

## Interim report January–March 2020

### JANUARY–MARCH 2020

- > Net sales increased by 8% to SEK 483.1 million (445.9). The increase is primarily a result of the acquisition of Flatfield. In USD, net sales increased 3%.
- > Order intake increased 27% to SEK 563.4 million (442.1). Approximately one third is from acquisitions. In USD, order intake increased 21%.
- > EBITA decreased to SEK 37.9 million (40.6), representing an EBITA margin of 7.8% (9.1). SEK 5.8 million was charged to EBITA relating to transaction costs for Flatfield. Excluding transaction costs, EBITA amounted to SEK 43.7 million, corresponding to an EBITA margin of 9.0%.
- > Operating profit was SEK 37.0 million (39.4). Operating margin was 7.7% (8.8).
- > Profit after tax amounted to SEK 40.4 million (34.7).
- > Earnings per share was SEK 2.40 (2.06).

### SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > On 12 March, 100% of the shares were acquired in Flatfield Group in Tiel, the Netherlands. In conjunction with the acquisition, a new bank loan of SEK 132.5 million was raised and the overdraft facility was extended by SEK 50 million.
- > On 3 April, it was announced that Peter Kruk had been chosen to replace Hans Ståhl as President and CEO. Peter Kruk will take up his new duties by the beginning of October at the latest.
- > On 8 April, the preliminary earnings for the first quarter were published and the Board of Directors withdrew its proposal for a dividend. The Annual General Meeting was postponed until 5 June 2020.
- > On 24 April, 100% of shares were acquired in Bare Board Group in Largo, USA. In conjunction with the acquisition, an additional bank loan of SEK 132.5 million was raised and the overdraft facility was extended by another SEK 50 million.
- > On 24 April, the completion of a directed share issue was announced of 1,850,000 shares at SEK 155/share.
- > Following the acquisitions, share issue and additional credit facilities, NCAB's disposable cash and cash equivalents increased SEK 330 million to just over SEK 500 million.
- > The outbreak of coronavirus in China was at first a supply problem but as the pandemic spread throughout the world it became a demand problem. The impact on NCAB during the quarter was small, but the coming quarters will most probably be weaker.

### Key performance indicators

	Jan-Mar			Full-year	
	2020	2019	%	LTM	2019
Order intake, SEK million	563.4	442.1	27.4	1,939.7	1,818.3
Order intake, USD million	58.3	48.0	21.4	202.4	192.2
Net sales, SEK million	483.1	445.9	8.3	1,818.3	1,781.2
Net sales, USD million	50.0	48.8	2.5	190.3	189.1
Gross margin, %	31.1	31.5		31.6	31.7
EBITA, SEK million	37.9	40.6	-6.7	162.6	165.4
EBITA margin, %	7.8	9.1		8.9	9.3
Operating profit, SEK million	37.0	39.4	-6.1	159.3	161.7
Operating margin, %	7.7	8.8		8.8	9.1
Profit after tax, SEK million	40.4	34.7	16.5	134.1	128.4
Earnings per share, SEK	2.40	2.06	16.3	7.96	7.61
Cash flow from operating activities, SEK million	2.6	14.8	-82.6	140.8	153.0
Return on capital employed, %				26.9	41.6
Return on equity, %				36.8	39.8
USD/SEK - average	9.67	9.17		9.58	9.46
EUR/SEK - average	10.66	10.42		10.64	10.58

## MESSAGE FROM THE CEO

# We are looking to the future, despite challenging times

The quarter started with a strong January. The subsequent outbreak of coronavirus in China led to delivery problems, though these did not have substantial implications. Instead, many customers increased order volumes. At the end of March, our suppliers' factories in China were operating at about 80 per cent capacity and had restarted deliveries.

Demand for PCBs remained strong during the quarter in the Nordic region, the USA and Asia, but was weaker in Southern Europe. Total order intake for the first quarter amounted to SEK 563 million, a 27 per cent improvement on the preceding year. One third of the increase was attributable to the acquisition of Flatfield in the Netherlands. Other improvements are largely because many customers have placed orders earlier than previously, to cover for uncertainties surrounding the delivery capacity from China. This resulted in a larger backlog of orders spread over a longer period than normally.

Given the circumstances, the first quarter was stable for NCAB, which we reported in our preliminary earnings on 8 April. Net sales amounted to SEK 483 million, which is an 8 per cent improvement year-on-year. This increase comes from acquisitions.

Both gross margins and EBITA margins are stable. Earnings in the form of EBITA adjusted for acquisition costs have even risen by 8 per cent to SEK 43.7 million.

We are pleased to have completed two acquisitions during the first few months of 2020: Flatfield in the Netherlands in March and Bare Board Group (BBG) in the USA in April. Flatfield was consolidated on 1 March and BBG on 1 May. It is important to conduct these acquisitions and to continue growing, particularly in times such as these when we can clearly increase our added value for customers and suppliers. Except for new customers these acquisitions also makes our buying leverage stronger and we also get new suppliers in Taiwan. We are also proud of the successful completion of the directed share issue of SEK 287 million before issuance costs to several long-term institutional investors. We also increased our credit facilities, and after these measures had available liquidity of just over SEK 500 million after the end of the quarter. This gives us a strong financial position and greater financial flexibility. In exception times such as these, it means we will be able to grasp business opportunities that arise in the market and act swiftly. Such business opportunities may be acquisitions and investments in customer relationships. We will remain disciplined in our investments and use the financial flexibility within the framework of our existing business model.

Demand for PCBs remains favorable. However, there are substantial differences between sectors. Our customers who supply the automotive industry have noted a clear slowdown while the MedTech industry has seen a sharp increase in demand. There is naturally a significant degree of uncertainty given the general slowdown in the global economy during this pandemic. The next quarters will most probably be weaker, and we have therefore begun to implement cost-cutting measures.

Our business model, entailing that we do not own factories, is a winning concept, particularly in times such as these.

**Hans Ståhl**  
CEO and President, NCAB Group AB

”It is important to conduct acquisitions and to continue growing, in times such as these”



## Q1 2020

<b>8%</b>	<b>483.1</b>	<b>37.9</b>	<b>7.8%</b>
Sales growth	Net sales, SEK million	EBITA, SEK million	EBITA margin
NCAB Group AB (publ)   Interim Report January–March 2020			

## ABOUT NCAB

# A leading supplier of PCBs

NCAB is one of the world's leading suppliers of printed circuit boards with some 1,950 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.

**1,950**  
CUSTOMERS



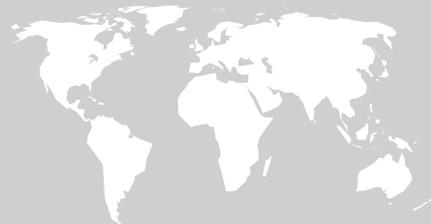
**17**  
COUNTRIES WITH  
LOCAL PRESENCE



**23**  
MANUFACTURERS



**45**  
MARKETS



**452**  
SPECIALISTS



**137**  
MILLION PCBs  
MANUFACTURED PER YEAR



## GROUP PERFORMANCE JANUARY–MARCH 2020

### ORDER INTAKE

Order intake rose 27 per cent during the quarter and 21 per cent in USD. Approximately one third related to the acquisition of Flatfield in the Netherlands. The remainder of the increase in order intake was mainly due to customers placing orders earlier than normal to ensure delivery after the production disruptions in the Chinese factories caused by the outbreak of COVID-19 and closed factories in China.

### NET SALES

Net sales in the quarter increased 8 per cent to SEK 483.1 million (445.9), with growth in USD at about 3 per cent. Excluding acquired sales (Multiprint, Altus PCB and Flatfield), net sales were about 1 per cent lower year-on-year. The standstill in production in China resulted in delivery delays, which in turn had an adverse impact on net sales, even if the effect was not substantial. Net sales in *Nordic* remained unchanged year-on-year, while *Europe* grew, largely as a result of the acquisition of Flatfield, which was consolidated on 1 March. Net sales in *North America* increased by 16 per cent during the quarter due to the acquisition of Altus PCB and as the import tariffs from 2020 are recognized as net sales. *East* was the segment most affected by the outbreak of COVID-19, with a decline in sales in China, though a recovery was noted in March.

### EARNINGS

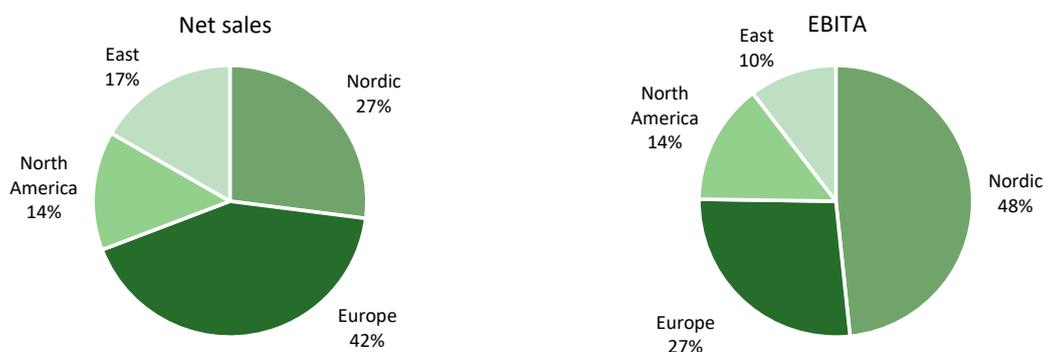
EBITA was SEK 37.9 million (40.6) and EBITA margin decreased to 7.8 per cent (9.1). SEK 5.8 million was charged to EBITA relating to transaction costs for the acquisition of Flatfield. Excluding transaction costs, EBITA amounted to SEK 43.7 million, an EBITA margin of 9.0 per cent. Operating expenses were slightly higher compared with 2019, which is wholly attributable to the acquired companies. All segments, except for *East*, noted an improvement in earnings compared with the first quarter of 2019. Operating profit decreased to SEK 37.0 million (39.4) due to acquisition costs.

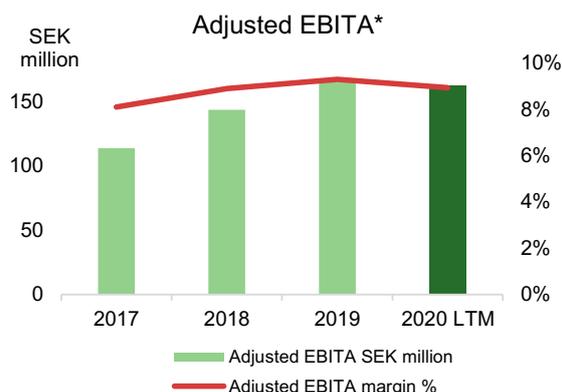
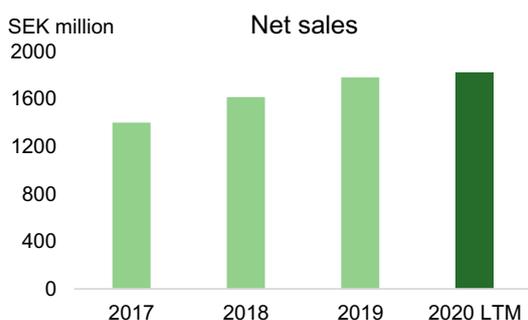
Net financial items amounted to SEK 13.4 million (3.7), where the improvement was due to positive foreign exchange differences of SEK 15.0 million (4.5). Tax amounted to SEK -9.9 million (-8.7). The average tax rate rose to 19.7 per cent (19.5). Profit after tax for the period totaled SEK 40.4 million (34.7). Earnings per share was SEK 2.40 (2.06).

### MEASURES TO COUNTERACT THE EFFECTS OF THE COVID-19 PANDEMIC

The situation is being actively monitored to adapt operating expenses to the prevailing market conditions. From April, subsidiaries in Italy, Spain and France will receive government subsidies as compensation for staff costs. Furloughing has taken place in the UK. In the USA, NCAB has applied and received payment of a loan as part of the “Paycheck protection program”. These loans will be written off during the autumn if they are used for staff and premise costs. Additional action programs and cost-cutting opportunities have been produced and can rapidly be activated as required.

### BREAKDOWN BY SEGMENT, JANUARY–MARCH 2020





\*) EBITA is adjusted for 2017 (tax dispute) and 2018 (IPO).

## 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 per order. The acquisition of Multiprint A/S, which was completed early in 2019, strengthened NCAB's position in the Danish market.

#### First quarter 2020

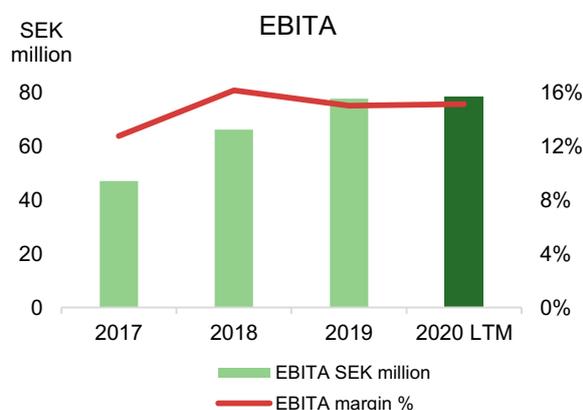
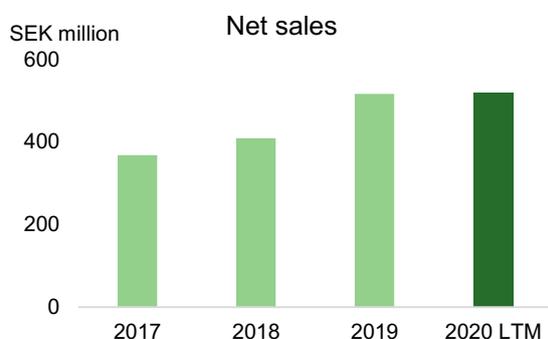
Order intake in the first quarter increased 37 per cent to SEK 159 million (116). All companies reported higher order intake, though some of the increase is due to many customers placing orders with longer lead times.



Net sales increased 1 per cent. Excluding the effects of Multiprint, which was acquired in March 2019, sales fell by 7 per cent. *Nordic* generally works with low stocks, which is why COVID-19 caused more delivery delays than for other segments and resulted in a decrease in net sales. Despite this, net sales increased to SEK 130.6 million (129.1). In USD, net sales decreased 4 per cent. The segment's gross and EBITA margins remained stable. EBITA increased to SEK 22.1 million (21.3) and EBITA margin amounted to 16.9 per cent (16.5).

### NORDIC SEK million

	Jan-Mar			Full-year	
	2020	2019	%	LTM	2019
Net sales	130.6	129.1	1.1	518.1	516.6
EBITA	22.1	21.3	3.5	78.7	77.9
EBITA margin, %	16.9	16.5		15.2	15.1

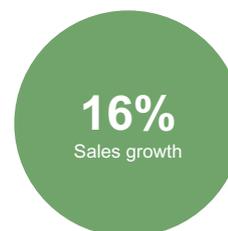


## EUROPE

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 new company was established in the Netherlands during the second quarter of 2019 and Flatfield in the Netherlands was acquired in March 2020. This new acquisition will strengthen NCAB in both Benelux and Germany.

### First quarter 2020

Order intake increased 21 per cent to SEK 226 million (187). The increase is mainly from Flatfield, which was consolidated from 1 March and from Germany, while Southern Europe and the UK reported a drop in order intake. NCAB's operations in the UK were largely impacted by a low level of activity among suppliers to the automotive industry. In mid-March, most countries in Europe entered lock-down.



Net sales in the first quarter increased 16 per cent to SEK 203.6 million (175.3). Excluding the acquisition of Flatfield, net sales amounted to SEK 179.8 million, an increase of 3 per cent. In USD, net sales increased 9 per cent. During the quarter, sales in Spain and Italy declined, while other countries noted slight growth or ended at the same level as the preceding year.

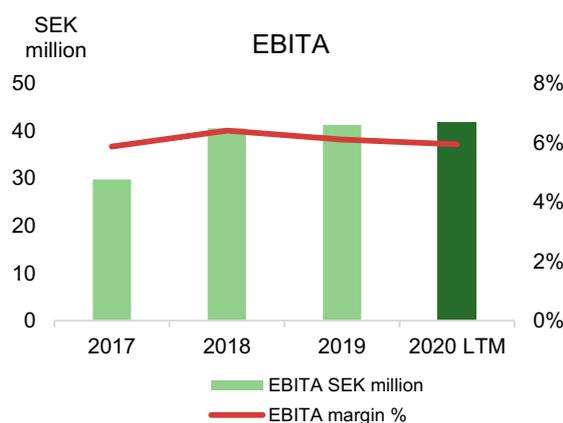
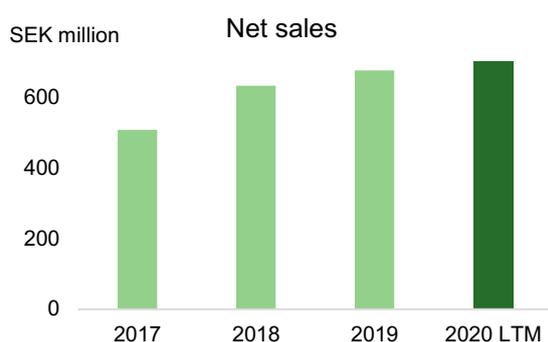
A stable gross margin meant EBITA increased to SEK 12.3 million (11.6), while the EBITA margin fell to 6.0 per cent (6.6). These figures do not include the transaction costs of SEK 5.8 million for the acquisition of Flatfield that were recognized as central costs.

Flatfield's net sales in 2019 were about SEK 300 million, evenly distributed between Benelux and Germany. Together, NCAB's market presence and purchasing power are strengthened. Flatfield's 15 employees in China have been integrated into NCAB's Factory management team in China. The remaining 35 employees are mainly in the Netherlands.

## EUROPE

### SEK million

	Jan-Mar			Full-year	
	2020	2019	%	LTM	2019
Net sales	203.6	175.3	16.1	703.3	675.0
EBITA	12.3	11.6	5.3	41.9	41.2
EBITA margin, %	6.0	6.6		6.0	6.1

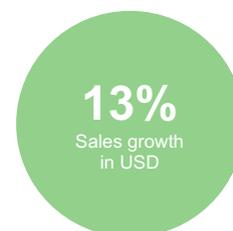


## NORTH AMERICA

NCAB established a presence in the USA in 2012 and has five offices throughout the country. Altus PCB, with offices in New Jersey, was acquired in November 2019 and an additional acquisition took place in April, of Bare Board Group (BBG) with offices in Florida. The acquisitions of Altus PCB and BBG have doubled net sales in the USA.

### First quarter 2020

Order intake increased 40 per cent to SEK 81 million (58), of which Altus PCB accounted for 9 per cent of the increase. The positive trend from the end of 2019 has continued, even if many customers placed orders with longer delivery times. However, in April many parts of the USA economy were closed down.



Net sales for the segment increased 19 per cent to SEK 68.4 million (57.6). Import tariffs on PCBs are from 2020 recognized in net sales. Altus PCB accounted for two thirds of the increase and the remainder was from import tariffs. In USD, the increase was 13 per cent, 8 per cent excluding import tariffs.

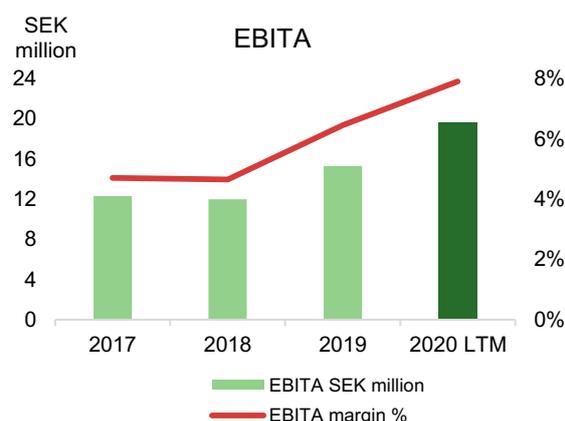
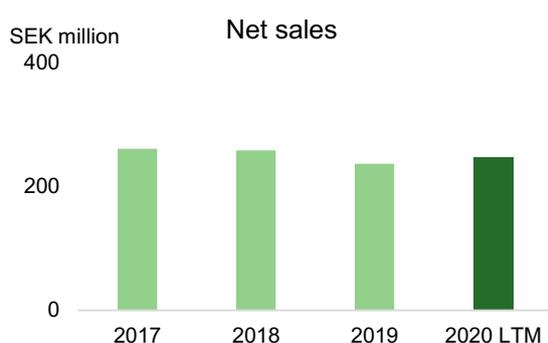
Gross margin remained high and stable and – together with the positive earnings impact of the merger with Altus PCB – this contributed to improved EBITA. EBITA increased to SEK 6.6 million (2.3) and EBITA margin grew to 9.6 per cent (4.0).

Bare Board Group will strengthen NCAB's position in the USA. In 2019, BBG's net sales were about SEK 280 million with a slightly lower EBITA margin than that of NCAB USA in recent quarters. BBG conducts a large share of its purchases in Taiwan, which expands NCAB's supplier base. No import tariffs are charged on PCBs from Taiwan to the USA.

## NORTH AMERICA

### SEK million

	Jan-Mar			Full-year	
	2020	2019	%	LTM	2019
Net sales	68.4	57.6	18.7	247.7	236.9
EBITA	6.6	2.3	187.5	19.6	15.3
EBITA margin, %	9.6	4.0		7.9	6.5



## 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.

### First quarter 2020

Order intake increased 20 per cent to SEK 98 million (81). The increase was primarily attributable to China.

Net sales decreased in the first quarter to SEK 80.5 million (83.9). Russia reported growth while net sales fell sharply in China, particularly in February due to the country's lock-down. However, in March customers restarted operations and net sales rose. In USD, net sales for the segment decreased 9 per cent.

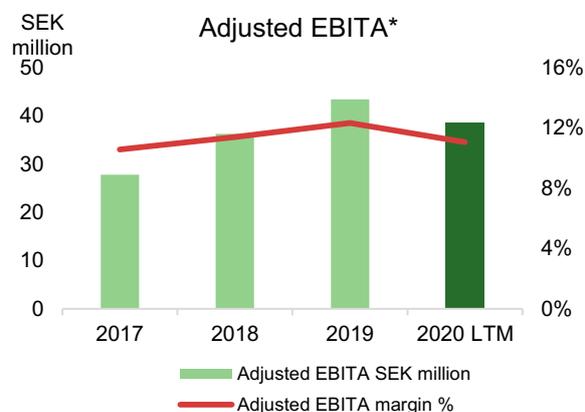
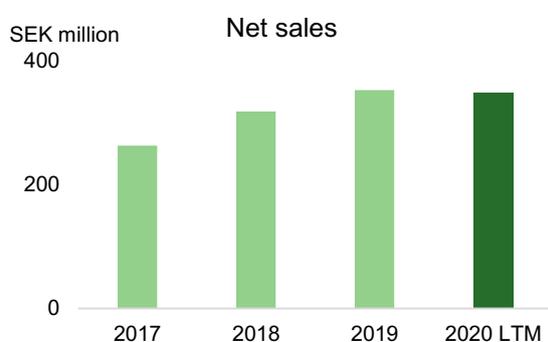


EBITA for the segment weakened during the quarter, partly as a result of lower net sales in China, but mainly due to the sharp decline in the ruble exchange rate, which yielded a negative exchange rate difference when translating operating receivables and operating liabilities of SEK 3.4 million. EBITA amounted to SEK 4.7 million (9.6) and EBITA margin decreased to 5.9 per cent (11.4).

## EAST

### SEK million

	Jan-Mar			Full-year	
	2020	2019	%	LTM	2019
Net sales	80.5	83.9	-4.1	349.2	352.6
EBITA	4.7	9.6	-50.7	38.6	43.5
EBITA margin, %	5.9	11.4		11.1	12.3



## FINANCIAL POSITION

### CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the quarter was SEK 2.6 million (14.8). Tax payments between the quarters rose by SEK 9.0 million. Cash flow for comparable units was positively affected by the decrease in inventory due to COVID-19, but negatively impacted by the decline in trade payables resulting from the standstill in production in China. Tied-up working capital was slightly higher year-on-year mainly due to Flatfield, which had higher capital employed than NCAB. Trade receivables days remain at normal levels. Great emphasis is placed on monitoring customer payments to minimize the risk of bad debt losses. NCAB has credit insurance that covers most of the trade receivables outstanding. Cash flow from investing activities was SEK -184.8 million (-45.2) during the quarter. Non-acquisition-related investments totaled SEK -1.3 million (-0.5) during the quarter.

### LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 233.5 million (49.5). The increase is due to the acquisitions of Altus PCB and Flatfield. At 31 March, the equity/assets ratio was 35.6 per cent (41.8) and equity was SEK 399.0 million (338.3). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 184.0 million \*) (184.9).

During the quarter, NCAB received a new loan of SEK 132.5 million that is being repaid in quarterly instalments of SEK 6.6 million. The loan matures in 2025. The company already 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. In addition to the loan, there is an overdraft facility of SEK 165 million. The overdraft facility was increased by SEK 50 million during the quarter. At the balance sheet date of 31 March 2020, the company was in compliance with all covenants under the financing agreement.

\*)Following the acquisitions, share issue and additional credit, NCAB's available liquidity, including unutilized overdraft facilities, increased SEK 330 million to just over SEK 500 million after the end of the quarter.

## Other

### SIGNIFICANT RISKS AND UNCERTAINTIES

Through its operations, the Group is exposed to risks of both 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 2019 Annual Report for a more detailed description of the Group's risk exposure and risk management. The outbreak of Covid-19 realizes the risks as *demand* since many markets are closed down, *capacity* in relation to the closedown of NCABs' suppliers' factories in China and *the dependence* on China which is described in the annual report.

### SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

Flatfield Group, based in Tiel, the Netherlands, was acquired on 12 March. Flatfield reported sales of approximately SEK 300 million in 2019, evenly distributed between Benelux and Germany. The company has about 50 employees in the Netherlands, Germany and China. The acquisition was partly financed with loans. In conjunction with the acquisition, a new bank loan of SEK 132.5 million was raised and the overdraft facility was extended by SEK 50 million.

Peter Kruk was appointed to replace Hans Ståhl as CEO and will take up his new duties by the beginning of October at the latest.

On 8 April, the preliminary earnings for the first quarter were published and the Board of Directors withdrew its proposal for a dividend. The Annual General Meeting was postponed until 5 June 2020.

Bare Board Group, based in Largo, Florida, USA, was acquired on 24 April. Bare Board Group reported sales of about SEK 280 million in 2019 and has 30 employees in the USA, Canada and Taiwan. The acquisition was financed through own funds and loans.

In conjunction with the acquisition, a new bank loan of SEK 132.5 million was raised and the overdraft facility was extended by another SEK 50 million.

On 24 April, the company completed a directed share issue of 1.85 million shares at SEK 155/share, which raised approximately SEK 287 million before issuance costs. The issue was fully subscribed by a number of Swedish and international institution investors.

Following the acquisitions, share issue and additional credit, NCAB's disposable cash and cash equivalents, including unutilized overdraft facilities, increased SEK 330 million to just over SEK 500 million after the end of the quarter.

The outbreak of coronavirus in China was at first identified as a supply problem but as the pandemic spread throughout the world it became a demand problem. The impact on NCAB during the first quarter was not substantial, but the coming quarters will most probably be weaker because of decreasing demand.

#### **RELATED-PARTY TRANSACTIONS**

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

#### **ORGANISATION**

At 31 March 2020, the number of employees was 452 (378), of whom 189 (177) were women and 263 (201) were men. The average number of employees in the organization during the period was 424 (373)

#### **PARENT COMPANY**

The Parent Company's net sales for the first quarter were SEK 14.1 million (14.7). Sales consist exclusively of internal billing. Loss after financial items was SEK -27.5 million (-9.9). The weaker earnings were due to foreign exchange losses on intra-Group loans.

#### **DECLARATION OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER**

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

Bromma, 7 May 2020

---

**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 8 4030 0051  
Gunilla Öhman, IR Manager, +46 70 763 81 25

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

## NCAB Group AB (publ)

Tel: +46 (0)8 4030 0000  
Mariehällsvägen 37 A, SE-168 65 Bromma, Sweden  
[www.ncabgroup.com](http://www.ncabgroup.com)

NCAB will hold a web-cast telephone conference on 8 May 2020 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: +46850558352, the UK: +443333009030 and the USA: +18335268395. The presentation and conference can also be followed from the following link: <https://tv.streamfabriken.com/ncab-group-q1-2020>.

## FINANCIAL CALENDAR

Annual General Meeting	5 June 2020, 1:00 p.m.
Interim report second quarter	24 July 2020
Interim report third quarter	10 November 2020
Year-end report 2020	23 February 2021

## 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 characterized 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 2019 amounted to SEK 1,781 million. Organic growth and acquisitions are part of NCAB's strategy. For more information about NCAB Group, please visit us at [www.ncabgroup.com](http://www.ncabgroup.com).

# Group

## CONSOLIDATED INCOME STATEMENT

SEK million	Jan-Mar		LTM	Jan-Dec
	2020	2019		2019
<b>Operating revenue</b>				
Net sales	483.1	445.9	1,818.3	1,781.2
Other operating income	0.1	1.5	7.8	9.2
<b>Total</b>	<b>483.1</b>	<b>447.4</b>	<b>1,826.1</b>	<b>1,790.3</b>
Raw materials and consumables	-332.8	-307.0	-1,251.3	-1,225.4
Other external expenses	-26.3	-27.8	-106.1	-107.5
Staff costs	-75.9	-68.3	-282.3	-274.7
intangible assets	-5.4	-4.5	-19.1	-18.2
Other operating expenses	-5.8	-0.6	-8.0	-2.8
<b>Total operating expenses</b>	<b>-446.2</b>	<b>-408.0</b>	<b>-1,666.8</b>	<b>-1,628.6</b>
<b>Operating profit</b>	<b>37.0</b>	<b>39.4</b>	<b>159.3</b>	<b>161.7</b>
Net financial income/expense	13.4	3.7	8.8	-0.9
<b>Profit before tax</b>	<b>50.3</b>	<b>43.1</b>	<b>168.1</b>	<b>160.9</b>
Income tax	-9.9	-8.4	-34.0	-32.5
<b>Profit for the period</b>	<b>40.4</b>	<b>34.7</b>	<b>134.1</b>	<b>128.4</b>
<b>Profit attributable to:</b>				
Shareholders of the Parent Company	40.4	34.6	134.0	128.3
Non-controlling interests	0.1	0.1	0.1	0.1
Average number of ordinary shares	16,847,124	16,847,124	16,847,124	16,847,124
Earnings per share	2.40	2.06	7.96	7.61

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jan-Mar		LTM	Jan-Dec
	2020	2019		2019
<b>Profit for the period</b>	<b>40.4</b>	<b>34.7</b>	<b>134.1</b>	<b>128.4</b>
<b>Other comprehensive income, items that can subsequently be reclassified to profit or loss:</b>				
Foreign exchange differences	1.3	4.2	-3.8	-1.0
<b>Total comprehensive income</b>	<b>41.7</b>	<b>38.9</b>	<b>130.3</b>	<b>127.4</b>
<b>Profit attributable to:</b>				
Shareholders of the Parent Company	41.7	38.8	130.2	127.3
Non-controlling interests	0.1	0.1	0.1	0.1

## CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	31 Mar 2020	31 Mar 2019	31 Dec 2019
<b>Non-current assets</b>			
Goodwill	314.8	159.6	206.3
Other intangible assets	50.2	9.0	16.8
Leasehold improvement costs	2.9	1.5	2.8
Right-of-use Office and Cars	36.8	28.5	33.5
Plant and equipment	6.3	5.4	4.1
Financial assets	3.8	4.2	4.0
Deferred tax assets	7.2	6.4	7.7
<b>Total non-current assets</b>	<b>422.0</b>	<b>214.7</b>	<b>275.2</b>
<b>Current assets</b>			
Inventories	150.6	108.6	148.8
Trade receivables	406.3	370.7	320.0
Other current receivables	23.2	16.1	17.9
Prepaid expenses and accrued income	30.8	19.7	29.0
Cash and cash equivalents	92.8	78.5	82.2
<b>Total current assets</b>	<b>703.7</b>	<b>593.7</b>	<b>598.0</b>
<b>TOTAL ASSETS</b>	<b>1,125.7</b>	<b>808.4</b>	<b>873.1</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Parent Company</b>			
Share capital	1.7	1.7	1.7
Additional paid-in capital	201.6	201.6	201.6
Reserves	-2.8	3.8	-4.1
Retained earnings	189.1	130.9	148.7
Non-controlling interests	0.3	0.3	0.2
<b>Total equity</b>	<b>389.9</b>	<b>338.3</b>	<b>348.1</b>
<b>Non-current liabilities</b>			
Borrowings	178.5	82.5	75.0
Leased liabilities	25.4	28.7	22.7
Deferred tax	14.9	2.9	8.1
<b>Total non-current liabilities</b>	<b>218.8</b>	<b>114.1</b>	<b>105.8</b>
<b>Current liabilities</b>			
Current liabilities	112.9	16.8	17.9
Current Leased liabilities	12.1	-	11.4
Trade payables	243.1	249.7	252.5
Current right-of-use liabilities	26.0	14.5	29.4
Other current liabilities	46.9	39.3	26.9
Accrued expenses and deferred income	76.2	35.7	81.2
<b>Total current liabilities</b>	<b>517.1</b>	<b>356.0</b>	<b>419.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,125.7</b>	<b>808.4</b>	<b>873.1</b>

## 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 Jan 2019	1.7	201.6	-3.2	96.2	296.4	0.2	296.6
Profit for the period				34.6	34.6	0.1	34.7
Other comprehensive income for the period	-	-	4.2	-	4.2	-	4.2
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>4.2</b>	<b>34.6</b>	<b>38.8</b>	<b>0.1</b>	<b>38.9</b>
<b>Total transactions with shareholders, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 Mar 2019</b>	<b>1.7</b>	<b>201.6</b>	<b>1.0</b>	<b>130.9</b>	<b>335.2</b>	<b>0.3</b>	<b>335.5</b>

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 Jan 2020	1.7	201.6	-4.1	148.7	347.9	0.2	348.1
Profit for the period				40.4	40.4	0.1	40.4
Other comprehensive income for the period	-	-	1.3	-	1.3	-	1.3
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1.3</b>	<b>40.4</b>	<b>41.7</b>	<b>0.1</b>	<b>41.7</b>
<b>Total transactions with shareholders, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 Mar 2020</b>	<b>1.7</b>	<b>201.6</b>	<b>-2.8</b>	<b>189.1</b>	<b>389.6</b>	<b>0.3</b>	<b>389.9</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Jan-Mar		Jan-Dec	
	2020	2019	LTM	2019
<b>Cash flow from operating activities</b>				
Profit before net financial income/expense	37.0	39.4	159.3	161.7
Adjustment for non-cash items	16.9	12.3	18.5	13.9
Interest received	0.0	0.2	0.9	1.2
Interest paid	-2.2	-0.8	-6.8	-5.4
Income taxes paid	-14.3	-5.3	-26.3	-17.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>37.4</b>	<b>45.9</b>	<b>145.7</b>	<b>154.2</b>
Change in inventories	40.8	13.6	1.5	-25.6
Change in current receivables	-47.5	-45.8	6.4	8.1
Change in current operating liabilities	-28.1	1.1	-12.8	16.5
<b>Total changes in working capital</b>	<b>-34.9</b>	<b>-31.1</b>	<b>-4.9</b>	<b>-1.1</b>
<b>Cash flow from operating activities</b>	<b>2.6</b>	<b>14.8</b>	<b>140.8</b>	<b>153.0</b>
<b>Cash flow from investing activities</b>				
Investments in property, plant and equipment	-0.7	-0.3	-4.8	-4.3
Investments in intangible assets	-0.4	-	-2.9	-2.5
Investments in subsidiaries	-183.5	-44.7	-225.5	-86.7
Investments in financial assets	-0.1	-0.2	-0.5	-0.6
<b>Cash flow from investing activities</b>	<b>-184.8</b>	<b>-45.2</b>	<b>-233.6</b>	<b>-94.0</b>
<b>Cash flow from financing activities</b>				
Change in overdraft facility	64.6	-1.5	66.4	0.4
Borrowings	132.5	-	132.5	-
Repayment of loans	-2.5	-2.5	-10.0	-10.0
Repayment of leased liabilities	-3.5	-2.1	-12.7	-11.3
Dividend	-	-	-75.8	-75.8
<b>Cash flow from financing activities</b>	<b>191.1</b>	<b>-6.1</b>	<b>100.4</b>	<b>-96.8</b>
<b>Decrease/increase in cash and cash equivalents</b>				
Cash flow for the period	8.9	-36.5	7.5	-37.8
Foreign exchange difference in cash and cash equivalents	1.7	1.1	6.8	6.1
Cash and cash equivalents at beginning of period	82.2	113.9	78.5	113.9
<b>Cash and cash equivalents at end of period</b>	<b>92.8</b>	<b>78.5</b>	<b>92.8</b>	<b>82.2</b>

# Parent Company

## PARENT COMPANY INCOME STATEMENT

SEK million	Jan-Mar		Jan-Dec
	2020	2019	2019
<b>Operating revenue</b>			
Net sales	14.1	14.7	55.9
<b>Total</b>	<b>14.1</b>	<b>14.7</b>	<b>55.9</b>
Other external expenses	-8.4	-9.5	-33.7
Staff costs	-7.2	-7.3	-27.6
Depreciation of property, plant and equipment,	-0.1	-0.2	-0.4
Other operating expenses	-5.8	-0.6	-0.6
<b>Total operating expenses</b>	<b>-21.4</b>	<b>-17.6</b>	<b>-62.3</b>
<b>Operating loss</b>	<b>-7.3</b>	<b>-2.9</b>	<b>-6.4</b>
Income from investments in Group companies	-	-	22.5
Other interest income and similar income	3.9	4.2	20.5
Interest expense and similar charges	-24.0	-11.2	-27.7
<b>Net financial income/expense</b>	<b>-20.2</b>	<b>-7.0</b>	<b>15.2</b>
<b>Profit before tax</b>	<b>-27.5</b>	<b>-9.9</b>	<b>8.8</b>
Appropriations	-	-	14.0
Tax on profit for the period	-	-	-0.2
<b>Profit for the period</b>	<b>-27.5</b>	<b>-9.9</b>	<b>22.6</b>

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	31 Mar 2020	31 Mar 2019	31 Dec 2019
<b>Non-current assets</b>			
Capitalised development costs	1.4	0.0	1.3
Plant and equipment	0.1	0.1	0.1
Non-current financial assets	332.0	267.3	267.1
<b>Total non-current assets</b>	<b>333.5</b>	<b>267.4</b>	<b>268.5</b>
<b>Current assets</b>			
Trade receivables	2.4	1.6	2.2
Receivables from Group companies	292.5	120.0	131.1
Other current receivables	3.7	0.4	0.4
Prepaid expenses and accrued income	2.6	3.6	4.1
Cash and cash equivalents	0.1	38.2	6.8
<b>Total current assets</b>	<b>301.3</b>	<b>163.9</b>	<b>144.6</b>
<b>TOTAL ASSETS</b>	<b>634.8</b>	<b>431.3</b>	<b>413.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital (16,847,124 shares)	1.7	1.7	1.7
<b>Non-restricted equity</b>			
Share premium account	201.6	201.6	201.6
Retained earnings	-42.2	11.1	-64.8
Profit/ loss for the period	-27.5	-9.9	22.6
<b>Total equity</b>	<b>133.6</b>	<b>204.5</b>	<b>161.1</b>
Untaxed reserves	8.8	8.8	8.8
<b>Non-current liabilities</b>			
Liabilities to credit institutions	181.0	82.5	75.0
<b>Total non-current liabilities</b>	<b>181.0</b>	<b>82.5</b>	<b>75.0</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	101.7	10.0	10.0
Trade payables	4.8	2.6	3.2
Overdraft facility	-	-	-
Liabilities to Group companies	194.0	103.7	145.6
Current tax liabilities	-	0.2	-
Other current liabilities	3.5	9.4	2.1
Accrued expenses and deferred income	7.4	9.6	7.4
<b>Total current liabilities</b>	<b>311.5</b>	<b>135.5</b>	<b>168.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>634.8</b>	<b>431.3</b>	<b>413.2</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 January 2019	1.7	201.6	11.0	214.3
Loss for the year	-	-	-9.9	-9.9
<b>Total comprehensive income</b>	-	-	<b>-9.9</b>	<b>-9.9</b>
<b>Total transactions with shareholders, recognised directly in equity</b>	-	-	-	-
<b>31 Mar 2019</b>	<b>1.7</b>	<b>201.6</b>	<b>1.1</b>	<b>204.4</b>

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 January 2020	1.7	201.6	-42.2	161.1
Loss for the year	-	-	-27.5	-27.5
<b>Total comprehensive income</b>	-	-	<b>-27.5</b>	<b>-27.5</b>
<b>Total transactions with shareholders, recognised directly in equity</b>	-	-	-	-
<b>31 Mar 2020</b>	<b>1.7</b>	<b>201.6</b>	<b>-69.7</b>	<b>133.6</b>

# 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 2019 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 2019, 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 1-27 is an integral part of this financial report.

### Significant estimates and judgements

For information on significant estimates and judgements made by management in preparing the consolidated financial statements, see Note 2 of the annual report for 2019.

## Note 2 Information on financial assets and liabilities

For more information on financial assets and liabilities, see the 2019 Annual Report, Note 2. All of the Group's financial assets and liabilities are measured at amortized 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 recognized in the category "Financial assets measured at amortized cost". All financial liabilities are recognized 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. specialized 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. specialized 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. specialized 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. specialized 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, January–March 2020

Quarter SEK million	Nordic		Europe		North America		East		Central functions		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales	130.6	129.1	203.6	175.3	68.4	57.6	80.5	83.9	-	-0.0	483.1	445.9
<b>EBITA</b>	<b>22.1</b>	<b>21.3</b>	<b>12.3</b>	<b>11.6</b>	<b>6.6</b>	<b>2.3</b>	<b>4.7</b>	<b>9.6</b>	<b>-7.7</b>	<b>-4.2</b>	<b>37.9</b>	<b>40.6</b>
EBITA margin, %	16.9	16.5	6.0	6.6	9.6	4.0	5.9	11.4			7.8	9.1
Amortis. intangible assets											-0.9	-1.2
<b>Operating profit</b>											<b>37.0</b>	<b>39.4</b>
Operating margin, %											7.7	8.8
Net financial expense											13.4	3.7
Profit before tax											50.4	43.1
Net working capital	27.4	61.4	150.3	80.3	9.8	22.6	32.7	26.9	-1.6	-15.2	218.7	176.0

## Net sales and earnings of segments, LTM

LTM	Nordic		Europe		North America		East		Central functions		Group	
	2020 LTM	2019	2020 LTM	2019	2020 LTM	2019	2020 LTM	2019	2020 LTM	2019	2020 LTM	2019
<b>SEK million</b>												
Net sales	518.1	516.6	703.3	675.0	247.7	236.9	349.2	352.6	0.2	0.1	1,818.3	1,781.2
<b>EBITA</b>	<b>78.7</b>	<b>77.9</b>	<b>41.9</b>	<b>41.2</b>	<b>19.6</b>	<b>15.3</b>	<b>38.6</b>	<b>43.5</b>	<b>-16.1</b>	<b>-12.6</b>	<b>162.6</b>	<b>165.4</b>
EBITA margin, %	15.2	15.1	6.0	6.1	7.9	6.5	11.1	12.3			8.9	9.3
Amortis. intangible assets											-3.3	-3.6
<b>Operating profit</b>											<b>159.3</b>	<b>161.7</b>
Operating margin, %											8.8	9.1
Net financial expense											8.8	-0.9
Profit before tax											168.1	160.9
Net working capital	<b>27.4</b>	<b>30.4</b>	<b>150.3</b>	<b>66.2</b>	<b>9.8</b>	<b>2.6</b>	<b>32.7</b>	<b>30.7</b>	<b>-1.6</b>	<b>-4.1</b>	<b>218.7</b>	<b>125.8</b>
Fixed assets	4.9	5.6	19.3	13.1	8.8	8.9	1.2	1.1	11.8	11.7	46.1	40.5
Intangible assets	57.7	74.7	50.6	0.0	201.5	135.9	2.3	0.5	52.8	11.8	365.0	223.0

## Note 5

### Quarterly summary

	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18
Order intake, SEK million	563.4	479.7	446.6	450.0	442.1	474.7	411.2	409.6
Order intake, USD million	58.3	49.9	46.7	47.8	48.0	52.5	45.9	47.2
Net sales, SEK million	483.1	422.4	439.8	473.1	445.9	406.7	420.1	415.8
SEK annual growth, %	8.3	3.9	4.7	13.8	19.1	24.3	22.6	10.5
Net sales, USD million	50.0	45.1	45.2	50.0	48.8	45.1	46.7	48.0
USD annual growth, %	2.5	0.0	-3.3	4.1	5.6	13.7	12.0	12.8
Gross margin, %	31.1	32.4	32.2	30.9	31.5	32.7	31.4	30.6
EBITA, SEK million	37.9	41.2	46.3	37.3	40.6	36.0	42.2	22.8
Adjusted EBITA, SEK million	37.9	41.2	46.3	37.3	40.6	36.0	42.2	32.0
Adjusted EBITA margin, %	7.8	9.7	10.5	7.9	9.1	8.9	10.1	7.7
Operating profit/loss, SEK million	37.0	40.7	45.9	35.7	39.4	34.9	41.0	21.7
Total assets, SEK million	1,125.7	873.1	827.9	792.7	808.4	722.5	672.2	644.2
Cash flow from operating activities, SEK million	2.6	44.9	57.8	35.5	14.8	41.0	38.4	11.5
Equity/assets ratio, %	34.6	39.9	39.4	36.0	41.8	41.0	39.2	36.2
Number of employees	452	395	403	398	388	378	367	366
Average exchange rate, SEK/USD	9.67	9.61	9.59	9.44	9.17	9.04	8.95	8.67
Average exchange rate, SEK/EUR	10.66	10.64	10.66	10.62	10.42	10.33	10.41	10.33

## Note 6 Acquisitions

### Flatfield Group

On 12 March 2020, an agreement was signed to acquire 100 per cent of the shares in IPCS B.V., the Parent Company of the Flatfield Group, based in Tiel, the Netherlands. Operating profit together with assets and liabilities associated with the acquired company were consolidated on 1 March 2020. Goodwill of SEK 58.0 million arose in conjunction with the acquisition. Flatfield Group contributed SEK 23.7 million in net sales and SEK 0.8 million in EBITA in the period between 1 March and 31 March 2020. Transaction costs of SEK 5.8 million related to the acquisition of Flatfield Group were expensed in the first quarter as central costs.

#### Purchase consideration, 12 March 2020

Cash and cash equivalents	64,752
<b>Total purchase consideration</b>	<b>64,752</b>
<b>Acquired assets and assumed liabilities</b>	
Non-current assets	51,449
Customer relationships	26,711
Other current assets	94,647
Loans	-126,552
Other operating liabilities	-33,751
Deferred tax	-5,716
<b>Total net assets</b>	<b>6,788</b>
Goodwill	57,964

Amounts reported in the table above are preliminary values.

If Flatfield Group had been consolidated on 1 January 2020, net sales for the full-year 2020 would have increased by SEK 45.5 million to SEK 528.6 million and EBITA by SEK 4.0 million to SEK 41.9 million.

### Bare Board Group

The 24 April 2020, 100 per cent of the shares in Bare Board Group, based in Largo, Florida in USA, were acquired. The Bare Board Group had net sales of SEK 280 million in 2019 and has 30 employees, whereof 10 in Taiwan. The majority of its PCBs are acquired by suppliers in Taiwan. NCAB paid an enterprise value of SEK 126 million which equals an EBITA multiple of about 7. The financing was done with debt. The operating result, assets and liabilities of the acquired company will be consolidated from 1 May 2020.

## 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 analyze 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	Jan-Mar		Jan-Dec	
	2020	2019	LTM	2019
Net sales	483.1	445.9	1,818.3	1,781.2
Other operating income	0.1	1.0	4.0	4.9
Cost of goods sold	-332.8	-307.0	-1,251.3	-1,225.4
Translation differences	-	0.5	3.8	4.3
<b>Total gross profit</b>	<b>150.3</b>	<b>140.4</b>	<b>574.8</b>	<b>564.9</b>
Gross margin, %	31.1	31.5	31.6	31.7

### EBITA

SEK million	Jan-Mar		Jan-Dec	
	2020	2019	LTM	2019
Operating profit	37.0	39.4	159.3	161.7
Amortisation and impairment of intangible assets	0.9	1.2	3.3	3.6
<b>EBITA</b>	<b>37.9</b>	<b>40.6</b>	<b>162.6</b>	<b>165.4</b>
EBITA margin, %	7.8	9.1	8.9	9.3

### EBITDA

SEK million	Jan-Mar		Jan-Dec	
	2020	2019	LTM	2019
Operating profit	37.0	39.4	159.3	161.7
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	5.4	4.5	19.1	18.2
<b>EBITDA</b>	<b>42.4</b>	<b>43.8</b>	<b>178.4</b>	<b>179.9</b>
EBITDA margin, %	8.8	9.8	9.8	10.1

### Return on equity

SEK million	Mar 2020	Mar 2019	Dec 2019
Profit for the period — LTM	134.1	118.2	128.4
Equity (average)	364.1	234.9	322.4
<b>Return on equity, %</b>	<b>36.8</b>	<b>50.3</b>	<b>39.8</b>

## Net working capital and capital employed

SEK million	31 Mar 2020	31 Mar 2019	31 Dec 2019
Inventories	150.6	108.6	148.8
Trade receivables	406.3	370.7	320.0
Other current receivables	23.2	16.1	17.9
Prepaid expenses and accrued income	30.8	19.7	29.0
Trade payables	-243.1	-249.7	-252.5
Current tax liabilities	-26.0	-14.5	-29.4
Other current liabilities	-46.9	-39.3	-26.9
Accrued expenses and deferred income	-76.2	-35.7	-81.2
<b>Net working capital</b>	<b>218.7</b>	<b>176.0</b>	<b>125.8</b>
Non-current assets	422.0	214.7	275.2
Prepaid expenses and accrued income	92.8	78.5	82.2
Deferred tax	-14.9	-2.9	-8.1
<b>Capital employed</b>	<b>718.7</b>	<b>466.3</b>	<b>475.1</b>

## Return on capital employed

SEK million	Mar 2020	Mar 2019	Dec 2019
Operating profit/loss — LTM	159.3	137.0	161.7
Capital employed (average)	592.5	467.7	438.8
<b>Return on capital employed, %</b>	<b>26.9</b>	<b>29.3</b>	<b>36.9</b>

## Equity/assets ratio

SEK million	31 Mar 2020	31 Mar 2019	31 Dec 2019
Equity	389.9	338.3	348.1
<b>Total</b>	<b>389.9</b>	<b>338.3</b>	<b>348.1</b>
Total assets	1,125.7	808.4	873.1
<b>Equity/assets ratio, %</b>	<b>34.6</b>	<b>41.8</b>	<b>39.9</b>

## Net debt

SEK million	31 Mar 2020	31 Mar 2019	31 Dec 2019
Interest-bearing liabilities	328.8	128.0	127.0
Cash and cash equivalents	-92.8	-78.5	-82.2
<b>Total net debt</b>	<b>236.0</b>	<b>49.5</b>	<b>44.8</b>
EBITDA LTM	178.4	157.4	179.9
<b>Net debt / EBITDA</b>	<b>1.3</b>	<b>0.3</b>	<b>0.2</b>

## Net debt adjusted for IFRS 16

SEK million	31 Mar 2020	31 Mar 2019	31 Dec 2019
Interest-bearing liabilities excl IFRS 16	291.4	99.3	92.9
Cash and cash equivalents	-92.8	-78.5	-82.2
<b>Total net debt excl IFRS16</b>	<b>198.5</b>	<b>20.8</b>	<b>10.7</b>
EBITDA LTM excl IFRS 16	166.0	155.0	168.6
<b>Net debt excl IFRS 16/ EBITDA excl IFRS 16</b>	<b>1.2</b>	<b>0.1</b>	<b>0.1</b>

<b>Alternative performance measure</b>	<b>Definition</b>	<b>Purpose</b>
Gross profit	Net sales less raw materials and consumables and for other operating income, which includes 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, amortization 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, amortization 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 amortization and impairment of goodwill and acquisition-related intangible assets	EBITDA provides an overall picture of operating earnings
Adjusted EBITA	Operating profit before amortization 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 amortization 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 analyze 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 analyze 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