementation of NCAB's better purchase prices and terms of payment from our factories. Furthermore, the acquisition added a new factory partner.

The *East* segment also performed well, with a sharp rise in order intake and stronger earnings. The improvement in order intake is largely from domestic Chinese customers, where we have secured a number of major hi-tech projects as a result of our close collaboration.

USA remains challenging. Just as we were getting our own operations in order, higher tariffs were introduced. Many customers are delaying orders and hoping for a cut in tariffs, though unfortunately this no longer seems likely. Our new approved factory in Taiwan has potential moving forward, even if it has only contributed small volumes to date.

In Europe, the general slowdown of the industrial economy continued, with negative growth in most of our larger markets, not least in Germany. Despite this, NCAB reported year-on-year growth in this segment in most countries during the quarter. Furthermore, we have not noted any adverse impact on our gross margins and we have adapted the pace of recruitment to maintain our EBITA margin.

Overall, the *Nordic* and *East* segments offset the weak *North America* and *Europe segments* but we could nevertheless report continued growth – though at a slower rate than earlier quarters. Order intake remains strong. It is also gratifying to see the good synergies from our acquisition of Multiprint in Denmark are realized and that we have improved our overall earnings compared with the strong third quarter of 2018.

At NCAB, we have learned that an economic downturn also creates opportunities for us. Following the downturn in 2009, we grew sharply in 2010. Such times make it more difficult for domestic factories in the West, which may be forced to close, and can likewise affect smaller trading companies. This is an opportunity to gain customers and carry out acquisitions, which strengthens us when the economy recovers. Moreover, it can facilitate the recruitment of specialists. Our business model – to not own any factories – proves to be particularly good in times like these.

Hans Ståhl
President and CEO, NCAB Group AB

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Improved earnings and synergies in Denmark are gratifying

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Q3 2019

5%	439.8	46.3	10.5%
Sales growth	Net sales, SEK million	EBITA, SEK million	EBITA margin

This is information that NCAB Group AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for on 6 November 2019, at 7:30 a.m. CET.

ABOUT NCAB

A leading supplier of PCBs

NCAB is one of the world's leading suppliers of printed circuit boards with some 1,725 customers across 45 markets globally. It is important to achieve scale benefits, which is why NCAB has a strong focus on growth. NCAB is the leader in terms of expertise, service, sustainability and technology. Being the leading player also gives the strength to attract customers through important projects, skilled employees and the best factories.



NCAB works in deep relationships with its customers, where NCAB takes responsibility for the entire delivery so customers can focus on their manufacturing operations. NCAB does not own any factories, but because of its Factory Management team NCAB does “own” the most important element – the relationship with the factories and the entire manufacturing process, which provides access to state-of-the-art technology and limitless capacity without the need for investments.

BUSINESS CONCEPT

PCBs for demanding customers, on time with zero defects, produced sustainably 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 growth of about 8 per cent per year before acquisitions and an adjusted EBITA margin of approximately 8 per cent. The target for the capital structure is that net debt in relation to adjusted EBITDA should be less than 2.0 (before adjustment for IFRS 16). 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 at least 50 per cent of net profit.

1,725
CUSTOMERS



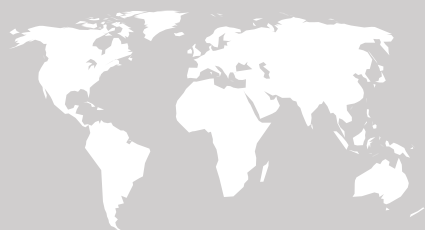
17
COUNTRIES WITH
LOCAL PRESENCE



22
MANUFACTURERS



45
MARKETS



403
SPECIALISTS



121
MILLION PCBs
MANUFACTURED PER YEAR



GROUP PERFORMANCE

JULY–SEPTEMBER 2019

ORDER INTAKE

Order intake rose 9 per cent during the quarter and 2 per cent in USD year-on-year.

NET SALES

Net sales in the third quarter increased 5 per cent to SEK 439.8 million (420.1), while net sales in USD decreased approximately 3 per cent. Most of NCAB's products are priced or invoiced in USD. Excluding the acquisition with Multiprint the growth was 1 per cent. The *North America* segment is burdened by uncertainty about import tariffs and the increase to 25 per cent is now visible in net sales. Other segments have continued to grow, though growth in the *Europe* segment decreased due to weaker demand in Germany. *Nordic* reported continued strong growth for the quarter driven by the integration of the acquired Danish company Multiprint and strong growth in Norway. *East* remained strong, but is affected by lower demand from Chinese customers that export to the USA.

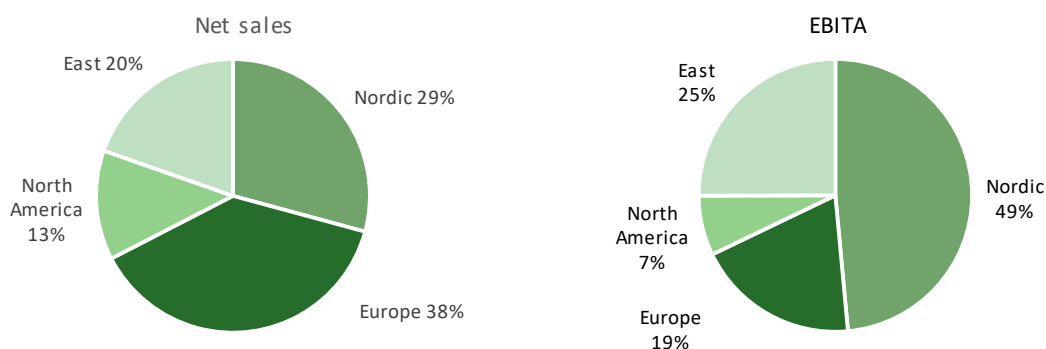
EARNINGS

EBITA was SEK 46.3 million (42.2) and EBITA margin amounted to 10.5 per cent (10.1). The gross margin increased to 32.2 (31.4) Operating expenses increased compared with 2018 primarily due to currency effects. Some recruitment has taken place, predominantly in the *Europe* and *East* segments, but at a slower rate than previously taking into account the prevailing business environment. Earnings improved in the *Nordic* and *East* segments, while earnings were lower in *North America* and *Europe*. Purchasing synergies from the acquisition of Multiprint can now be discerned in earnings for *Nordic*, which has grown strongly.

Operating profit increased to SEK 45.9 million (41.0). Adjustments for IFRS 16 had a positive effect on EBITA of just over SEK 0.1 million, and just under SEK 0.1 million on profit before tax.

Net financial items amounted to SEK 2.9 million (-3.3), where the improvement was due to positive foreign exchange differences of SEK 4.5 million (-2.5). Increased interest expenses due to IFRS 16 amounted to SEK 0.1 million. Tax amounted to SEK -10.3 million (-5.2). Profit after tax for the period totalled SEK 38.5 million (32.5). Earnings per share before and after dilution was SEK 2.29 (1.93).

BREAKDOWN BY SEGMENT, JULY–SEPTEMBER 2019



JANUARY–SEPTEMBER 2019

ORDER INTAKE

The order intake rose 13 per cent during the first three quarters and 3 per cent in USD.

NET SALES

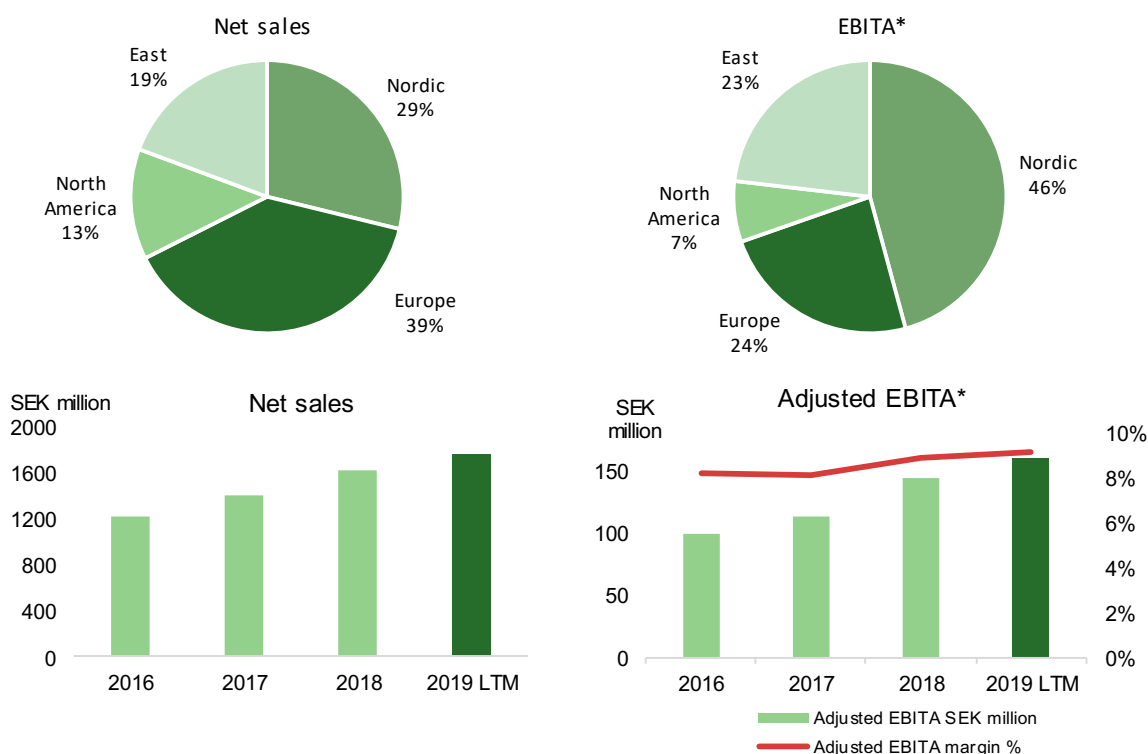
Net sales increased 12 per cent in the first three quarters to SEK 1,358.8 million (1,210.3), with growth in USD at about 2 per cent. The weaker SEK had a positive impact on net sales during the period. Sales in *North America* were lower than in 2018 due to the uncertainty and negative effects of the higher import tariffs. Other segments reported rising sales in both SEK and USD. The increase in net sales excluding the acquisition of Danish company Multiprint, that was carried out at the start of March, was 9 per cent.

EARNINGS

Adjusted EBITA* was SEK 124.2 million (107.7) and the adjusted EBITA margin increased to 9.1 per cent (8.9). The improved adjusted EBITA margin mainly reflects a stronger gross margin. Operating expenses increased compared with 2018 due to currency effects but partly also from continued recruitment. All segments, except for *North America*, noted improvements in earnings compared with the corresponding period of 2018. EBITA was SEK 124.2 million (96.2) and operating profit increased to SEK 121.0 million (92.7). Adjustments for IFRS 16 had a positive effect on EBITA of SEK 0.4 million, but an adverse effect on profit before tax of SEK 0.1 million.

Net financial items amounted to SEK 3.1 million (-9.5), where the improvement was due to positive foreign exchange differences of SEK 7.0 million (-3.9). Increased interest expenses due to IFRS 16 amounted to SEK 0.5 million. Tax amounted to SEK -27.4 million (-13.3). The average tax rate rose to 22.1 per cent (16.0) as more companies are in a position to pay tax. Profit after tax for the period totalled SEK 96.7 million (69.9). Earnings per share was SEK 5.74 (4.28) before dilution and SEK 5.74 (4.16) after dilution.

BREAKDOWN BY SEGMENT, JANUARY–SEPTEMBER 2019



* No adjustment to EBITA in 2019. The same period in 2018 was adjusted by SEK 11.6 million

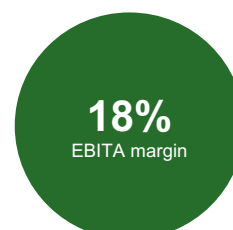
PERFORMANCE BY SEGMENT

NORDIC

Sweden, Norway, Denmark, Finland and Estonia. All companies in the Nordic segment have greater focus on profitability than growth. The margin in this segment is higher due to a high technology content and generally lower volumes. The acquisition of Multiprint A/S, which was completed early in 2019, strengthens NCAB's position in the Danish market and the companies complement each other very well. The integration progressed according to plan and financial synergies were higher than expected.

Third quarter 2019

The third quarter demonstrated continued robust growth, with strongest growth again noted in Norway. Denmark grew through the acquisition of Multiprint, while Finland and Sweden reported a slightly weaker performance. Net sales increased 25 per cent to SEK 128.5 million (102.7). Excluding Multiprint, net sales increased 10 per cent. Growth in USD was 16 per cent. EBITA increased to SEK 23.3 million (15.1). The strong improvement in earnings in Norway and purchasing synergies from the acquisition of Multiprint contributed to higher EBITA margin, which rose to 18.1 per cent (14.7).



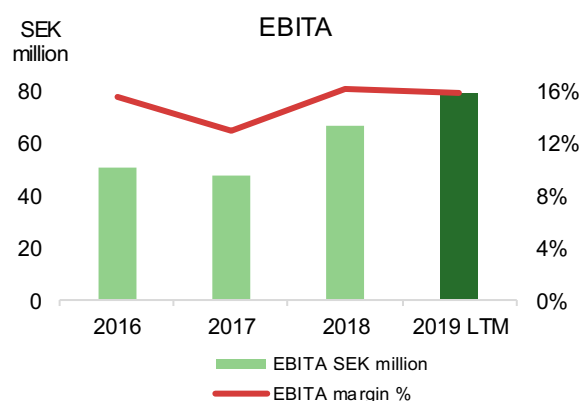
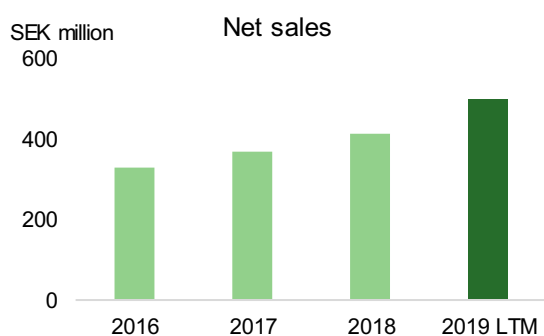
January to September 2019

Net sales increased by 28 per cent to SEK 391.5 million (305.6), driven by strong growth in Norway and the acquisition of Multiprint in Denmark. EBITA increased to SEK 62.1 million (49.7), while the EBITA margin fell to 15.9 per cent (16.3) due to the slightly lower gross margin in the companies that reported the highest growth.

NORDIC

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2019	2018	%	2019	2018	%	LTM	2018
Net sales	128.5	102.7	25.1	391.5	305.6	28.1	495.2	409.4
EBITA	23.3	15.1	54.1	62.1	49.7	24.9	78.8	66.4
EBITA margin, %	18.1	14.7		15.9	16.3		15.9	16.2

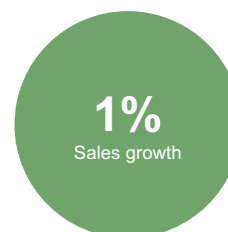


EUROPE

France, Germany, Spain, Poland, Italy, the UK, Benelux and North Macedonia. In the *Europe* segment, the main focus is on growth. All companies have a low market share and several companies were established relatively recently. A key factor for achieving continued growth is recruitment, which is putting short-term pressure on profitability. A new company was established in the Netherlands that will market products throughout the Benelux region. The new company now has two employees.

Third quarter 2019

Net sales in the third quarter increased 1 per cent to SEK 168.0 million (166.3). In USD, net sales decreased 7 per cent. During the quarter, sales in Germany declined, while other countries noted slight growth. Rising concern about the impact of Brexit and the continued weak trend in Germany resulted in an order intake in line with the previous year.



EBITA decreased to SEK 9.3 million (15.2) and the EBITA margin declined to 5.5 per cent (9.2). Italy and Benelux had a negative impact on earnings. The gross margin was lower than the third quarter of 2018, but in line with previous quarters.

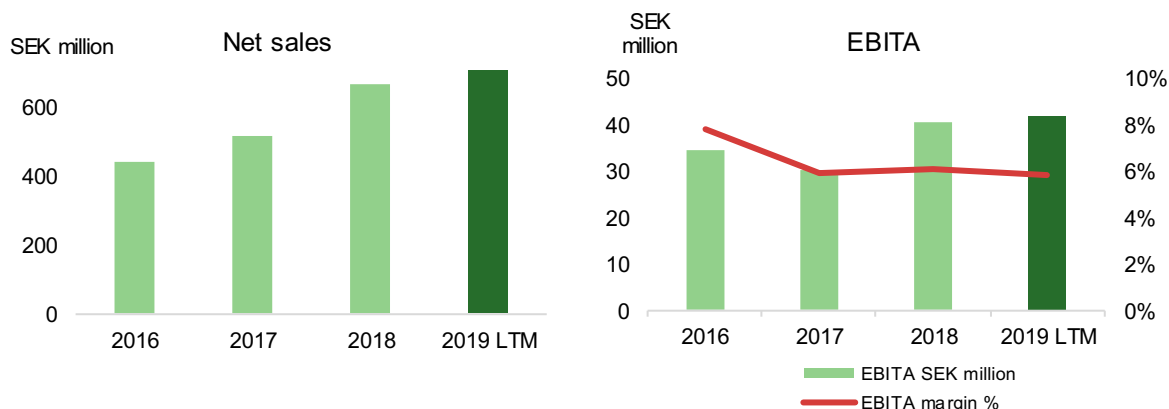
January to September 2019

Net sales increased 10 per cent to SEK 526.6 million (480.5). Growth is primarily from Germany, the UK and Italy, though growth in these markets has slowed in the latest quarter. The gross margin was in line with the year-earlier period. EBITA increased to SEK 32.2 million (30.9), while the EBITA margin fell to 6.1 per cent (6.4). Recruitment is continuing in the segment, but at a slower rate due to the weaker economic situation.

EUROPE

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2019	2018	%	2019	2018	%	LTM	2018
Net sales	168.0	166.3	1.0	526.6	480.5	9.6	677.6	631.5
EBITA	9.3	15.2	-39.2	32.2	30.9	4.3	41.8	40.5
EBITA margin, %	5.5	9.2		6.1	6.4		6.2	6.4



NORTH AMERICA

NCAB established a presence in the USA through two acquisitions in 2012 and 2014. Since then, three additional regional offices were opened to gain proximity to its customers. NCAB has been in a transitional phase where sales of low-tech products are declining in favour of more high-tech products. This has adversely impacted sales in both 2018 and the start of 2019.

Third quarter 2019

The higher import tariffs to the USA from China has created deep concern and uncertainty among many customers. Many customers are delaying placing new orders for as long as possible. NCAB has approved a new supplier from Taiwan for the USA market. There are no import tariffs from Taiwan, but generally higher prices than from China. The decrease in order intake from the previous quarter can now be noted in sales, which declined 16 per cent to SEK 56.9 million (67.9). The decrease in USD was 23 per cent. Order intake for the third quarter was also lower year-on-year. NCAB has directly passed these import fees on to its customers but they are not included in net sales.



The gross margin remained strong and costs were lower, but the drop in sales had an adverse impact on earnings. EBITA decreased to SEK 3.4 million (4.3) and the EBITA margin declined to 6.0 per cent (6.4).

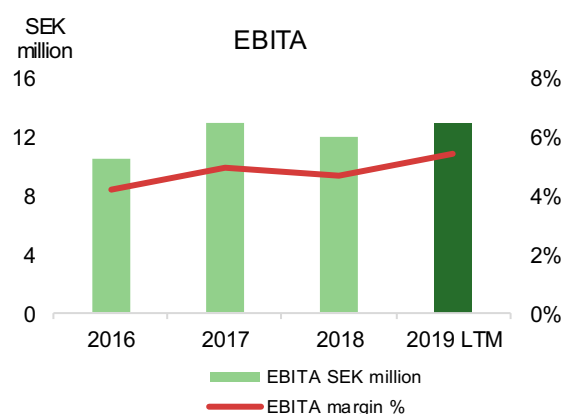
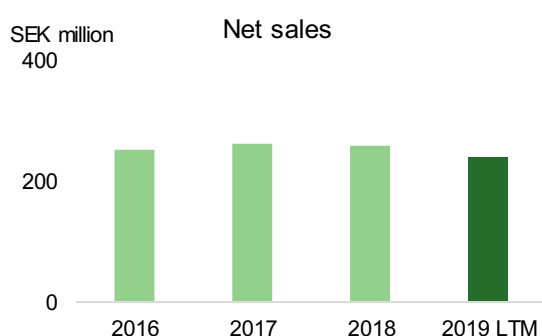
January to September 2019

Net sales decreased 10 per cent to SEK 177.8 million (196.6). Due to lower costs and improved Gross margin, EBITA increased to SEK 9.7 million (8.7) with an increase in EBITA margin of 5.4 per cent (4.4). NCAB still views the USA market in a long-term perspective and in the wake of the current uncertainty believes new opportunities will be created.

NORTH AMERICA

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2019	2018	%	2019	2018	%	LTM	2018
Net sales	56.9	67.9	-16.1	177.8	196.6	-9.6	239.3	258.1
EBITA	3.4	4.3	-21.1	9.7	8.7	11.3	13.0	12.0
EBITA margin, %	6.0	6.4		5.4	4.4		5.4	4.6



EAST

China, Russia and Malaysia. The *East* segment has a stable and expanding business in Russia. In China, NCAB is rapidly expanding among European and USA customers as well as with local Chinese end customers and contract manufacturers. NCAB has four sales offices in China – in Shenzhen, Beijing, Shanghai and Wuhan. NCAB also has several offices in Russia – in St. Petersburg, Moscow and Novosibirsk. The newly started company in Malaysia now has five employees.

Third quarter 2019

Net sales in the third quarter increased slightly to SEK 86.4 million (86.2). In USD, sales decreased 8 per cent. Several Chinese EMS customers that deliver to the USA noted during the second quarter a slight slowdown in order intake, which is now visible in sales. However, order intake has recovered sharply in the third quarter, mainly in China. In total, order intake rose year-on-year by 25 per cent. Malaysia received its first order during the quarter.



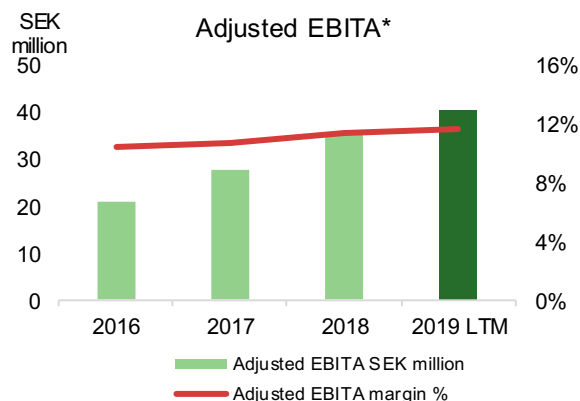
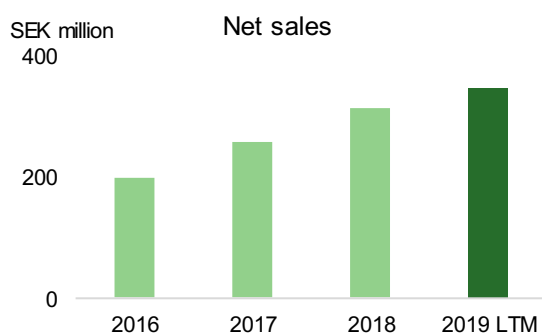
EBITA increased, largely due to an increased gross margin, to SEK 12.0 million (9.2) and EBITA margin grew to 13.9 per cent (10.7).

January to September 2019

Net sales increased 14 per cent to SEK 262.9 million (230.7) in the first three quarters, with growth in both China and Russia. Adjusted EBITA increased to SEK 31.4 million (26.9), with a slightly improvement in adjusted EBITA margin to 12.0 per cent (11.7), despite costs for the establishment in Malaysia and a new office in China.

EAST SEK million	Jul-Sep			Jan-Sep			Full-year	
	2019	2018	%	2019	2018	%	LTM	2018
Net sales	86.4	86.2	0.2	262.9	230.7	13.9	350.6	318.4
EBITA	12.0	9.2	30.1	31.4	26.0	20.7	40.7	35.4
Adjusted* EBITA	12.0	9.2	30.1	31.4	26.9	16.7	40.7	36.3
EBITA margin, %	13.9	10.7		12.0	11.3		11.6	11.1
Adjusted* EBITA margin, %	13.9	10.7		12.0	11.7		11.6	11.4

* EBITA was adjusted for legal costs in the settlement with the Russian tax authority, which totaled SEK 0.9 million in 2018, all related to the first quarter.



FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the quarter was SEK 57.8 million (38.4). Cash flow was driven by strong operating profit, and lower working capital in the acquired company Multiprint improved by about SEK 7 million following the introduction of NCAB's terms of payment to the factories. Cash flow from operating activities in the first three quarters was SEK 108.2 million (28.9). 2018 was charged with non-recurring payments of SEK -28.0 million. Cash flow from investing activities was SEK -0.8 million (-3.2) during the quarter. Non-acquisition-related investments totalled SEK -2.5 million (-4.5) for the January to September period.

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 45.1 million (29.2). Adjustments to IFRS 16 increased net debt by SEK 36.0 million. At 30 September, the equity/assets ratio was 39.4 per cent (39.2) and equity was SEK 326.6 million (263.8). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 193.1 million (181.5).

NCAB has two loans, of which one is free of instalments while the other is being repaid in quarterly instalments of SEK 2.5 million, both maturing in 2023. Moreover, there is an overdraft facility of SEK 114 million. At the balance sheet date of 30 September 2019, the company was in compliance with all covenants under the financing agreement.

Other

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.

With regard to financial risks, 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 2018 Annual Report for a more detailed description of the Group's risk exposure and risk management.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

First orders received in Malaysia and Benelux.

NCAB's CEO Hans Ståhl has told the Board that he wishes to retire during 2020. The Board will initiate a search process for a successor aiming to close before halfyear 2020.

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 2019, the number of employees was 403 (367), of whom 184 (172) were women and 219 (195) were men. The average number of employees in the organisation during the period was 401 (367), of whom 185 (172) were women and 216 (195) were men.

PARENT COMPANY

The Parent Company's net sales for the third quarter were SEK 13.7 million (15.9). Sales consist exclusively of internal billing. Loss after financial items was SEK -14.1 million (2.8). The deterioration was due to foreign exchange losses on intra-Group loans.

Sales for the January to September period amounted to SEK 43.5 million (42.1). Loss after financial items improved to SEK -20.8 million (-27.6). 2018 was charged with costs in connection with the IPO.

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, 5 November 2019

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. The information was issued for publication through the agency of the contact persons set out above, on 6 November 2019 at 7:30 a.m. CET.

NCAB Group AB (publ)

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www.ncabgroup.com

NCAB will hold a web-cast telephone conference on 6 November 2019 at 10:00 a.m. CET, when CEO Hans Stahl 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: +46850558350, the UK: +443333009269 and the USA: +18338230590. The presentation and conference can also be followed from the following link:

<https://tv.streamfabriken.com/ncab-group-q3-2019>.

FINANCIAL CALENDAR

Year-end report 2019	19 February 2020
Interim report first quarter	8 May 2020
General Meeting	11 May 2020
Interim report second quarter	24 July 2020
Interim report third quarter	10 November 2020

About NCAB Group

NCAB is a worldwide leading supplier of printed circuit boards, listed on NASDAQ Stockholm. NCAB offers PCBs for demanding customers, on time with zero defects, produced sustainably at the lowest total cost. NCAB was founded in 1993. Since its foundation, the operations have been characterised by an entrepreneurial and cost-efficient culture and have showed strong growth and good profitability over time. Today, NCAB has a local presence in 17 countries in Europe, Asia and North America and customers in approximately 45 countries worldwide. Revenues in 2018 amounted to SEK 1,617 million. Organic growth and acquisitions are part of NCAB's strategy. For more information about NCAB Group, please visit us at www.ncabgroup.com.



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 2019 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, 5 November 2019

Öhrlings PricewaterhouseCoopers AB

Johan Engstam

Authorized Public Accountant

Group

CONSOLIDATED INCOME STATEMENT

SEK million	Jul-Sep		Jan-Sep		LTM	Jan-Dec 2018
	2019	2018	2019	2018		
Operating revenue						
Net sales	439.8	420.1	1,358.8	1,210.3	1,765.5	1,617.0
Other operating income	3.5	2.3	5.1	5.7	5.7	6.3
Total	443.3	422.4	1,363.8	1,216.0	1,771.2	1,623.3
Raw materials and consumables	-301.9	-290.3	-935.7	-842.8	-1,210.1	-1,117.2
Other external expenses	-25.8	-29.7	-87.2	-86.4	-118.5	-117.8
Staff costs	-67.8	-59.1	-209.6	-175.9	-273.9	-240.2
Depreciation of property, plant and equipment, and amortisation of intangible assets	-1.9	-2.2	-9.8	-6.7	-12.1	-8.9
Other operating expenses	-	-0.0	-0.6	-11.6	-0.6	-11.6
Total operating expenses	-397.4	-381.3	-1,242.9	-1,123.3	-1,615.3	-1,495.7
Operating profit	45.9	41.0	121.0	92.7	155.9	127.6
Net financial income/expense	2.9	-3.3	3.1	-9.5	2.0	-10.6
Profit before tax	48.8	37.7	124.1	83.2	157.9	117.0
Income tax	-10.3	-5.2	-27.4	-13.3	-26.5	-12.4
Profit for the period	38.5	32.5	96.7	69.9	131.4	104.6
Profit attributable to:						
Shareholders of the Parent Company	38.5	32.5	96.6	69.7	131.3	104.5
Non-controlling interests	0.0	0.0	0.1	0.1	0.1	0.1
Average number of ordinary shares	16,847,124	16,847,124	16,847,124	14,220,843	16,847,124	14,882,810
Average number of preference shares	-	-	-	1,696,361	-	1,268,785
Average number of shares before dilution	16,847,124	16,847,124	16,847,124	15,917,204	16,847,124	16,151,595
Average number of shares after dilution	16,847,124	16,847,124	16,847,124	16,371,111	16,847,124	16,498,547
Earnings per share before dilution	2.29	1.93	5.74	4.28	7.80	6.37
Earnings per share after dilution	2.29	1.93	5.74	4.16	7.80	6.24

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 2018, 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 in June 2018, all outstanding options were exercised to acquire new shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2019	2018	2019	2018	LTM	2018
Profit/loss for the period	38.5	32.5	96.7	69.9	131.4	104.6
Other comprehensive income, items that can subsequently be reclassified to profit or loss:						
Foreign exchange differences	2.6	-2.1	9.2	6.0	7.3	4.1
Total comprehensive income	41.1	30.4	105.9	75.9	138.7	108.7
Profit attributable to:						
Shareholders of the Parent Company	41.1	30.4	105.8	75.8	138.6	108.6
Non-controlling interests	0.0	0.0	0.1	0.1	0.1	0.1

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	30 Sep 2019	30 Sep 2018	31 Dec 2018
Non-current assets			
Goodwill	161.4	132.2	132.8
Other intangible assets	6.9	4.5	3.3
Leasehold improvement costs	2.7	1.7	1.5
Right-of-use Office and Cars	35.7	-	-
Plant and equipment	5.3	4.3	4.2
Financial assets	4.6	4.3	3.9
Deferred tax assets	4.9	0.8	7.8
Total non-current assets	221.5	147.8	153.4
Current assets			
Inventories	119.4	91.8	110.9
Trade receivables	363.9	335.8	314.0
Other current receivables	20.0	19.5	13.4
Prepaid expenses and accrued income	20.8	7.5	16.9
Cash and cash equivalents	82.4	69.6	113.9
Total current assets	606.4	524.4	569.1
TOTAL ASSETS	827.9	672.2	722.5
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Parent Company			
Share capital	1.7	1.7	1.7
Additional paid-in capital	201.6	201.6	201.6
Reserves	6.0	-1.3	-3.2
Retained earnings	117.0	61.5	96.3
Non-controlling interests	0.3	0.3	0.2
Total equity	326.6	263.8	296.6
Non-current liabilities			
Borrowings	77.5	87.5	85.0
Leased liabilities	23.0	-	-
Deferred tax	2.9	3.5	2.9
Total non-current liabilities	103.3	91.0	87.9
Current liabilities			
Current liabilities	14.0	11.4	18.2
Current Leased liabilities	13.0	-	-
Trade payables	251.4	220.0	231.5
Current tax liabilities	20.7	11.7	9.8
Other current liabilities	28.4	21.8	21.2
Accrued expenses and deferred income	70.5	52.5	57.4
Total current liabilities	398.0	317.4	338.0
TOTAL EQUITY AND LIABILITIES	827.9	672.2	722.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Parent Company							
SEK million	Share capital	Additional paid-in capital	Reserves	Retained earning	Total	Non-controlling interests	Total equity
1 January 2018	1.5	117.6	-7.4	-5.5	106.2	0.1	106.4
Profit for the period				69.8	69.8	0.1	69.9
Other comprehensive income for the period	-	-	6.0	-	6.0	-	6.0
Total comprehensive income	-	-	6.0	69.8	75.8	0.1	75.9
Issue of new ordinary shares	0.2	104.0			104.2	-	104.2
Dividend				-2.7	-2.7	-	-2.7
	0.2	84.0	-	-2.7	81.5	-	81.5
Total transactions with shareholders, recognised directly in equity							
30 Sep 2018	1.7	201.6	-1.3	61.5	263.5	0.3	263.8

Attributable to shareholders of the Parent Company							
SEK million	Share capital	Additional paid-in capital	Reserves	Retained earning	Total	Non-controlling interests	Total equity
1 January 2019	1.7	201.6	-3.2	96.3	296.3	0.2	296.6
Profit for the period				96.6	96.6	0.1	96.7
Other comprehensive income for the period	-	-	9.2	-	9.2	-	9.2
Total comprehensive income	-	-	9.2	96.6	105.8	0.1	105.9
Dividend, ordinary shares	-	-	-	-75.8	-75.8	-0.1	-75.9
	-	-	-	-75.8	-75.8	-0.1	-75.9
Total transactions with shareholders, recognised directly in equity							
30 Sep 2019	1.7	201.6	6.0	117.0	326.3	0.3	326.6

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2019	2018	2019	2018	LTM	2018
Cash flow from operating activities						
Profit before net financial income/expense	45.9	41.0	121.0	92.7	155.9	127.6
Adjustment for non-cash items	3.5	9.7	15.7	6.3	16.0	6.6
Provisions	-	-0.1	-	-17.7	0.1	-17.6
Interest received	0.2	0.2	0.4	0.3	1.1	1.0
Interest paid	-2.1	-2.7	-4.3	-5.8	-5.4	-6.9
Income taxes paid	-8.5	-2.9	-21.0	-17.7	-25.0	-21.8
Cash flow from operating activities before changes in working capital	38.9	45.1	111.8	58.0	142.8	88.9
Change in inventories	-9.4	-0.6	2.9	5.6	-16.2	-13.4
Change in current receivables	15.3	-6.3	-39.4	-74.3	-25.4	-60.3
Change in current operating liabilities	13.0	0.2	32.9	39.7	48.0	54.8
Total changes in working capital	18.9	-6.7	-3.7	-29.1	6.4	-19.0
Cash flow from operating activities	57.8	38.4	108.2	28.9	149.2	69.9
Cash flow from investing activities						
Investments in property, plant and equipment	-0.6	-0.3	-1.4	-1.1	-1.9	-1.6
Investments in intangible assets	-0.2	-0.2	-0.4	-0.4	-0.7	-0.8
Investments in subsidiaries	0.5	-	-49.8		-49.8	-
Investments in financial assets	-0.5	-2.7	-0.7	-2.9	-0.7	-2.9
Cash flow from investing activities	-0.8	-3.2	-52.3	-4.5	-53.1	-5.3
Cash flow from financing activities						
Issue of new shares	-	-	-	104.2	-	104.2
Costs for issue of shares / IPO	-	-	-	-20.0	-	-20.0
Change in overdraft facility	-19.2	-3.0	-4.6	-38.0	2.0	-31.5
Borrowings	-	-	-	100.0	-	100.0
Repayment of loans	-2.5	-2.5	-7.5	-130.4	-10.0	-132.9
Repayment of leased liabilities	-0.6	-	-4.1	-	-4.1	-
Dividend	-	-	-75.8	-2.7	-75.8	-2.7
Cash flow from financing activities	-22.3	-5.5	-92.0	13.1	-88.0	17.1
Decrease/increase in cash and cash equivalents						
Cash flow for the period	34.7	29.6	-36.1	37.5	8.1	81.7
Foreign exchange difference in cash and cash equivalents	3.7	-0.1	4.6	0.9	4.7	1.0
Cash and cash equivalents at beginning of period	44.0	40.1	113.9	31.2	69.6	31.2
Cash and cash equivalents at end of period	82.4	69.6	82.4	69.6	82.4	113.9

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Jul-Sep		Jan-Sep		Jan-Dec
	2019	2018	2019	2018	2018
Operating revenue					
Net sales	13.7	15.9	43.5	42.1	57.4
Total	13.7	15.9	43.5	42.1	57.4
Other external expenses	-7.0	-9.5	-25.7	-29.5	-42.4
Staff costs	-5.7	-5.1	-21.0	-17.4	-23.3
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.0	-0.2	-0.3	-0.6	-0.9
Other operating expenses	-0.0	-	-0.6	-10.6	-10.6
Total operating expenses	-12.7	-14.8	-47.6	-58.2	-77.2
Operating loss	1.0	1.0	-4.0	-16.1	-19.8
Income from investments in Group companies	-	-	4.5	4.3	22.9
Other interest income and similar income	10.3	6.6	18.8	12.8	14.8
Interest expense and similar charges	-25.4	-4.8	-40.1	-28.6	-35.9
Net financial income/expense	-15.1	1.8	-16.8	-11.5	1.7
Loss before tax	-14.1	2.8	-20.8	-27.6	-18.2
Appropriations	-	-	-	-	61.0
Tax on profit for the period	-	-	-	-	-0.2
Loss for the period	-14.1	2.8	-20.8	-27.6	42.6

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.

PARENT COMPANY BALANCE SHEET

SEK million

ASSETS	30 Sep 2019	30 Sep 2018	31 Dec 2018
Non-current assets			
Capitalised development costs	-	0.4	0.2
Plant and equipment	0.1	0.1	0.1
Non-current financial assets	268.2	211.2	215.9
Total non-current assets	268.3	211.7	216.2
Current assets			
Trade receivables	1.6	1.7	1.3
Receivables from Group companies	105.1	145.3	115.8
Other current receivables	1.4	4.2	2.1
Prepaid expenses and accrued income	3.8	2.5	3.4
Cash and cash equivalents	22.0	27.0	69.3
Total current assets	133.8	180.7	191.9
TOTAL ASSETS	402.1	392.4	408.1
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (16,847,124 shares)	1.7	1.7	1.7
Non-restricted equity			
Share premium account	201.6	201.6	201.6
Retained earnings	-64.8	-31.5	-31.5
Profit/ loss for the period	-20.8	-27.6	42.6
Total equity	117.7	144.2	214.4
Untaxed reserves	8.8	8.8	8.8
Non-current liabilities			
Liabilities to credit institutions	77.5	87.5	85.0
Total non-current liabilities	77.5	87.5	85.0
Current liabilities			
Liabilities to credit institutions	10.0	10.0	10.0
Trade payables	3.4	1.9	2.9
Liabilities to Group companies	174.5	130.5	75.4
Current tax liabilities	0.2	-	0.2
Other current liabilities	1.7	1.2	1.4
Accrued expenses and deferred income	8.3	8.3	10.0
Total current liabilities	198.1	151.9	99.9
TOTAL EQUITY AND LIABILITIES	402.1	392.4	408.1

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 January 2018	1.5	117.6	-28.9	90.3
Loss for the year	-	-	-27.6	-27.6
Total comprehensive income	-	-	-27.6	-27.6
Issue of new ordinary shares	0.2	104.0	-	104.2
Dividend, shares	-	-	-2.7	-2.7
Transaction cost	-	-20.0	-	-20.0
	0.2	84.0	-2.7	81.5
Total transactions with shareholders, recognised directly in equity				
30 Sep 2018	1.7	201.6	-59.2	144.2

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 January 2019	1.7	201.6	11.1	214.4
Loss for the year	-	-	-20.8	-20.8
Total comprehensive income	-	-	-20.8	-20.8
Dividend, shares	-	-	-75.8	-75.8
	-	-	-75.8	-75.8
Total transactions with shareholders, recognised directly in equity				
30 Sep 2019	1.7	201.6	-85.5	117.8

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 2018 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 2018, which is available on NCAB Group's website.

Segments are accounted for in a way that is consistent with the internal reports submitted to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the results of segments. In the Group, this function has been identified as the Chief Executive Officer, who makes strategic decisions. The Group's operations are evaluated based on geography. The following four segments have been identified: *Nordic, Europe, North America and East*.

The interim financial information on pages 1–29 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 2018. For significant estimates and judgements relating to IFRS 16 see below.

Effects of new IFRS standards

IFRS 16 Leases is effective from 1 January 2019. The standard replaced 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 chosen to apply the modified retrospective approach during the transition. This entails that leases were restated as of 1 January 2019, without restating comparative figures. Leases of 12 months or less were not included in accordance with the simplified rules applied when using the method. Nor were leases of low value taken into account. The discount rate applied was assessed by country taking into account the length of the lease, country-specific currency risk and risk premium. The Group has two types of operating leases that are managed as financial leases: office premises and leased cars, where lease of office premises represents the largest part.

On 30 September, total assets increased by SEK 35.7 million and net debt increased by SEK 36.0 million. The implementation of IFRS 16 changed Net debt / Adjusted EBITDA from SEK 0.1 million prior to IFRS 16 classification to SEK 0.3 million. Refer to the table below for the restating of IFRS 16.

Profit & Loss	Jan-Sep	Effect of IFRS 16	Jan-Sep excl. IFRS 16
Operating revenue	1,363.8	-	1,363.8
Other external expenses	-1,022.8	-4.1	-1,027.0
Depreciation	-9.8	3.7	-6.1
Other operating expenses	-210.2	-	-210.2
Operating Profit/loss	121.0	-0.4	120.6
Net financial expense	3.1	0.5	3.6
Profit before tax	124.1	0.1	124.2

Balansräkning	30/09/2019	Effect of IFRS 16	30/09/2019
Fixed assets	221.5	-35.7	185.8
Current assets	606.4	-	606.4
Total assets	827.9	-35.7	792.2
Total Equity	326.6	0.3	326.9
Long term liabilities	103.3	-36.0	67.3
Current liabilities	27.0	-	27.0
Other current liabilities/Accrued expenses and deferred income	371.0	-	371.0
Total current liabilities	398.0	-	398.0
Total Equity and liabilities	827.9	-35.7	792.2

Note 2 Information on financial assets and liabilities

For more information on financial assets and liabilities, see the 2018 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 "Financial assets measured at amortised cost". 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, Spain, Benelux and North Macedonia. 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.

North America

Provides a broad range of PCBs from NCAB Group's companies in the USA. 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 China, Russia and Malaysia. 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 2019

Quarter	Nordic		Europe		North America		East		Central functions		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
SEK million												
Net sales	128.5	102.7	168.0	166.3	56.9	67.9	86.4	86.2	-0.0	-3.0	439.8	420.1
EBITA	23.4	15.1	9.5	15.2	3.6	4.3	12.0	9.2	-2.2	-1.8	46.3	42.2
EBITA margin, %	18.2	14.7	5.7	9.2	6.3	6.4	13.9	10.7			10.5	10.1
Amortis. intangible assets											-0.4	-1.1
Operating profit											45.9	41.0
Operating margin, %											10.4	9.8
Net financial expense											2.9	-3.3
Profit before tax											48.8	37.7
Net working capital	39.7	38.3	72.3	81.7	23.3	17.1	22.2	17.4	-4.6	-5.8	153.0	148.7

Sales and earnings of segments, January–September

SEK million	Nordic		Europe		North America		East		Central functions		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net sales	391.5	305.6	526.6	480.5	177.8	196.6	262.9	230.7	-0.0	-3.1	1,358.8	1,210.3
Adjusted EBITA	62.1	49.7	32.4	30.9	9.8	8.7	31.4	26.9	-11.5	-8.6	124.2	107.7
Adjusted EBITA margin, %	15.9	16.3	6.2	6.4	5.5	4.4	12.0	11.7			9.1	8.9
Non-recurring items	-	-	-	-	-	-	-	-0.9	-	-10.7	-	-11.6
EBITA	62.1	49.7	32.4	30.9	9.8	8.7	31.4	26.0	-11.5	-19.3	124.2	96.2
EBITA margin, %	15.9	16.3	6.2	6.4	5.5	4.4	12.0	11.3			9.1	7.9
Amortis. intangible assets											-3.2	-3.5
Operating profit											121.0	92.7
Operating margin, %											8.9	7.7
Net financial expense											3.1	-9.5
Profit before tax											124.1	83.2
Net working capital	39.7	38.3	72.3	81.7	23.3	17.1	22.2	17.4	-4.6	-5.8	153.0	148.7

Sales and earnings of segments, most recent 12 months

LTM	Nordic		Europe		North America		East		Central functions		Group	
	2019 LTM	2018	2019 LTM	2018	2019 LTM	2018	2019 LTM	2018	2019 LTM	2018	2019 LTM	2018
Net sales	495.2	409.4	677.6	631.5	239.3	258.1	350.6	318.4	2.8	-0.4	1,765.5	1,617.0
Adjusted EBITA	78.8	66.4	42.0	40.5	13.1	12.0	40.7	36.3	-14.4	-11.4	160.3	143.8
Adjusted EBITA margin, %	15.9	16.2	6.2	6.4	5.5	4.6	11.6	11.4			9.1	8.9
Non-recurring items	-	-	-	-	-	-	-	-0.9	-	-10.7	-	-11.6
EBITA	78.8	66.4	42.0	40.5	13.1	12.0	40.7	35.4	-14.4	-22.1	160.3	132.2
EBITA margin, %	15.9	16.2	6.2	6.4	5.5	4.6	11.6	11.1			9.1	8.2
Amortis. intangible assets											-4.3	-4.6
Operating profit											155.9	127.6
Operating margin, %											8.8	7.9
Net financial expense											2.0	-10.6
Profit before tax											157.9	117.0
Net working capital	39.7	35.4	72.3	69.9	23.3	19.8	22.2	19.3	-4.6	-9.1	153.0	135.3
Fixed assets	4.7	0.7	14.6	1.5	10.2	1.9	1.9	1.5	12.2	0.1	43.6	5.7
Intangible assets	73.8	42.4	0.1	-	83.7	81.0	0.2	0.5	10.5	12.1	168.3	136.0

Note 5 Quarterly summary

	Q3 19	Q2 19	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Order intake, SEK million	446.6	450.0	442.1	474.7	411.2	409.6	369.0	422.3
Order intake, USD million	46.7	47.8	48.0	52.5	45.9	47.2	45.6	50.8
Net sales, SEK million	439.8	473.1	445.9	406.7	420.1	415.8	374.4	327.3
SEK annual growth, %	4.7	13.8	19.1	24.3	22.6	10.5	5.8	5.6
Net sales, USD million	45.2	50.0	48.8	45.1	46.7	48.0	46.2	39.6
USD annual growth, %	-3.3	4.1	5.6	13.7	12.0	12.8	15.8	15.5
Gross margin, %	32.2	30.9	31.5	32.7	31.4	30.6	30.4	29.7
EBITA, SEK million	46.3	37.3	40.6	36.0	42.2	22.8	31.1	-1.1
Adjusted EBITA, SEK million	46.3	37.3	40.6	36.0	42.2	32.0	33.5	12.4
Adjusted EBITA margin, %	10.5	7.9	9.1	8.9	10.1	7.7	8.9	3.8
Operating profit/loss, SEK million	45.9	35.7	39.4	34.9	41.0	21.7	30.0	-2.7
Total assets, SEK million	827.9	792.7	808.4	722.5	672.2	644.2	590.7	554.3
Cash flow from operating activities, SEK million	57.8	35.5	14.8	41.0	38.4	11.5	-20.9	12.2
Equity/assets ratio, %	39.4	36.0	41.8	41.0	39.2	36.2	22.3	19.2
Number of employees	403	398	388	378	367	366	365	354
Average exchange rate, SEK/USD	9.59	9.44	9.17	9.04	8.95	8.67	8.11	8.32
Average exchange rate, SEK/EUR	10.66	10.62	10.42	10.33	10.41	10.33	9.97	9.80

Note 6 Acquisitions

On 4 March 2019, 100 per cent of the shares were acquired in Multiprint A/S. Operating profit together with assets and liabilities associated with the acquired company were consolidated from 4 March 2019. Goodwill of SEK 24.8 million arose in conjunction with the acquisition. Multiprint contributed SEK 37.9 million in net sales and SEK 7.0 million in EBITA in the January to September 2019 period. If Multiprint had been consolidated on 1 January 2019, net sales for the first half of 2019 would have increased by SEK 11.4 million to SEK 1,370.2 million and EBITA by SEK 1.4 million to SEK 123.2 million. Transaction costs of SEK 0.6 million relate to Multiprint, which were expensed in the first quarter.

Purchase consideration, 4 March 2019

Cash and cash equivalents	44,681
Additional purchase consideration	5,571
Total purchase consideration	50,252

Acquired assets and assumed liabilities

Non-current assets	334
Customer relationships	7,000
Other current assets	25,778
Other operating liabilities	-7,696
Total net assets	25,416
Goodwill	24,836

Amounts reported in the table above are preliminary values.

Note 7 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		Jan-Sep		Jan-Dec	
	2019	2018	2019	2018	LTM	2018
Net sales	439.8	420.1	1,358.8	1,210.3	1,765.5	1,617.0
Other operating income	1.4	0.9	2.4	4.6	2.5	4.6
Cost of goods sold	-301.9	-290.3	-935.7	-842.8	-1,210.1	-1,117.2
Translation differences	2.2	1.4	2.6	1.1	3.2	1.7
Total gross profit	141.4	132.1	428.2	373.2	561.1	506.1
Gross margin, %	32.2	31.4	31.5	30.8	31.8	31.3

EBITA and adjusted EBITA

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2019	2018	2019	2018	LTM	2018
Operating profit	45.9	41.0	121.0	92.7	155.9	127.6
Amortisation and impairment of intangible assets	0.4	1.2	3.2	3.5	4.3	4.6
EBITA	46.3	42.2	124.2	96.2	160.3	132.2
EBITA margin, %	10.5	10.1	9.1	7.9	9.1	8.2
Non-recurring items	-	-	-	-11.6	-	-11.6
Adjusted EBITA	46.3	42.2	124.2	107.7	160.3	143.8
Adjusted EBITA margin, %	10.5	10.1	9.1	8.9	9.1	8.9

EBITDA and adjusted EBITDA

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2019	2018	2019	2018	LTM	2018
Operating profit	45.9	41.0	121.0	92.7	155.9	127.6
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	-1.9	-2.2	-9.8	-6.7	-12.1	-8.9
EBITDA	47.8	43.3	130.8	99.3	168.1	136.6
EBITDA margin, %	10.9	10.3	9.6	8.2	9.5	8.4
Non-recurring items	-	-	-	-11.6	-	-11.6
Adjusted EBITDA	47.8	43.3	130.8	110.9	168.1	148.1
Adjusted EBITA margin, %	10.9	10.3	9.6	9.2	9.5	9.2

Return on equity

SEK million	Sep 2019	Sep 2018	Dec 2018
Profit for the period — LTM	131.4	59.6	104.6
Equity (average)	293.1	186.0	201.5
Return on equity, %	44.8	32.0	51.9

Net working capital and capital employed

SEK million	30 Sep 2019	30 Sep 2018	31 Dec 2018
Inventories	119.4	91.8	110.9
Trade receivables	363.9	335.8	314.0
Other current receivables	20.0	19.5	13.4
Prepaid expenses and accrued income	20.8	7.5	16.9
Trade payables	-251.4	-220.0	-231.5
Current tax liabilities	-20.7	-11.7	-9.8
Other current liabilities	-28.4	-21.8	-21.2
Accrued expenses and deferred income	-70.5	-52.5	-57.4
Net working capital	153.0	148.7	135.3
Non-current assets	221.5	147.8	153.4
Cash and cash equivalents	82.4	69.6	113.9
Capital employed	456.9	366.1	402.6

Return on capital employed

SEK million	Sep 2019	Sep 2018	Dec 2018
Operating profit/loss — LTM	155.9	90.1	127.6
Capital employed (average)	409.2	342.6	337.0
Return on capital employed, %	38.1	26.3	37.9

Equity/assets ratio

SEK million	30 Sep 2019	30 Sep 2018	31 Dec 2018
Equity	326.6	263.8	296.6
Total	326.6	263.8	296.6
Total assets	827.9	672.2	722.5
Equity/assets ratio, %	39.4	39.2	41.0

Net debt

SEK million	30 Sep 2019	30 Sep 2018	31 Dec 2018
Interest-bearing liabilities	127.5	98.9	103.2
Cash and cash equivalents	-82.4	-69.6	-113.9
Total net debt	45.1	29.2	-10.8
Adjusted EBITDA LTM	168.1	123.9	148.1
Net debt / Adjusted EBITDA	0.3	0.2	-0.1

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
Capital employed	Equity and interest-bearing liabilities	Capital from external parties
Return on capital employed	Profit/loss for the past 12 months divided by average capital employed	Return on capital employed is used to analyse the company's profitability, based on how much equity is used
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