

Interim report January-June 2019

APRIL-JUNE 2019

- > Net sales increased by 14% to SEK 473.1 million (415.8). In USD, net sales increased 4%.
- > Order intake increased by 10% to SEK 450.0 million (409.6). In USD, order intake increased 1%.
- > EBITA was SEK 37.3 million (22.8), representing an EBITA margin of 7.9% (5.5).
- > Adjusted* EBITA was SEK 37.3 million (32.0), representing an adjusted* EBITA margin of 7.9% (7.7).
- > Operating profit was SEK 35.7 million (21.7). Operating margin was 7.5% (5.2).
- > Profit after tax amounted to SEK 23.5 million (16.3).
- > Earnings per share was SEK 1.39 (0.99) before dilution and SEK 1.39 (0.92) after dilution**.
- > IFRS 16 increased EBITA by SEK 0.1 million.

JANUARY-JUNE 2019

- > Net sales increased by 16% to SEK 919.0 million (790.2). In USD, net sales increased 5%.
- > Order intake increased 15% to SEK 892.1 million (778.6). In USD, order intake increased 5%.
- > EBITA was SEK 77.9 million (53.9), representing an EBITA margin of 8.5% (6.8).
- > Adjusted* EBITA was SEK 77.9 million (65.5), representing an adjusted* EBITA margin of 8.5% (8.3).
- > Operating profit was SEK 75.1 million (51.6). Operating margin was 8.2% (6.5).
- > Profit after tax amounted to SEK 58.2 million (37.3).
- > Earnings per share was SEK 3.45 (2.31) before dilution and SEK 3.45 (2.21) after dilution**.
- > IFRS 16 increased EBITA by SEK 0.3 million and increased total assets by SEK 36.7 million.

SIGNIFICANT EVENTS DURING THE QUARTER

- > Tariffs on imports from China to USA were raised from 10% to 25% on 10 May.
- > The Annual General Meeting on 13 May resolved to pay a dividend of SEK 4.50 per share.

Key performance indicators

	Apr-Jun			Jan-Jun			Full-year	
	2019	2018	%	2019	2018	%	LTM	2018
Order intake, SEK million	450.0	409.6	10	892.1	778.6	15	1,778.0	1,664.5
Order intake, USD million	47.8	47.2	1	95.8	92.7	3	194.1	191.1
Net sales, SEK million	473.1	415.8	14	919.0	790.2	16	1,745.8	1,617.0
Net sales, USD million	50.0	48.0	4	98.8	94.3	5	188.5	186.0
Gross margin, %	30.9	30.6		31.2	30.5		31.6	31.3
EBITA, SEK million	37.3	22.8	64	77.9	53.9	44	156.2	132.2
EBITA margin, %	7.9	5.5		8.5	6.8		8.9	8.2
Adjusted* EBITA, SEK million	37.3	32.0	17	77.9	65.5	19	156.2	143.8
Adjusted* EBITA margin, %	7.9	7.7		8.5	8.3		8.9	8.9
Operating profit, SEK million	35.7	21.7	65	75.1	51.6	45	151.0	127.6
Operating margin %	7.5	5.2		8.2	6.5		8.7	7.9
Profit after tax, SEK million	23.5	16.3	44	58.2	37.3	56	125.4	104.6
Earnings per share before dilution**, SEK	1.39	0.99	41	3.45	2.31	50	7.45	6.37
Earnings per share after dilution**, SEK	1.39	0.92	51	3.45	2.21	56	7.45	6.24
Cash flow from operating activities, SEK million	35.5	11.5	210	50.3	-9.5		129.7	69.9
Return on capital employed, %							38.8	37.9
Return on equity, %							48.3	51.9
USD/SEK - average	9.44	8.67		9.31	8.38		9.02	8.69
EUR/SEK - average	10.62	10.33		10.51	10.14		10.35	10.26

* Adjusted for non-recurring items of SEK 11.6 million in the January–December 2018 period, Q2 SEK 9.2 million. 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.

This is a translation of the original Swedish interim report. In the event of difference between the English translation and the Swedish original, the Swedish interim report shall prevail.

MESSAGE FROM THE CEO

Good quarter for NCAB despite raised tariffs

There was a somewhat weaker growth for NCAB in the second quarter of 2019 in both sales and order intake. Sales increased 14 per cent (4 per cent in USD). Order intake increased 10 per cent (1 per cent in USD). The higher tariffs from China to the USA not only impacted our US operations but also parts of our sales in China whose final destination is the USA. Our US operations are of course impacted the most and if we exclude *North America*, order intake increased 16 per cent (7 per cent in USD) compared with the second quarter of 2018.

Earnings remained strong, up 17 per cent year-on-year and an adjusted EBITA margin of 7.9 per cent.

Of our segments, *Nordic* is continuing to deliver healthy growth and high margins. Growth of 25 per cent (15 per cent in USD) was mainly driven by Norway, which performed strongly, and the acquisition of Multiprint in Denmark. The high margin declined slightly due to the change in the mix between the countries.

Growth in *Europe* was 12 per cent (2 per cent in USD) and the EBITA margin is continuing to increase and is now at more than 6 per cent. This is quite good given that the *Europe* segment comprises many newly started companies in which we are investing for growth. Our largest companies, such as the ones in Germany and the UK, performed strongly, while we saw a more cautious approach from customers in other countries like France and Spain.

The performance of the *East* segment, which includes Asia and Russia, was favourable for the quarter, despite a certain setback in China due to the higher tariffs to the USA. Reported growth was 26 per cent (16 per cent in USD) and the EBITA margin was 10.6 per cent.

We saw a clear break in the trend in the *North America* segment when the 25 per cent tariffs were introduced in May. Sales declined by more than 20 per cent in USD in the quarter. It is clear that our customers are delaying their orders and hope that tariffs will at least return to 10 per cent.

All in all, we are seeing a somewhat cautious approach from some of our customers in *Europe* and in *North America*, although it is difficult to say whether this is a temporary situation or the start of a weaker market. It is clear that the trade war between the USA and China is reducing buying pressure in many more countries. So, what can we do to mitigate this, or increase our resilience?

Apart from intensifying our focus on sales, as we have a small market share, we have also partnered with a Taiwanese manufacturer for the US market in order to offer American customers import without tariffs. We also continuously scrutinize our cost base to ensure that we employ the right resources in the right places. Thanks to our strong purchasing power, we also succeeded in reducing prices from our factories, which should strengthen our competitiveness moving forward.

Hans Ståhl
President and CEO, NCAB Group AB

”

A somewhat cautious approach can be seen, not just from USA, due to the higher tariffs.

”



Q2 2019

14%

Sales growth

473

Net sales, SEK million

37.3

EBITA, SEK million

7.9%

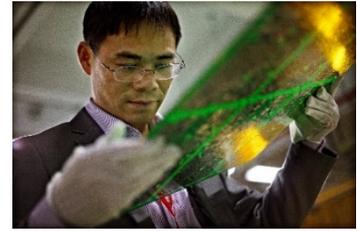
EBITA margin

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 on 30 July 2019, at 7:30 a.m. CEST.

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



398
SPECIALISTS



121
MILLION PCBs
MANUFACTURED PER YEAR



GROUP PERFORMANCE

APRIL-JUNE 2019

NET SALES

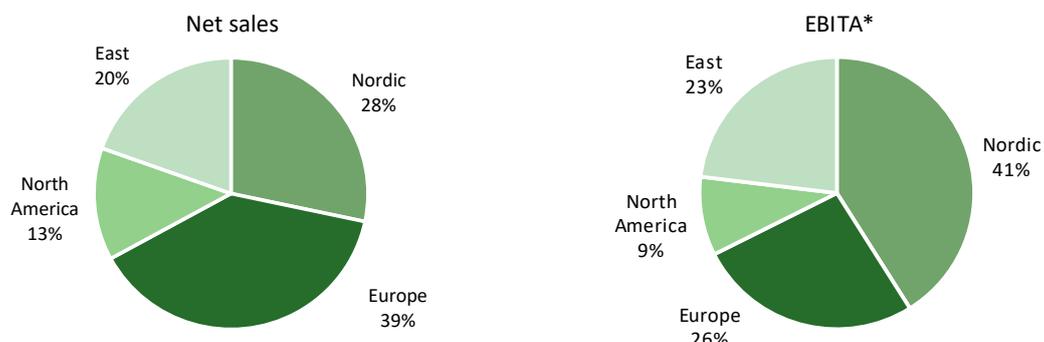
Net sales increased 14 in the second quarter to SEK 473.1 million (415.8), with growth in USD of 4 per cent. Most of NCAB's products are priced or invoiced in USD. All segments apart from *North America* reported higher sales. Sales in *North America* trended very positively in April but declined significantly after import tariffs to the USA were raised from 10 to 25 per cent on 10 May. *Nordic* reported continued strong growth for the quarter, and the integration of the acquired Danish company Multiprint progressed according to plan. The increase in net sales excluding Multiprint was 10 per cent. Growth in *Europe* was in line with the first quarter, while the rate of growth in *East* increased. The higher import tariffs created uncertainty in several markets, although *North America* was impacted the most. The order intake rose 10 per cent during the quarter and 1 per cent in USD. Excluding *North America*, order intake increased 16 per cent (7 per cent in USD) compared with the second quarter of 2018.

EARNINGS

Adjusted EBITA* was SEK 37.3 million (32.0) and the adjusted EBITA margin amounted to 7.9 per cent (7.7). The gross margin remained stable. Operating expenses increased compared with 2018 due to both currency effects and continued recruitment mainly in the *Europe* and *East* segments. All segments except for *Nordic* noted a healthy improvement in earnings compared with second quarter of 2018, with the highest percentage growth in the *Europe* segment. The lower EBITA margin in *Nordic* was mainly due to the changed mix between countries. EBITA was SEK 37.3 million (22.8) and operating profit increased to SEK 35.7 million (21.7). Adjustments for IFRS 16 had a positive effect on EBITA of SEK 0.1 million, but an adverse effect on profit before tax of SEK 0.1 million.

Net financial items amounted to SEK -3.5 million (-1.7), where the decline was due to negative foreign exchange differences of SEK -2.0 million (0.9). Increased interest expenses due to IFRS 16 amounted to SEK 0.1 million. Tax amounted to SEK -8.7 million (-3.7). Profit after tax for the period totalled SEK 23.5 million (16.3). Earnings per share was SEK 1.39 (0.99) before dilution and SEK 1.39 (0.92) after dilution.

BREAKDOWN BY SEGMENT, APRIL-JUNE 2019



* No adjustment to EBITA in this quarter of 2019, Q2 2018 was adjusted by SEK 9.2 million

JANUARY-JUNE 2019

NET SALES

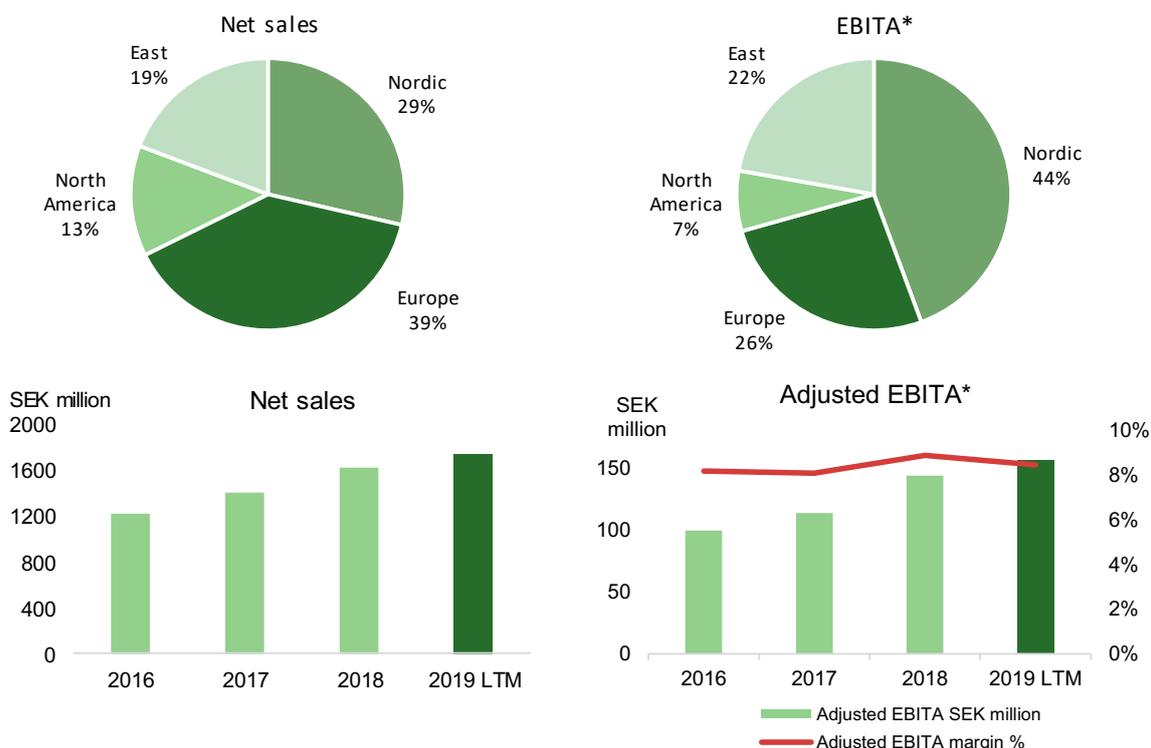
Net sales increased 16 per cent in the first half of the year to SEK 919.0 million (790.2), with growth in USD of 5 per cent. The weaker SEK had a positive impact on net sales in the first half of the year. Sales in *North America* were slightly lower than in 2018 due to the negative effects of the higher import tariffs implemented in May. 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 13 per cent. The order intake rose 15 per cent during the first half of the year and 3 per cent in USD.

EARNINGS

Adjusted EBITA* was SEK 77.9 million (65.5) and the adjusted EBITA margin increased to 8.5 per cent (8.3). The improved adjusted EBITA margin reflects increased sales and stronger gross margin. Operating expenses increased compared with 2018 due to both currency effects and continued recruitment. All segments noted a favourable improvement in earnings compared with first half of 2018. EBITA was SEK 77.9 million (53.9) and operating profit increased to SEK 75.1 million (51.6). Adjustments for IFRS 16 had a positive effect on EBITA of SEK 0.3 million, but an adverse effect on profit before tax of SEK 0.1 million.

Net financial items amounted to SEK 0.2 million (-6.1), where the improvement was due to positive foreign exchange differences of SEK 2.5 million (-1.5) that arose in the first quarter. Increased interest expenses due to IFRS 16 amounted to SEK 0.4 million. Tax amounted to SEK -17.1 million (-8.2). The average tax rate increased to 22.7 per cent (18.0) which is an effect of more subsidiaries being profitable. Profit after tax for the period totalled SEK 58.2 million (37.3). Earnings per share was SEK 3.45 (2.31) before dilution and SEK 3.45 (2.21) after dilution.

BREAKDOWN BY SEGMENT, JANUARY-JUNE 2019



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

PERFORMANCE BY SEGMENT

NORDIC

Sweden, Norway, Denmark, Finland and Estonia. The margin in this segment is higher due to a high technology content and generally lower volumes. The acquisition of Multiprint A/S strengthens NCAB's position in the Danish market and the companies complement each other very well. The integration progressed according to plan and when the MD of NCAB Denmark retired, the MD of Multiprint, took over the role.

Second quarter 2019

Strong growth was reported for the second quarter, driven by Norway. Denmark grew through the acquisition of Multiprint, while Finland and Estonia reported a slightly weaker performance. Net sales increased 25 per cent to SEK 133.9 million (106.8). Excluding Multiprint, net sales increased 11 per cent. Underlying growth in USD was 15 per cent. EBITA fell to SEK 17.5 million (18.7), mainly as a result of a lower gross margin driven by a higher share of sales from Norway and Denmark, companies that have somewhat lower gross margins. The EBITA margin amounted to 13.1 per cent (17.5).

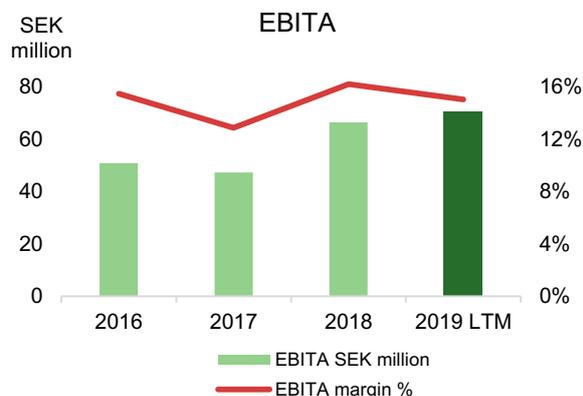
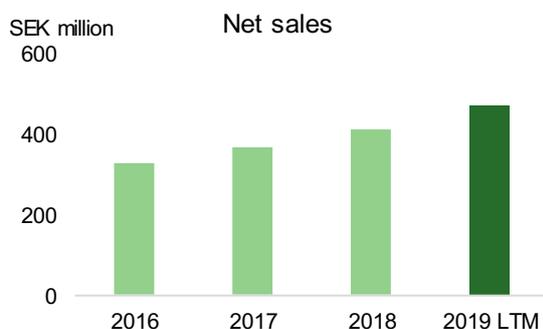


January to June 2019

Net sales increased by 30 per cent to SEK 263.0 million (202.9), driven by strong growth in Norway and the acquisition of Multiprint in Denmark. EBITA increased to SEK 38.8 million (34.6), while the EBITA margin fell to 14.8 per cent (17.1) due to a slightly lower gross margin in the companies that reported the highest growth.

NORDIC

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2019	2018	%	2019	2018	%	LTM	2018
Net sales	133.9	106.8	25.4	263.0	202.9	29.6	469.4	409.4
EBITA	17.5	18.7	-6.3	38.8	34.6	12.1	70.6	66.4
EBITA margin, %	13.1	17.5		14.8	17.1		15.0	16.2



EUROPE

France, Germany, Spain, Poland, Italy, the UK, Benelux and 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 NCAB throughout the Benelux region.

Second quarter 2019

Net sales in the second quarter increased 12 per cent to SEK 184.3 million (164.0). Underlying growth in USD was 2 per cent. High growth was noted in Germany, while Poland, France and Spain saw sales decline. Order intake grew in line with net sales. Many customers showed signs of a lower level of activity at the same time as the number of customers placing orders continued to rise.



EBITA increased to SEK 11.3 million (8.0) and EBITA margin grew to 6.1 per cent (4.9). The improvement is attributable to sales growth and stronger gross margin. Italy remains in a start-up phase and is generating negative EBITA.

January to June 2019

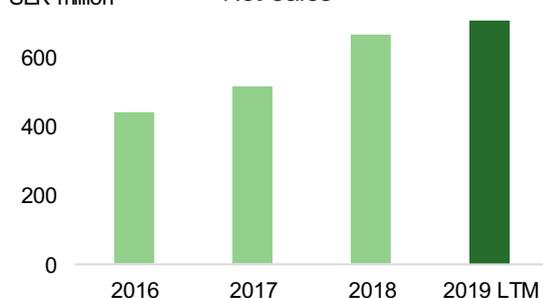
Net sales increased 14 per cent to SEK 359.6 million (314.2). Growth primarily derived from Germany, the UK and Italy, while other smaller companies reported lower or negative growth. A higher gross margin contributed to an improved EBITA of SEK 22.9 million (15.6) and the EBITA margin increased to 6.4 per cent (5.0).

EUROPE

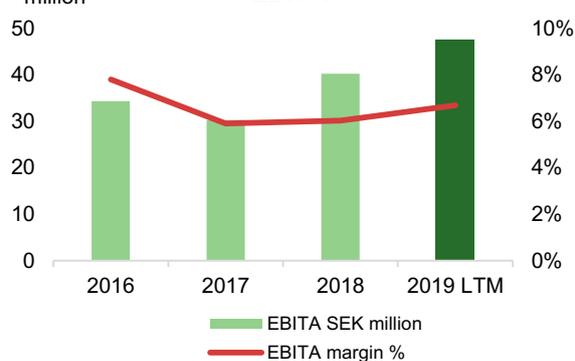
SEK million

	Apr-Jun			Jan-Jun			Full-year	
	2019	2018	%	2019	2018	%	LTM	2018
Net sales	183.3	164.0	11.7	358.6	314.2	14.1	675.9	631.5
EBITA	11.3	8.0	40.6	22.9	15.6	46.7	47.8	40.5
EBITA margin, %	6.2	4.9		6.4	5.0		7.1	6.4

SEK million Net sales



SEK million EBITA



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.

Second quarter 2019

The quarter started with healthy growth but this was replaced by a decline after import tariffs on PCBs from China were increased from 10 per cent to 25 per cent on 10 May. This created great uncertainty in the market and many customers are delaying new orders before they know how permanent these new import tariffs will be. NCAB has directly passed these import fees on to its customers but they are not included in net sales.



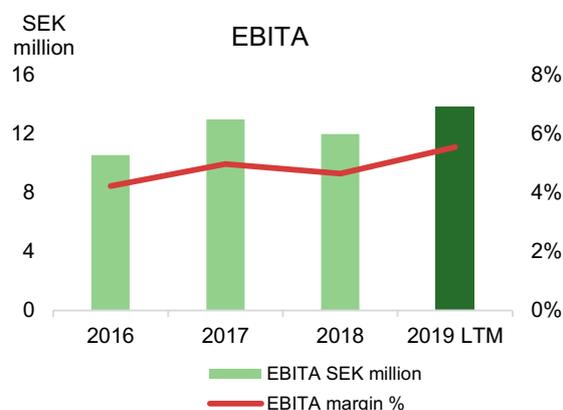
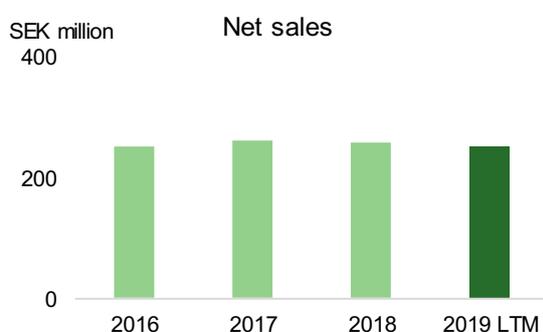
Net sales declined 11 per cent in the second quarter to SEK 63.3 million (71.5). In USD, sales were 21 per cent lower year-on-year. Order intake for the quarter in USD was also lower year-on-year. The improved gross margin combined with good cost control led to EBITA improving to SEK 4.0 million (3.2) and EBITA margin increasing to 6.3 per cent (4.5).

January to June 2019

Net sales fell 6 per cent to SEK 120.1 million (128.7) despite modest growth in the first quarter. Based on a stable and more efficient organisation, EBITA increased to SEK 6.3 million (4.4) with the EBITA margin growing to 5.2 per cent (3.4).

NORTH AMERICA

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2019	2018	%	2019	2018	%	LTM	2018
Net sales	63.3	71.5	-11.5	120.9	128.8	-6.1	250.3	258.1
EBITA	4.0	3.2	24.4	6.3	4.4	43.3	13.9	12.0
EBITA margin, %	6.3	4.5		5.2	3.4		5.5	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 US customers as well as with local Chinese end customers and contract manufacturers. NCAB has four sales offices in China – Shenzhen, Beijing, Shanghai and Wuhan. NCAB also has several offices in Russia – St. Petersburg, Moscow and Novosibirsk. The newly started company in Malaysia now has four employees.

Second quarter 2019

Net sales in the second quarter increased 26 per cent to SEK 92.6 million (73.5). Net sales increased by 16 per cent in USD. China accounted for the strongest growth via many local EMS customers, however a slight slowdown was noted among EMS customers delivering to the USA. EBITA was SEK 9.8 million (7.3) and EBITA margin amounted to 10.6 per cent (9.9).



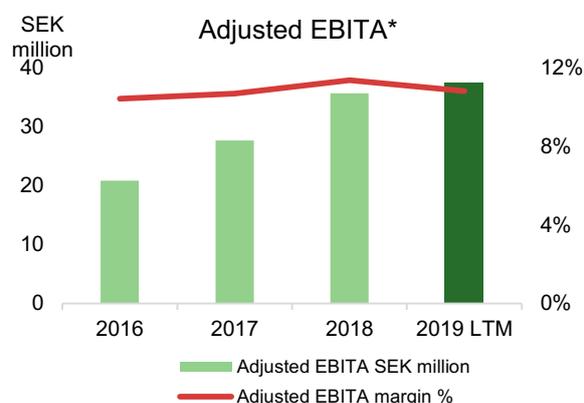
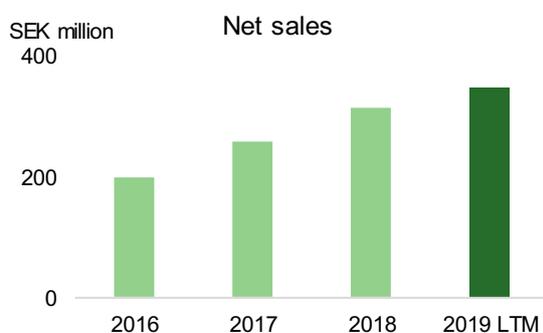
January to June 2019

Net sales increased 22 per cent to SEK 175.5 million (144.5) in the first half of the year, with strong growth in both China and Russia. Adjusted EBITA increased to SEK 19.4 million (17.7), with a slightly lower adjusted* EBITA margin of 11.0 per cent (12.2) due to a somewhat reduced gross margin and costs for the establishment in Malaysia and new offices in China.

EAST

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2019	2018	%	2019	2018	%	LTM	2018
Net sales	92.6	73.5	26.0	176.5	144.5	22.1	350.4	318.4
EBITA	9.8	7.3	35.3	19.4	16.8	15.5	38.0	35.4
Adjusted* EBITA	9.8	7.3	35.3	19.4	17.7	9.7	38.0	36.3
EBITA margin, %	10.6	9.9		11.0	11.6		10.8	11.1
Adjusted* EBITA margin, %	10.6	9.9		11.0	12.2		10.8	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 second quarter was SEK 35.5 million (11.5). Cash flow was primarily driven by strong operating profit for the quarter, combined with unchanged capital employed despite increasing sales. Cash flow from operating activities in the first half of the year was SEK 50.3 million (-9.5). 2018 was charged with non-recurring payments of SEK -28.0 million. Cash flow from investing activities for the quarter was SEK -6.3 million (-0.4), of which SEK -5.6 million was attributable to the acquisition of Multiprint A/S, and the remaining investments amounted to SEK -0.9 million. Non-acquisition-related investments totalled SEK -1.2 million (-1.2) for the first half of the year.

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 104.5 million (64.3). Adjustments to IFRS 16 increased net debt by SEK 36.9 million. At 30 June, the equity/assets ratio was 36.1 per cent (36.2) and equity was SEK 286.5 million (233.4). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 135.4 million (148.7).

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 113 million. At the balance sheet date of 30 June 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 THE QUARTER

The Annual General Meeting on 13 May resolved on a dividend of SEK 4.50 per share.

US import tariffs on PCBs manufactured in China were raised on 10 May from 10 per cent to 25 per cent, which created greater uncertainty in the market and a slowdown in orders and sales to US customers.

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 June 2019, the number of employees was 398 (366), of whom 187 (171) were women and 211 (195) were men. The average number of employees in the organisation during the period was 382 (343), of whom 179 (158) were women and 203 (185) were men.

PARENT COMPANY

The Parent Company's net sales for the second quarter of 2019 were SEK 15.1 million (13.2). Sales consist exclusively of internal billing. Profit after financial items was SEK 3.2 million (-25.0). The second quarter of 2018 was charged with non-recurring costs in connection with the IPO. Foreign exchange losses on internal loans were also higher in 2018 than in 2019.

The Parent Company's net sales for the year amounted to SEK 29.8 million (26.2). Loss after financial items improved to SEK -6.7 million (-30.4). The improvement was due to lower foreign exchange losses and 2018 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, 29 July 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

For further information, please contact:

Anders Forsén, CFO +46 (0)8 4030 0051

Gunilla Öhman, IR Manager, +46 (0)70 763 81 25

This interim report has not been reviewed by the company's auditor.

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 30 July 2019, at 7:30 a.m. CEST.

NCAB Group AB (publ)

Tel: +46 (0)8 4030 0000

Mariehällsvägen 37 A, SE-168 65 Bromma, Sweden

www.ncabgroup.com

NCAB will hold a web-cast telephone conference on 30 July 2019 at 10:00 a.m. CEST, 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: **+46856642703**, the UK: **+443333009272** and the USA: **+18335268381**. The presentation and conference can also be followed from the following link: <https://www.financialhearings.com/event/11561>.

FINANCIAL CALENDAR

Interim report January–September 2019

6 November 2019

Year-end report 2019

19 February 2020

Group

CONSOLIDATED INCOME STATEMENT

SEK million	Apr-Jun		Jan-Jun		LTM	Jan-Dec 2018
	2019	2018	2019	2018		
Operating revenue						
Net sales	473.1	415.8	919.0	790.2	1,745.8	1,617.0
Other operating income	0.1	3.2	1.5	3.4	4.4	6.3
Total	473.1	418.9	920.5	793.6	1,750.2	1,623.3
Raw materials and consumables	-326.8	-291.6	-633.8	-552.5	-1,198.4	-1,117.2
Other external expenses	-33.6	-31.2	-61.4	-56.8	-122.4	-117.8
Staff costs	-73.5	-63.1	-141.8	-116.8	-265.3	-240.2
Depreciation of property, plant and equipment, and amortisation of intangible assets	-3.5	-2.2	-7.9	-4.4	-12.5	-8.9
Other operating expenses	-0.0	-9.2	-0.6	-11.6	-0.6	-11.6
Total operating expenses	-437.4	-397.3	-845.4	-742.0	-1,599.2	-1,495.7
Operating profit	35.7	21.7	75.1	51.6	151.0	127.6
Net financial income/expense	-3.5	-1.7	0.2	-6.1	-4.2	-10.6
Profit before tax	32.2	19.9	75.3	45.5	146.8	117.0
Income tax	-8.7	-3.7	-17.1	-8.2	-21.4	-12.4
Profit for the period	23.5	16.3	58.2	37.3	125.4	104.6
Profit attributable to:						
Shareholders of the Parent Company	23.4	16.3	58.1	37.2	125.3	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	13,550,324	16,847,124	12,885,938	16,847,124	14,882,810
Average number of preference shares	0	2,208,470	0	2,558,600	0	1,268,785
Average total number of shares	16,847,124	15,758,794	16,847,124	15,444,538	16,847,124	16,151,595
Earnings per share before dilution	1.39	0.99	3.45	2.31	7.45	6.37
Earnings per share after dilution	1.39	0.92	3.45	2.21	7.45	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	Apr-Jun		Jan-Jun		LTM	Jan-Dec
	2019	2018	2019	2018		2018
Profit/loss for the period	23.5	16.3	58.2	37.3	125.4	104.6
Other comprehensive income, items that can subsequently be reclassified to profit or loss:						
Foreign exchange differences	-0.3	3.3	6.7	8.2	2.6	4.1
Total comprehensive income	23.1	19.6	64.8	45.5	128.0	108.7
Profit attributable to:						
Shareholders of the Parent Company	23.1	19.6	64.7	45.4	127.9	108.6
Non-controlling interests	0.0	0.0	0.1	0.1	0.1	0.1

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	30 Jun 2019	30 Jun 2018	31 Dec 2018
Non-current assets			
Goodwill	159.0	132.7	132.8
Other intangible assets	7.4	5.9	3.3
Leasehold improvement costs	1.4	1.8	1.5
Right-of-use Office and Cars	36.7	-	-
Plant and equipment	5.4	4.8	4.2
Financial assets	4.0	1.4	3.9
Deferred tax assets	5.1	0.8	7.8
Total non-current assets	219.0	147.4	153.4
Current assets			
Inventories	110.0	91.3	110.9
Trade receivables	380.9	332.8	314.0
Other current receivables	20.0	24.1	13.4
Prepaid expenses and accrued income	18.8	8.6	16.9
Cash and cash equivalents	44.0	40.1	113.9
Total current assets	573.7	496.8	569.1
TOTAL ASSETS	792.7	644.2	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	3.4	0.8	-3.2
Retained earnings	78.5	29.0	96.3
Non-controlling interests	0.2	0.2	0.2
Total equity	285.5	233.4	296.6
Non-current liabilities			
Borrowings	80.0	90.0	85.0
Leased liabilities	24.8	-	-
Deferred tax	2.9	3.5	2.9
Total non-current liabilities	107.7	93.5	87.9
Current liabilities			
Current liabilities	31.6	14.4	18.2
Current Leased liabilities	12.0	-	-
Trade payables	255.8	228.4	231.5
Current tax liabilities	18.6	8.8	9.8
Other current liabilities	27.2	23.2	21.2
Accrued expenses and deferred income	54.3	42.5	57.4
Total current liabilities	399.6	317.4	338.0
TOTAL EQUITY AND LIABILITIES	792.7	644.2	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				37.3	37.3	0.1	37.3
Other comprehensive income for the period	-	-	8.2	-	8.2	-	8.2
Total comprehensive income	-	-	8.2	37.3	45.4	0.1	45.5
Issue of new ordinary shares	0.2	104.0			104.2	-	104.2
Dividend				-2.7	-2.7	-	-2.7
Total transactions with shareholders, recognised directly in equity	0.2	84.0	-	-2.7	81.5	-	81.5
30 Jun 2018	1.7	201.6	0.8	29.0	233.1	0.2	233.4

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				58.1	58.1	0.1	58.2
Other comprehensive income for the period	-	-	6.7	-	6.7	-	6.7
Total comprehensive income	-	-	6.7	58.1	64.7	0.1	64.8
Dividend, ordinary shares	-	-	-	-75.8	-75.8	-0.1	-75.9
Total transactions with shareholders, recognised directly in equity	-	-	-	-75.8	-75.8	-0.1	-75.9
30 Jun 2019	1.7	201.6	3.4	78.5	285.2	0.2	285.5

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2019	2018	2019	2018	LTM	2018
Cash flow from operating activities						
Profit before net financial income/expense	35.7	21.7	75.1	51.6	151.0	127.6
Adjustment for non-cash items	-0.0	1.2	12.3	-3.3	22.2	6.6
Provisions	-	-	-	-17.6	-	-17.6
Interest received	0.0	0.1	0.3	0.2	1.1	1.0
Interest paid	-1.4	-1.2	-2.2	-3.2	-6.0	-6.9
Income taxes paid	-7.3	-4.2	-12.5	-14.9	-19.5	-21.8
Cash flow from operating activities before changes in working capital	27.0	17.6	72.9	12.8	149.0	88.9
Change in inventories	-1.4	-8.2	12.2	6.2	-7.4	-13.4
Change in current receivables	-8.8	-27.3	-54.6	-68.0	-47.0	-60.3
Change in current operating liabilities	18.7	29.4	19.8	39.5	35.1	54.8
Total changes in working capital	8.5	-6.1	-22.6	-22.3	-19.2	-19.0
Cash flow from operating activities	35.5	11.5	50.3	-9.5	129.7	69.9
Cash flow from investing activities						
Investments in property, plant and equipment	-0.5	-0.2	-0.8	-0.8	-1.6	-1.6
Investments in intangible assets	-0.2	-0.0	-0.2	-0.2	-0.8	-0.8
Investments in subsidiaries	-5.6	-	-50.3	-	-50.3	-
Investments in financial assets	-	-0.2	-0.2	-0.3	-2.9	-2.9
Cash flow from investing activities	-6.3	-0.4	-51.5	-1.2	-55.5	-5.3
Cash flow from financing activities						
Issue of new shares	-	102.2	-	104.2	-	104.2
Costs for issue of shares / IPO	-	-20.0	-	-20.0	-	-20.0
Change in overdraft facility	16.1	-61.5	14.6	-35.0	18.1	-31.5
Borrowings	-	100.0	-	100.0	-	100.0
Repayment of loans	-2.5	-117.6	-5.0	-127.9	-10.0	-132.9
Repayment of leased liabilities	-1.4	-	-3.5	-	-3.5	-
Dividend	-75.8	-2.7	-75.8	-2.7	-75.8	-2.7
Cash flow from financing activities	-63.6	0.4	-69.7	18.6	-71.2	17.1
Decrease/increase in cash and cash equivalents						
Cash flow for the period	-34.4	11.4	-70.8	7.9	3.0	81.7
Foreign exchange difference in cash and cash equivalents	-0.2	0.9	0.9	1.0	0.9	1.0
Cash and cash equivalents at beginning of period	78.5	27.7	113.9	31.2	40.1	31.2
Cash and cash equivalents at end of period	44.0	40.1	44.0	40.1	44.0	113.9

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Apr-Jun		Jan-Jun		Jan-Dec
	2019	2018	2019	2018	2018
Operating revenue					
Net sales	15.1	13.2	29.8	26.2	57.4
Total	15.1	13.2	29.8	26.2	57.4
Other external expenses	-9.2	-10.5	-18.7	-20.0	-42.4
Staff costs	-8.0	-7.9	-15.4	-12.3	-23.3
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.1	-0.2	-0.3	-0.4	-0.9
Other operating expenses	-	-9.1	-0.6	-10.6	-10.6
Total operating expenses	-17.3	-27.7	-34.9	-43.3	-77.2
Operating loss	-2.2	-14.5	-5.0	-17.1	-19.8
Income from investments in Group companies	4.5	4.2	4.5	4.3	22.9
Other interest income and similar income	4.4	3.2	8.5	6.2	14.8
Interest expense and similar charges	-3.5	-18.0	-14.7	-23.8	-35.9
Net financial income/expense	5.4	-10.5	-1.7	-13.2	1.7
Loss before tax	3.2	-25.0	-6.7	-30.4	-18.2
Appropriations	-	-	-	-	61.0
Tax on profit for the period	-	-	-	-	-0.2
Loss for the period	3.2	-25.0	-6.7	-30.4	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 Jun 2019	30 Jun 2018	31 Dec 2018
Non-current assets			
Capitalised development costs	0.0	0.6	0.2
Plant and equipment	0.3	0.2	0.1
Non-current financial assets	266.9	211.1	215.9
Total non-current assets	267.2	211.8	216.2
Current assets			
Trade receivables	1.5	0.6	1.3
Receivables from Group companies	116.6	150.9	115.8
Other current receivables	1.8	9.9	2.1
Prepaid expenses and accrued income	4.0	2.7	3.4
Cash and cash equivalents	0.1	4.4	69.3
Total current assets	124.0	168.6	191.9
TOTAL ASSETS	391.2	380.4	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	-64.7	-31.5	-31.5
Profit/ loss for the period	-6.7	-30.4	42.6
Total equity	131.9	141.4	214.4
Untaxed reserves	8.8	8.8	8.8
Non-current liabilities			
Liabilities to credit institutions	80.0	90.0	85.0
Total non-current liabilities	80.0	90.0	85.0
Current liabilities			
Liabilities to credit institutions	10.0	10.0	10.0
Trade payables	6.0	5.8	2.9
Overdraft facility	23.6	-	-
Liabilities to Group companies	121.4	117.7	75.4
Current tax liabilities	0.2	-	0.2
Other current liabilities	2.0	1.3	1.4
Accrued expenses and deferred income	7.4	5.8	10.0
Total current liabilities	170.5	140.6	99.9
TOTAL EQUITY AND LIABILITIES	391.2	380.8	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	-	-	-30.4	-30.4
Total comprehensive income	-	-	-30.4	-30.4
Issue of new ordinary shares	0.2	104.0	-	104.2
Dividend, shares	-	-	-2.7	-2.7
Transaction cost	-	-20.0	-	-20.0
Total transactions with shareholders, recognised directly in equity	0.2	84.0	-2.7	81.5
30 Jun 2018	1.7	201.6	-61.9	141.4

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	-	-	-6.7	-6.7
Total comprehensive income	-	-	-6.7	-6.7
Dividend, shares	-	-	-75.8	-75.8
Total transactions with shareholders, recognised directly in equity	-	-	-75.8	-75.8
30 Jun 2019	1.7	201.6	-71.4	131.9

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.

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 June, total assets increased by SEK 36.7 million and net debt increased by SEK 36.9 million. The implementation of IFRS 16 changed Net debt / Adjusted EBITDA from SEK 0.4 million prior to IFRS 16 classification to SEK 0.6 million. Refer to the table below for the restating of IFRS 16.

Profit & Loss	Jan-Jun	Effect of IFRS	Jan-Jun excl. IFRS
Operating revenue	920.5	-	920.5
Other external expenses	-695.2	-3.5	-698.7
Depreciation	-7.9	3.3	-4.7
Other operating expenses	-142.4	-	-142.4
Operating Profit/loss	75.1	-0.3	74.8
Net financial expense	0.2	0.4	0.6
Profit before tax	75.3	0.1	75.4

Balansräkning	30/06/2019	Effect of IFRS	30/06/2019
Fixed assets	219.0	-36.7	182.3
Current assets	573.7	-	573.7
Total assets	792.7	-36.7	756.0
Total Equity	285.5	0.2	285.7
Long term liabilities	107.7	-36.9	70.8
Current liabilities	43.7	-	43.7
Other current liabilities/Accrued expenses and deferred income	355.9	-	355.9
Total current liabilities	399.6	-	399.6
Total Equity and liabilities	792.7	-36.7	756.0

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 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, April–June 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	133.9	106.8	183.3	164.0	63.3	71.5	92.6	73.5	-0.0	-	473.1	415.8
Adjusted EBITA	17.5	18.7	11.3	8.0	4.0	3.2	9.8	7.3	-5.3	-5.2	37.3	32.0
Adjusted EBITA margin, %	13.1	17.5	6.2	4.9	6.3	4.5	11.0	9.9			7.9	7.7
Non-recurring items	-	-	-	-	-	-	-	-	-	-9.2	-	-9.2
EBITA	17.5	18.7	11.3	8.0	4.0	3.2	9.8	7.3	-5.3	-14.4	37.3	22.8
EBITA margin, %	13.1	17.5	6.2	4.9	6.3	4.5	10.6	9.9			7.9	5.5
Amortis. intangible assets											-1.6	-1.1
Operating profit											35.7	21.6
Operating margin, %											7.5	5.2
Net financial expense											-3.5	-1.7
Profit before tax											32.2	19.9
Net working capital	57.1	41.6	78.8	78.6	18.9	17.8	30.7	18.1	-11.6	-2.3	173.8	153.8

Sales and earnings of segments 2019

SEK million	Nordic		Europe		North America		East		Central functions		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net sales	263.0	202.9	358.6	314.2	120.9	128.8	176.5	144.5	-0.1	-0.2	918.9	790.2
Adjusted EBITA	38.8	34.6	22.9	15.6	6.3	4.4	19.4	17.7	-9.5	-6.8	77.9	65.6
Adjusted EBITA margin, %	14.8	17.1	6.4	5.0	5.2	3.4	11.0	12.2			8.5	8.3
Non-recurring items	-	-	-	-	-	-	-	-0.9	-	-10.8	-	-11.7
EBITA	38.8	34.6	22.9	15.6	6.3	4.4	19.4	16.8	-9.5	-17.6	77.9	53.9
EBITA margin, %	14.8	17.1	6.4	5.0	5.2	3.4	11.0	11.6			8.5	6.8
Amortis. intangible assets											-2.9	-2.3
Operating profit											75.1	51.6
Operating margin, %											8.2	6.5
Net financial expense											0.2	-6.1
Profit before tax											75.3	45.4
Net working capital	57.1	41.6	78.8	78.6	18.9	17.8	30.7	18.1	-11.6	-2.3	173.8	153.8

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
SEK million												
Net sales	469.4	409.4	675.9	631.5	250.3	258.1	350.4	318.4	-0.2	-0.4	1,745.8	1,617.0
Adjusted EBITA	70.6	66.4	47.8	40.5	13.9	12.0	38.0	36.3	-14.1	-11.4	156.2	143.8
Adjusted EBITA margin, %	15.0	16.2	7.1	6.4	5.5	4.6	10.8	11.4			8.9	8.9
Non-recurring items	-	-	-	-	-	-	-	-0.9	-	-10.7	-	-11.6
EBITA	70.6	66.4	47.8	40.5	13.9	12.0	38.0	35.4	-14.1	-22.1	156.2	132.2
EBITA margin, %	15.0	16.2	7.1	6.4	5.5	4.6	10.8	11.1			8.9	8.2
Amortis. intangible assets											-5.2	-4.6
Operating profit											151.0	127.6
Operating margin, %											8.7	7.9
Net financial expense											-4.2	-10.6
Profit before tax											146.8	117.0
Net working capital	57.1	35.4	78.8	69.9	18.9	19.8	30.7	19.3	-11.6	-9.1	173.8	135.3
Net working capital	5.2	0.7	15.0	1.5	10.5	1.9	12.6	1.5	0.3	0.1	43.5	5.7
Intangible assets	68.3	42.4	0.0	-	85.5	81.0	0.4	0.5	12.1	12.1	166.4	136.0

Note 5 Quarterly summary

	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17
Order intake, SEK million	450.0	442.1	474.7	411.2	409.6	369.0	422.3	340.7
Order intake, USD million	47.8	48.0	52.5	45.9	47.2	45.6	50.8	41.9
Net sales, SEK million	473.1	445.9	406.7	420.1	415.8	374.4	327.3	342.7
SEK annual growth, %	13.8	19.1	24.3	22.6	10.5	5.8	5.6	17.0
Net sales, USD million	50.0	48.8	45.1	46.7	48.0	46.2	39.6	41.7
USD annual growth, %	4.1	5.6	13.7	12.0	12.8	15.8	15.5	21.0
Gross margin, %	30.9	31.5	32.7	31.4	30.6	30.4	29.7	30.9
EBITA, SEK million	37.3	40.6	36.0	42.2	22.8	31.1	-1.1	0.9
Adjusted EBITA, SEK million	37.3	40.6	36.0	42.2	32.0	33.5	12.4	30.9
Adjusted EBITA margin, %	7.9	9.1	8.9	10.1	7.7	8.9	3.8	9.0
Operating profit/loss, SEK million	35.7	39.4	34.9	41.0	21.7	30.0	-2.7	0.1
Total assets, SEK million	792.7	808.4	722.5	672.2	644.2	590.7	554.3	556.6
Cash flow from operating activities, SEK million	35.5	14.8	41.0	38.4	11.5	-20.9	12.2	13.1
Equity/assets ratio, %	36.0	41.8	41.0	39.2	36.2	22.3	19.2	19.4
Number of employees	398	388	378	367	366	365	354	327
Average exchange rate, SEK/USD	9.44	9.17	9.04	8.95	8.67	8.11	8.32	8.14
Average exchange rate, SEK/EUR	10.62	10.42	10.33	10.41	10.33	9.97	9.80	9.56

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 22.3 million in net sales and SEK 3.6 million in EBITA in the first half of 2019. 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 930.4 million and EBITA by SEK 1.4 million to SEK 79.3 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

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	Apr-Jun		Jan-Jun		Jan-Dec	
	2019	2018	2019	2018	LTM	2018
Net sales	473.1	415.8	919.0	790.2	1,745.8	1,617.0
Other operating income	0.1	2.1	1.1	2.2	3.4	4.6
Cost of goods sold	-326.8	-291.6	-633.8	-552.5	-1,198.4	-1,117.2
Translation differences	-0.0	1.1	0.5	1.2	1.0	1.7
Total gross profit	146.3	127.3	286.8	241.1	551.8	506.1
Gross margin, %	30.9	30.6	31.2	30.5	31.6	31.3

EBITA and adjusted EBITA

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2019	2018	2019	2018	LTM	2018
Operating profit	35.7	21.7	75.1	51.6	151.0	127.6
Amortisation and impairment of intangible assets	1.6	1.2	2.9	2.3	5.2	4.6
EBITA	37.3	22.8	77.9	53.9	156.2	132.2
EBITA margin, %	7.9	5.5	8.5	6.8	8.9	8.2
Non-recurring items	-	-9.2	-	-11.6	-	-11.6
Adjusted EBITA	37.3	32.0	77.9	65.5	156.2	143.8
Adjusted EBITA margin, %	7.9	7.7	8.5	8.3	8.9	8.9

EBITDA and adjusted EBITDA

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2019	2018	2019	2018	LTM	2018
Operating profit	35.7	21.7	75.1	51.6	151.0	127.6
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	-3.5	-2.2	-7.9	-4.4	-12.5	-8.9
EBITDA	39.1	23.9	83.0	56.1	163.5	136.6
EBITDA margin, %	8.3	5.7	9.0	7.1	9.4	8.4
Non-recurring items	-	-9.2	-	-11.6	-	-11.6
Adjusted EBITDA	39.1	33.1	83.0	67.6	163.5	148.1
Adjusted EBITA margin, %	8.3	8.0	9.0	8.6	9.4	9.2

Return on equity

SEK million	Jun 2019	Jun 2018	Dec 2018
Profit for the period — LTM	125.4	16.1	104.6
Equity (average)	259.4	228.2	201.5
Return on equity, %	48.3	7.0	51.9

Net working capital and capital employed

SEK million	30 Jun 2019	30 Jun 2018	31 Dec 2018
Inventories	110.0	91.3	110.9
Trade receivables	380.9	332.8	314.0
Other current receivables	20.0	24.1	13.4
Prepaid expenses and accrued income	18.8	8.6	16.9
Trade payables	-255.8	-228.4	-231.5
Current tax liabilities	-18.6	-8.8	-9.8
Other current liabilities	-27.2	-23.2	-21.2
Accrued expenses and deferred income	-54.3	-42.5	-57.4
Net working capital	173.8	153.8	135.3
Non-current assets	219.0	147.4	153.4
Cash and cash equivalents	44.0	40.1	113.9
Capital employed	436.9	341.2	402.6

Return on capital employed

SEK million	Jun 2019	Jun 2018	Dec 2018
Operating profit/loss — LTM	151.0	49.1	127.6
Capital employed (average)	389.0	335.5	337.0
Return on capital employed, %	38.8	14.6	37.9

Equity/assets ratio

SEK million	30 Jun 2019	30 Jun 2018	31 Dec 2018
Equity	285.5	233.4	296.6
Total	285.5	233.4	296.6
Total assets	792.7	644.2	722.5
Equity/assets ratio, %	36.0	36.2	41.0

Net debt

SEK million	30 Jun 2019	30 Jun 2018	31 Dec 2018
Interest-bearing liabilities	148.5	104.4	103.2
Cash and cash equivalents	-44.0	-40.1	-113.9
Total net debt	104.5	64.3	-10.8
Adjusted EBITDA LTM	163.5	112.9	148.1
Net debt / Adjusted EBITDA	0.6	0.6	-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 of the period in relation to 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