

Interim report January–September 2020

JULY–SEPTEMBER 2020

- > Net sales increased by 22% to SEK 536.7 million (439.8). The increase is a result of the acquisitions of Flatfield and Bare Board Group. In USD, net sales increased 34%. Growth excluding acquisitions was -9%, but in line with the previous year when measured in USD.
- > Order intake increased 15% to SEK 512.3 million (446.6). In USD, order intake increased 24%. Order intake has gradually improved during the quarter.
- > EBITA increased to SEK 50.1 million (46.3), representing an EBITA margin of 9.3% (10.5).
- > Operating profit was SEK 47.2 million (45.9). Operating margin was 8.8% (10.4).
- > Profit after tax was SEK 31.5 million (38.5).
- > Earnings per share was SEK 1.68 (2.29).

JANUARY–SEPTEMBER 2020

- > Net sales increased by 18% to SEK 1,600.3 million (1,358.8). This increase is from acquisitions. Growth in USD was also 18%. Excluding the acquisitions, sales decreased 3%, both in SEK and USD.
- > Order intake increased 17% to SEK 1,562.0 million (1,338.6). In USD, order intake increased 16%.
- > EBITA increased to SEK 138.5 million (124.2), representing an EBITA margin of 8.7% (9.1). SEK 14.9 million was charged to EBITA relating to transaction costs for Flatfield and Bare Board Group. Excluding transaction costs, EBITA amounted to SEK 153.5 million, corresponding to an EBITA margin of 9.6%.
- > Operating profit was SEK 132.2 million (121.0). Operating margin was 8.3% (8.9).
- > Profit after tax was SEK 92.3 million (96.7).
- > Earnings per share was SEK 5.14 (5.74).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > On 1 October, Peter Kruk assumed the role of President and CEO.
- > The coronavirus pandemic negatively impacted order intake and net sales during the quarter and for the whole of 2020.

Key performance indicators

	Jul-Sep			Jan-Sep			Full-year	
	2020	2019	%	2020	2019	%	LTM	2019
Order intake, SEK million	512.3	446.6	15	1,562.0	1,338.6	17	2,041.7	1,818.3
Order intake, USD million	57.8	46.7	24	165.9	142.5	16	215.6	192.2
Net sales, SEK million	536.7	439.8	22	1,600.3	1,358.8	18	2,022.7	1,781.2
Net sales, USD million	60.3	45.2	34	170.3	144.0	18	215.4	189.1
Gross margin, %	29.3	32.2		29.9	31.5		30.4	31.7
EBITA, SEK million	50.1	46.3	8	138.5	124.2	12	179.7	165.4
EBITA margin, %	9.3	10.5		8.7	9.1		8.9	9.3
Operating profit, SEK million	47.2	45.9	3	132.2	121.0	9	173.0	161.7
Operating margin, %	8.8	10.4		8.3	8.9		8.6	9.1
Profit after tax, SEK million	31.5	38.5	-18	92.3	96.7	-5	124.0	128.4
Earnings per share, SEK	1.68	2.29	-26	5.14	5.74	-10	7.03	7.61
Cash flow from operating activities, SEK million	67.9	57.8	17	147.3	108.2	36	192.2	153.0
Return on capital employed, %				22.2	41.6		22.2	41.6
Return on equity, %				23.5	39.8		23.5	39.8
USD/SEK - average	8.87	9.59		9.40	9.40		9.46	9.46
EUR/SEK - average	10.36	10.66		10.56	10.57		10.58	10.58

MESSAGE FROM THE CEO

Continued growth - this year's acquisitions are performing well

It has now been just over one month since I assumed the role of CEO of NCAB. It is somewhat of a special situation to take over as CEO of a company at a time when there are limited possibilities to travel and meet with employees, customers and suppliers. Despite these difficulties, I already have a very positive image of NCAB. We have a strong corporate culture and take great responsibility locally, which is an effective approach in a situation such as this. A well-established way of collaborating digitally – both internally and with customers and suppliers – makes up for the difficulties of not being able to meet physically.

A return to normalisation for NCAB commenced during the third quarter after the very unique first half of the year. We reported an unusually large order intake during the first quarter due to customers wishing to secure deliveries when parts of China were closed down as a result of the pandemic. Subsequently, Chinese factories resumed operations during the second quarter, while many countries in which our customers are operational experienced various kinds of lockdowns or restrictions that resulted in reduced order intake for NCAB.

During the first part of the third quarter, order intake remained weak. At the end of the quarter, however, we noted a general positive return towards more normal levels for the inflow of orders. *Nordic*, which was relatively strong during the first half of the year, reported a somewhat weaker order intake during the quarter, while *Europe* rebounded. This is particularly true in the UK, where we have seen improvements in the transport sector. In Germany, our market remained strong during the quarter. We also saw a recovery in southern Europe, which emerged from lockdown during the quarter. Our newly acquired company in the Netherlands is doing very well, and its integration into NCAB has proceeded positively despite being largely conducted digitally.

In *North America*, it is positive to see that the growth is continuing and profitability is on the rise. The acquisition in the USA that was carried out in April is now in the process of being integrated into NCAB. The fact that we now have manufacturers in Taiwan is appreciated by many customers, and we are working to make them available for all of NCAB's customers.

In our *East* region, Russia had a somewhat weaker quarter, while China reported relatively healthy sales. Order intake in China has declined, however, in part due to a shortage of components at our customers and the impact of US trade tariffs.

The gross margin remained unchanged at a high level in comparable units, though the consolidated gross margin is affected in a negative way by newly acquired units which are at a lower level. Expenses remained low due to cancelled travel and fewer recruitments and were on a par with the second quarter. However, we have conducted many webinars with positive effects and have a high level of participation among customers. We received government grants of approximately SEK 1 million in Italy, France and Spain during the quarter.

Overall, our sales increased by 22 per cent and we delivered a strong EBITA, with an EBITA margin of 9.3 per cent.

The order intake increased month-on-month during the quarter and has normalised in terms of delivery times, which means that the order intake for a given quarter indicates the sales in the following quarter. There is uncertainty due to increased spread of infection and new restrictions in several countries. We will follow the developments continuously in order to be able to quickly adapt our activities and costs.

All in all, my perception is that NCAB has handled the coronavirus pandemic well during the first three quarters of the year and that NCAB has a strong organisation, is well positioned not the least with our strong balance sheet and has great future potential.

Peter Kruk
CEO and President, NCAB Group AB



” NCAB has a strong organisation, is well positioned and has great future potential. ”

Q3 2020

22%

Sales growth

536.7

Net sales, SEK
million

50.1

EBITA, SEK
million

9.3%

EBITA margin

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

469
SPECIALISTS



137
MILLION PCBs
MANUFACTURED PER YEAR



GROUP PERFORMANCE

THE THIRD QUARTER JULY–SEPTEMBER 2020

ORDER INTAKE

Order intake rose 15 per cent during the quarter and 24 per cent in USD. Order intake for comparable units decreased 14 per cent (-7 per cent in USD). Order intake was weak in general during the beginning of the quarter. Thereafter, markets in southern Europe and the transport sector gradually opened and the order intake improved month-on-month, signaling an increase in market activity.

NET SALES

Net sales increased in the quarter by 22 per cent to 536.7 million (439.8), with growth in USD at 34 per cent. Excluding acquired sales (Altus PCB in November 2019, Flatfield and Bare Board Group), net sales were 9 per cent lower year-on-year, but unchanged in USD. Net sales have been negatively impacted by the pandemic. However, the effects have varied greatly between different countries and customer segments. The negative effects in *Europe* were in line with the second quarter, but even *Nordic* reported a drop in net sales year-on-year in the third quarter. Net sales in the *North America* segment has been stable for comparable units.

EARNINGS

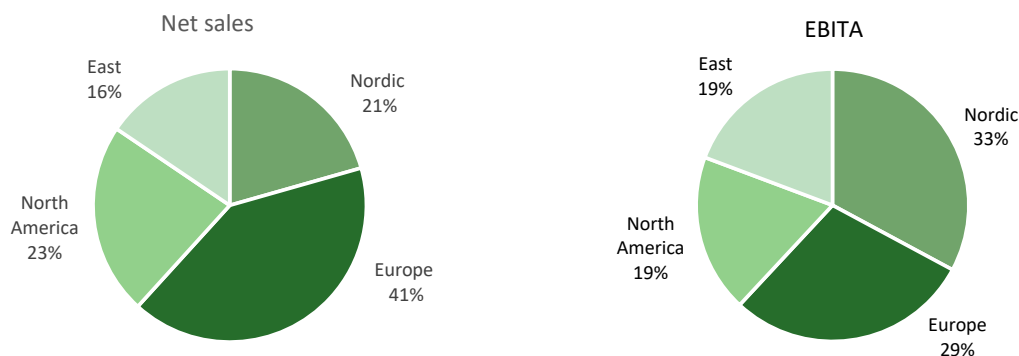
EBITA was SEK 50.1 million (46.3) and EBITA margin rose to 9.3 per cent (10.5). The rapid cost adjustments relating to, for example, travel, trade fairs and recruitment, that were initiated in the second quarter led to a reduction in operating expenses for comparable units during the quarter. The *Europe* and *North America* segments noted improvements in earnings compared with the third quarter of 2019. However, *Nordic* and *East* reported declines in earnings, primarily due to lower net sales. Operating profit for the Group increased to SEK 47.2 million (45.9).

Net financial items amounted to SEK -6.6 million (2.9), where the decline was due to negative foreign exchange differences of SEK -2.1 million (4.5). Tax amounted to SEK -9.1 million (-10.3). Profit after tax for the period totaled SEK 31.5 million (38.5). Earnings per share was SEK 1.68 (2.29).

EFFECTS OF THE COVID-19 PANDEMIC

Overall, order intake and net sales were negatively impacted by the pandemic, though with substantial variation between countries and customer segments. NCAB applied for and received government support, in Italy, France and Spain. NCAB received a total of SEK 1.0 million in support during the quarter. Some of this support will continue into the fourth quarter. The recent development of increased corona cases and shutdowns in a number of countries make the future more uncertain. NCAB continuously monitors the development in order to be able to quickly adapt activities and costs.

BREAKDOWN BY SEGMENT, THIRD QUARTER 2020



JANUARY-SEPTEMBER 2020

ORDER INTAKE

Order intake rose 17 per cent during the period and 16 per cent in USD. Order intake for comparable units decreased 3 per cent. Order intake was unusually strong in the first quarter and has weakened thereafter, but the month-on-month trend during the third quarter was positive.

NET SALES

Net sales increased by 18 per cent during the period, to SEK 1,600.3 million (1,358.8), which also corresponds to the growth in USD. Net sales for comparable units decreased 3 per cent, with the *Europe* and *Nordic* segments most severely affected. The *East* segment has essentially managed to maintain net sales levels while *North America* has grown. The acquisitions of Flatfield and Bare Board Group have both proceeded according to plan and the work to integrate these companies has gone well despite most of it being carried out remotely. The acquired companies have together contributed to net sales of SEK 276 million.

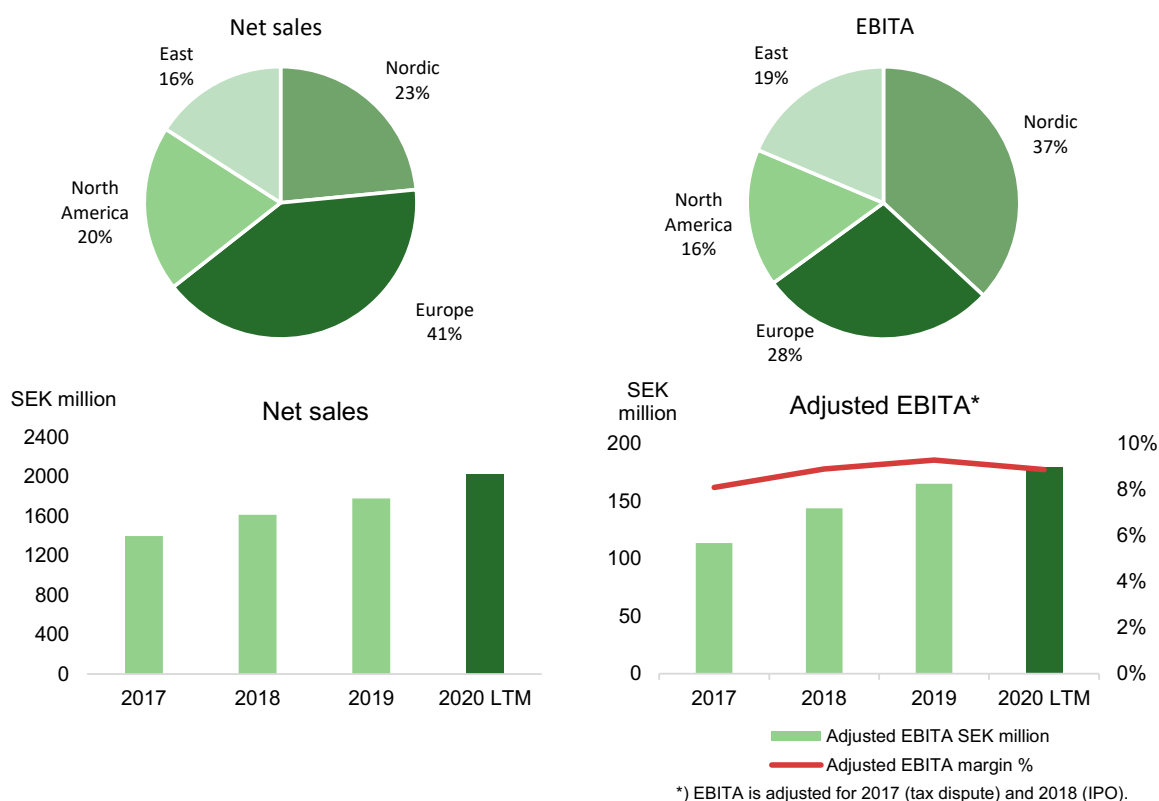
EARNINGS

EBITA was SEK 138.5 million (124.2) and EBITA margin decreased to 8.7 per cent (9.1). SEK 14.9 million was charged to EBITA relating to transaction costs for the acquisitions. Excluding transaction costs, EBITA amounted to SEK 153.4 million, representing an EBITA margin of 9.6 per cent.

Operating expenses have been adapted to current market conditions and are lower year-on-year for comparable companies. Government support totaling SEK 4.6 million has been received in the most severely affected markets. EBITA for the *Europe* and *North America* segments increased compared with 2019 while *Nordic* and *East* decreased slightly. Operating profit increased to SEK 132.2 million (121.0) despite acquisition costs.

Net financial items amounted to SEK -14.0 million (3.1), where the decline was due to negative foreign exchange differences of SEK -5.3 million (7.0). Tax amounted to SEK -25.9 million (-27.4). The average tax rate fell to 21.9 per cent (22.1). Profit after tax for the period totaled SEK 92.3 million (96.7). Earnings per share was SEK 5.14 (5.74).

BREAKDOWN BY SEGMENT, JANUARY- SEPTEMBER 2020



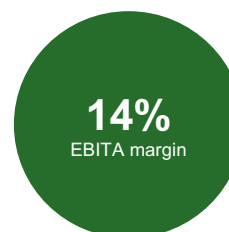
PERFORMANCE BY SEGMENT

NORDIC

Sweden, Norway, Denmark, Finland and Estonia. All companies in the *Nordic* segment have a greater focus on maintaining profitability than growth. The margin in this segment is high 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.

Third quarter 2020

During the quarter, many customers maintained a lower level of activity and the quiet summer period persisted for longer than usual. The order intake decreased by 23 per cent in the third quarter to SEK 98 million (127). All companies noted lower order intake during the quarter, which was partly due to the strong order intake in the first quarter, but also a higher level of caution and a lower USD exchange rate. It is encouraging, however, that the trend turned upward towards the end of the quarter.



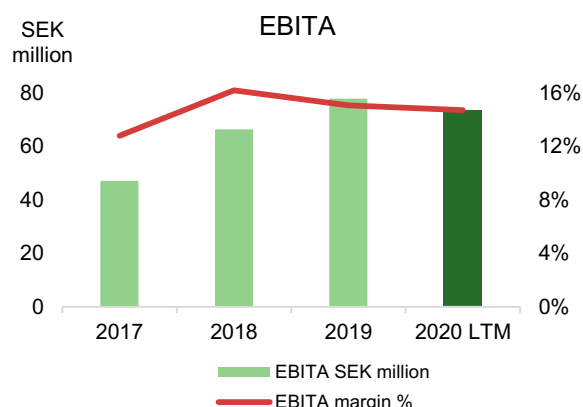
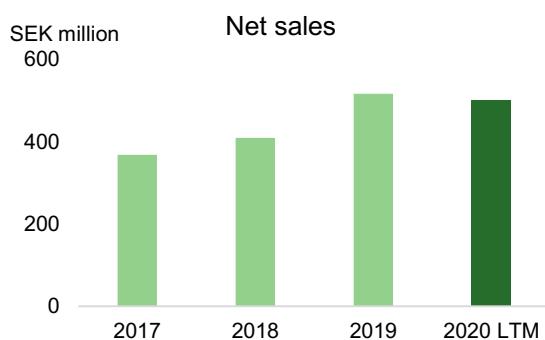
Net sales decreased 14 per cent year-on-year. Sweden exhibited growth, while Finland and Norway reported reduced net sales. Net sales amounted to 110.5 per cent (128.5). The decrease in USD was 8 per cent. The segment's gross margin remained stable but falling volumes resulted in a weaker EBITA margin. NCAB has not applied for government support in the *Nordic* segment. EBITA decreased to SEK 15.9 million (23.4) and EBITA margin amounted to 14.4 per cent (18.2).

January to September 2020

The order intake decreased 1 per cent to SEK 369 million while net sales decreased 4 per cent to SEK 375.4 million (391.5). Denmark continued to report increased growth, while net sales fared somewhat lower than previous year. Despite lower net sales, lower costs and a flexible organisation have resulted in an almost unchanged EBITA margin, while EBITA declined to SEK 57.9 million (62.1).

NORDIC SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2020	2019	%	2020	2019	%	LTM	2019
Net sales	110.5	128.5	-14.0	375.4	391.5	-4.1	500.5	516.6
EBITA	15.9	23.4	-32.3	57.9	62.1	-6.8	73.7	77.9
EBITA margin, %	14.4	18.2		15.4	15.9		14.7	15.1

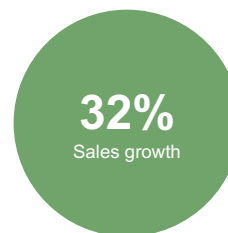


EUROPE

France, Germany, Spain, Poland, Italy, the UK, Benelux and North Macedonia. In the *Europe* segment, the strategic 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.

Third quarter 2020

Order intake increased 35 per cent to SEK 223 million (165). The increase is a result of the acquisition in the Netherlands and continued growth in Germany. Southern Europe and the UK reported another weak quarter with falling order intake, albeit with a positive change in the trend towards the end of the quarter.



Net sales in the third quarter increased 32 per cent to SEK 220.8 million (168.0). Excluding the acquisition in the Netherlands, net sales amounted to SEK 144.7 million, a decrease of 13 per cent. In USD, net sales increased 44 per cent, while comparable units decreased 7 per cent. During the quarter, sales in Germany continued to increase, while other countries noted a drop in net sales.

A stable gross margin, improved profitability in Germany and other countries and positive figures from the acquisition in the Netherlands meant EBITA increased to SEK 14.0 million (9.5) and EBITA margin grew to 6.4 per cent (5.7). NCAB received government support in Italy, Spain and France.

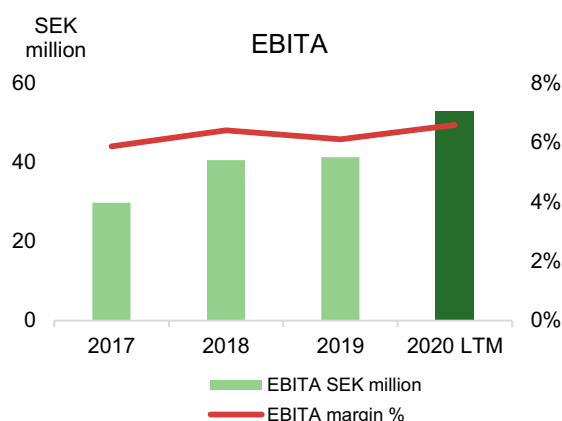
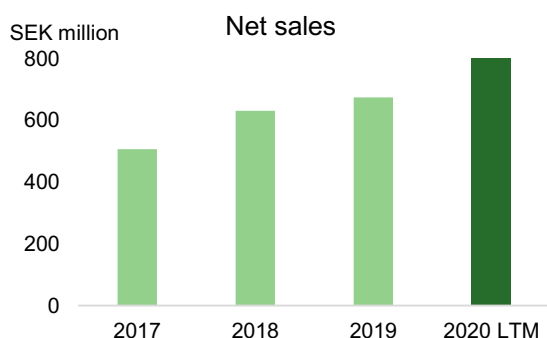
January to September 2020

Order intake increased 19 per cent to SEK 648 million (525) and net sales rose 24 per cent. Excluding the acquisition in the Netherlands, order intake decreased 9 per cent and net sales 8 per cent, with the UK, particularly customers in the transport sector, explaining for most of the decline. An increase in profitability in Germany, general cost savings and positive contributions from the acquisition in the Netherlands mean that EBITA increased to SEK 44.1 million (32.4) and EBITA margin to 6.7 per cent (6.2).

Flatfield's net sales in 2019 were about SEK 300 million, evenly distributed between Benelux and Germany. NCAB's market presence and purchasing power have been strengthened by the acquisition. Flatfield's 15 employees in China have been integrated into NCAB's Factory Management team. The remaining 35 employees are mainly in the Netherlands. Customer reaction has been positive and net sales remained on a par with the previous year. Despite the travel restrictions, integration work has progressed well.

EUROPE SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2020	2019	%	2020	2019	%	LTM	2019
Net sales	220.8	168.0	31.5	655.2	526.6	24.4	803.6	675.0
EBITA	14.0	9.5	47.8	44.1	32.4	36.1	52.9	41.2
EBITA margin, %	6.4	5.7		6.7	6.2		6.6	6.1



NORTH AMERICA

NCAB established a presence in the USA in 2012 and has six 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.

Third quarter 2020

Order intake increased 98 per cent to SEK 115 million (58). In USD, the order intake increased 114 per cent, of which just over half of this increase was derived from the acquisition of BBG. Despite large sections of the US economy being negatively impacted by the pandemic, NCAB, excluding BBG, noted a 12 per cent increase in its order intake in USD.

Net sales for the segment increased 114 per cent to SEK 121.9 million (56.9). In USD, the increase was 131 per cent. Import tariffs on PCBs are recognised in net sales as of 2020. However, import tariffs on more simple boards have been removed during the quarter. Net sales excluding acquisitions and import tariffs were SEK 56.1 million, which in USD was in line with the previous year.



The gross margin remained stable in our original operations, but fell overall due to the lower gross margin of BBG. Synergies from the acquisition of Altus PCB and positive contributions from BBG have led to improved EBITA. EBITA increased to SEK 9.1 million (3.6) and EBITA margin grew to 7.4 per cent (6.3).

January to September 2020

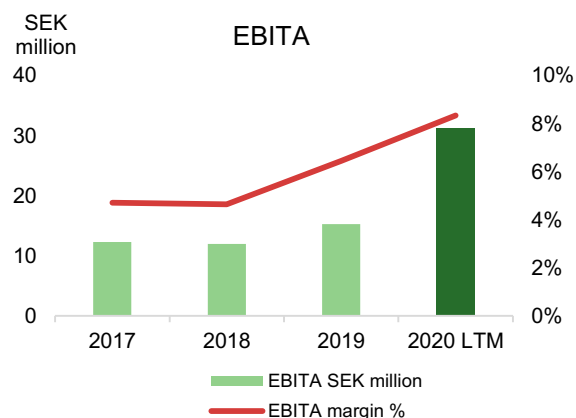
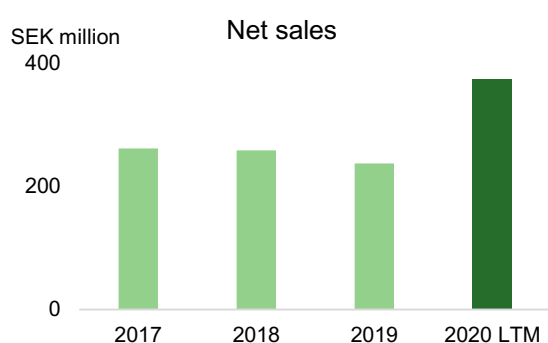
Order intake increased for the period by 70 per cent to SEK 296 million (174) and net sales rose 77 per cent to SEK 315.2 million (177.8). Excluding the acquisitions and the import tariffs, order intake increased 4 per cent while net sales were in line with the previous year. EBITA continued to strengthen and increased during the period to SEK 25.7 million (9.8), corresponding to an EBITA margin of 8.2 per cent (5.5). The US market continued to be marked by uncertainty in the wake of an increase in the spread of the coronavirus and the presidential election.

BBG 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. There has been a delay to integration work due to the current restrictions, but good progress is nevertheless being made and customer reactions are positive.

NORTH AMERICA

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2020	2019	%	2020	2019	%	LTM	2019
Net sales	121.9	56.9	114.1	315.2	177.8	77.2	374.2	236.9
EBITA	9.1	3.6	154.3	25.7	9.8	163.3	31.2	15.3
EBITA margin, %	7.4	6.3		8.2	5.5		8.3	6.5



EAST

China, Russia and Malaysia. The *East* segment has a stable business in Russia. In China, NCAB sells to European and USA customers as well as an increasing number of local Chinese end customers and contract manufacturers. In China, NCAB has sales offices in Shenzhen, Beijing, Shanghai and Wuhan. In Russia, NCAB is established with sales offices in St. Petersburg, Moscow and Novosibirsk.

Third quarter 2020

Order intake decreased 20 per cent to SEK 78 million (98). The decrease is related to China, and is mainly due to a reduced order intake from customers with exports to the USA. Some customers have experienced production disruption from lack of components due to import restrictions from the USA. Russia was in line with the year-earlier period.

-3%
Change in sales

Net sales in the third quarter decreased 3 per cent to SEK 83.4 million (86.4), distributed equally between China and Russia. In USD, net sales for the segment increased 4 per cent.

EBITA for the segment decreased compared with the year-earlier period, but maintained a good EBITA margin of 11.2 per cent. EBITA amounted to SEK 9.3 million (12.0) and EBITA margin decreased to 11.2 per cent (13.9).

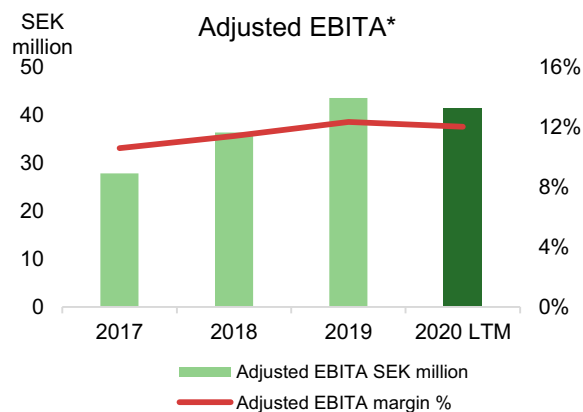
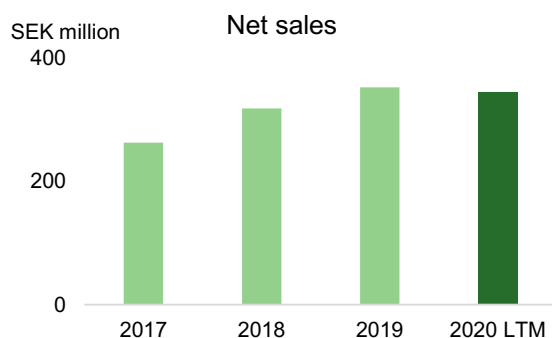
January to September 2020

Following a turbulent first half of the year with lockdowns in China in February and in Russia in April, as well as the effects of the trade war between the USA and China, the order intake decreased 6 per cent to SEK 250 million (264). Net sales decreased 3 per cent to SEK 254.6 million (262.9). EBITA was slightly below the level reported in the year-earlier period at SEK 29.3 million (31.4). Profitability was stable in China, while Russia noted fluctuations resulting from a volatile currency in the first half of the year.

EAST

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2020	2019	%	2020	2019	%	LTM	2019
Net sales	83.4	86.4	-3.4	254.6	262.9	-3.2	344.3	352.6
EBITA	9.3	12.0	-22.5	29.3	31.4	-6.9	41.3	43.5
EBITA margin, %	11.2	13.9		11.5	12.0		12.0	12.3



*) EBITA is adjusted for 2017 (tax dispute)

FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the quarter was SEK 67.9 million (57.8). The improvement is due to a good result and a reduction in working capital, mainly from reduced working capital in the acquired company in the Netherlands. Cash flow from operating activities for the January to September period amounted to SEK 147.3 million (108.2). Great emphasis is placed on monitoring customer payments to minimise the risk of bad debt losses. No bad debt loss occurred and the customer credit period remained at a normal level. NCAB has credit insurance that covers most of the trade receivables outstanding, even if several limits have been lowered due to increased market turbulence. Cash flow from investing activities was SEK 0.0 million (-0.8) during the quarter. For the first three quarters, cash flow from investing activities was SEK -164,1 million (-52.3). Non-acquisition-related investments amounted to SEK -1.7 million (-2.5).

LIQUIDITY AND FINANCIAL POSITION

Net cash at the end of the quarter was SEK 41.8 million (-45.1). In conjunction with the acquisition of Bare Board Group in April, a directed share issue was completed of 1,850,000 shares at SEK 155/share, raising proceeds for the company of SEK 287 million before issuance costs. At 30 September, the equity/assets ratio was 46.7 per cent (39.4) and equity was SEK 727.0 million (326.6). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 632.8 million (193.1).

At 30 September, NCAB has loans totaling SEK 331.7 million, divided in 4 loans, of which 2 are subject to repayment of approximately SEK 9.1 million per quarter, until 2023 and 2025 respectively. Two of the loans – SEK 50.0 million and SEK 132.5 million – are free of instalments, and mature in 2023 and 2025 respectively. In addition to the loans, there is an overdraft facility of SEK 214 million. At the balance sheet date of 30 September 2020, 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 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, SEK and to some extent RUB, 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 has brought risks to the fore, such as *demand* when many markets are subject to restrictions, *capacity* in connection with the closure of NCAB's suppliers in China and the *dependence on China*, as described in the Annual Report.

EFFECTS OF THE COVID-19 PANDEMIC

NCAB received government support of SEK 1.0 million from Italy, Spain and France during the quarter. During 2020, a total of SEK 4.6 million has been received in the form of government support. In conjunction with the outbreak of the coronavirus pandemic, US authorities provided support in the form of Paycheck Protection Program loans, which were to be remitted if used correctly. NCAB applied for and received loans totaling USD 1.2 million. An application to have this loan remitted has been filed and the response will likely be received during the first quarter of 2021. This loan has not affected earnings for 2020.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

Peter Kruk replaced Hans Ståhl as CEO in October.

RELATED-PARTY TRANSACTIONS

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

ORGANISATION

At 30 September 2020, the number of employees was 469 (403), of whom 212 (184) were women and 257 (219) were men. The average number of employees in the organisation during the period was 471 (401), of whom 213 (185) were women and 259 (216) were men.

PARENT COMPANY

The Parent Company's net sales for the third quarter were SEK 14.1 million (13.7). Sales consist exclusively of internal billing. Profit after financial items was SEK 11.7 million (-14.1). The stronger earnings were due to foreign exchange gains on intra-Group loans (foreign exchange losses 2019) and lower overheads.

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, 9 November 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
Director

Peter Kruk
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 been reviewed by the company's auditor.

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.

This is information that NCAB Group AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out above, on 10 November 2020 at 7:30 a.m. CET.

NCAB Group AB (publ)

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Mariehällsvägen 37 A, SE-168 65 Bromma, Sweden
www.ncabgroup.com

NCAB will hold a web-cast telephone conference on 10 November 2020 at 10:00 a.m. CET, when CEO Peter Kruk 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: +46856642705, the UK: +443333009030 and the USA: +18335268384. The presentation and conference can also be followed from the following link: <https://tv.streamfabriken.com/ncab-group-q3-2020>.

FINANCIAL CALENDAR

Year-end report 2020	23 February 2021
Interim report first quarter	7 May 2021
Annual General Meeting	10 May 2021
Interim report second quarter	22 July 2021
Interim report third quarter	12 November 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 characterised by an entrepreneurial and cost-efficient culture and have showed strong growth and good profitability over time. Today, NCAB has a local presence in 17 countries in Europe, Asia and North America and customers in approximately 45 countries worldwide. Revenues in 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.



Auditor's report
NCAB Group AB (publ) org nr 556733-0161

Introduction

We have reviewed the condensed interim financial information (interim report) of NCAB Group AB (publ) as of 30 September 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm, 9 November 2020
Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant

Group

CONSOLIDATED INCOME STATEMENT

SEK million	Jul-Sep		Jan-Sep		LTM	Jan-Dec 2019
	2020	2019	2020	2019		
Operating revenue						
Net sales	536.7	439.8	1,600.3	1,358.8	2,022.7	1,781.2
Other operating income	0.7	3.5	1.3	5.1	5.4	9.2
Total	537.4	443.3	1,601.6	1,363.8	2,028.1	1,790.3
Raw materials and consumables	-380.1	-301.9	-1,123.3	-935.7	-1,413.0	-1,225.4
Other external expenses	-26.9	-25.8	-80.8	-87.2	-101.2	-107.5
Staff costs	-71.6	-67.8	-224.7	-209.6	-289.8	-274.7
Depreciation of property, plant and equipment, and amortisation of intangible assets	-7.9	-1.9	-20.7	-9.8	-29.0	-18.2
Other operating expenses	-3.7	-	-19.9	-0.6	-22.1	-2.8
Total operating expenses	-490.2	-397.4	-1,469.4	-1,242.9	-1,855.1	-1,628.6
Operating profit	47.2	45.9	132.2	121.0	173.0	161.7
Net financial income/expense	-6.6	2.9	-14.0	3.1	-18.0	-0.9
Profit before tax	40.6	48.8	118.2	124.1	155.0	160.9
Income tax	-9.1	-10.3	-25.9	-27.4	-31.0	-32.5
Profit for the period	31.5	38.5	92.3	96.7	124.0	128.4
Profit attributable to:						
Shareholders of the Parent Company	31.5	38.5	92.2	96.6	123.9	128.3
Non-controlling interests	0.0	0.0	0.2	0.1	0.2	0.1
Average number of ordinary shares	18,697,124	16,847,124	17,920,664	16,847,124	17,650,813	16,847,124
Earnings per share	1.68	2.29	5.14	5.74	7.03	7.61

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jul-Sep		Jan-Sep		LTM	Jan-Dec 2019
	2020	2019	2020	2019		
Profit for the period	31.5	38.5	92.3	96.7	124.0	128.4
Other comprehensive income, items that can subsequently be reclassified to profit or loss:						
Foreign exchange differences	23.2	2.6	10.0	9.2	-0.2	-1.0
Total comprehensive income	54.7	41.1	102.3	105.9	123.8	127.4
Profit attributable to:						
Shareholders of the Parent Company	54.7	41.1	102.1	105.8	123.6	127.3
Non-controlling interests	0.0	0.0	0.2	0.1	0.2	0.1

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	30 Sep 2020	30 Sep 2019	31 Dec 2019
Non-current assets			
Goodwill	413.7	161.4	206.3
Other intangible assets	49.9	6.9	16.8
Leasehold improvement costs	2.4	2.7	2.8
Right-of-use Office and Cars	34.8	35.7	33.5
Plant and equipment	4.9	5.3	4.1
Financial assets	21.4	4.6	4.0
Deferred tax assets	7.4	4.9	7.7
Total non-current assets	534.5	221.5	275.2
Current assets			
Inventories	176.5	119.4	148.8
Trade receivables	376.1	363.9	320.0
Other current receivables	27.7	20.0	17.9
Prepaid expenses and accrued income	24.7	20.8	29.0
Cash and cash equivalents	418.8	82.4	82.2
Total current assets	1,023.8	606.4	598.0
TOTAL ASSETS	1,558.3	827.9	873.1
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Parent Company			
Share capital	1.9	1.7	1.7
Additional paid-in capital	478.1	201.6	201.6
Reserves	5.8	6.0	-4.1
Retained earnings	240.9	117.0	148.7
Non-controlling interests	0.2	0.3	0.2
Total equity	727.0	326.6	348.1
Non-current liabilities			
Borrowings	304.7	77.5	75.0
Leased liabilities	24.7	23.0	22.7
Deferred tax	16.6	2.9	8.1
Total non-current liabilities	346.0	103.3	105.8
Current liabilities			
Current liabilities	36.5	14.0	17.9
Current Leased liabilities	11.2	13.0	11.4
Trade payables	282.4	251.4	252.5
Current right-of-use liabilities	32.9	20.7	29.4
Other current liabilities	45.6	28.4	26.9
Accrued expenses and deferred income	76.7	70.5	81.2
Total current liabilities	485.3	398.0	419.2
TOTAL EQUITY AND LIABILITIES	1,558.3	827.9	873.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Attributable to shareholders of the Parent Company						
	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				96.6	96.6	0.1	96.7
Other comprehensive income for the period	-	-	9.2	-	9.2	-	9.2
Total comprehensive income	-	-	9.2	96.6	105.8	0.1	105.9
Dividend				-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 Sep 2019	1.7	201.6	6.0	117.0	326.4	0.2	326.6

SEK million	Attributable to shareholders of the Parent Company						
	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				92.2	92.2	0.2	92.3
Other comprehensive income for the period	-	-	10.0	-	10.0	-	10.0
Total comprehensive income	-	-	10.0	92.2	102.1	0.2	102.3
Issue of new shares	0.2	276.5	-	-	276.7	-	276.7
Total transactions with shareholders, recognised directly in equity	0.2	276.5	-	-	276.7	-0.1	276.6
30 Sep 2020	1.9	478.1	5.8	240.9	726.7	0.2	727.0

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2020	2019	2020	2019	LTM	2019
Cash flow from operating activities						
Profit before net financial income/expense	47.2	45.9	132.2	121.0	173.0	161.7
Adjustment for non-cash items	1.3	3.5	18.9	15.7	17.1	13.9
Interest received	0.1	0.2	0.1	0.4	0.8	1.2
Interest paid	-3.1	-2.1	-8.9	-4.3	-10.0	-5.4
Income taxes paid	1.0	-8.5	-20.7	-21.0	-16.9	-17.2
Cash flow from operating activities before changes in working capital	46.4	38.9	121.7	111.8	164.0	154.2
Change in inventories	23.9	-9.4	18.8	2.9	-9.7	-25.6
Change in current receivables	56.0	15.3	36.7	-39.4	84.1	8.1
Change in current operating liabilities	-58.5	13.0	-29.9	32.9	-46.3	16.5
Total changes in working capital	21.5	18.9	25.7	-3.7	28.2	-1.1
Cash flow from operating activities	67.9	57.8	147.3	108.2	192.2	153.0
Cash flow from investing activities						
Investments in property, plant and equipment	-0.0	-0.6	-0.8	-1.4	-3.7	-4.3
Investments in intangible assets	-	-0.2	-0.7	-0.4	-2.8	-2.5
Investments in subsidiaries	-	0.5	-164.1	-49.8	-201.0	-86.7
Investments in financial assets	-	-0.5	-0.2	-0.7	-0.1	-0.6
Cash flow from investing activities	-0.0	-0.8	-165.8	-52.3	-207.5	-94.0
Cash flow from financing activities						
Issue of new shares	-	-	286.8	-	286.8	-
Costs for issue of shares	-	-	-10.0	-	-10.0	-
Change in overdraft facility	-	-19.2	-7.9	-4.6	-3.0	0.4
Borrowings	-	-	265.0	-	265.0	-
Transaction cost, loans	-	-	-1.5	-	-1.5	-
Repayment of loans	-9.1	-2.5	-163.6	-7.5	-166.1	-10.0
Repayment of leased liabilities	-3.4	-0.6	-10.4	-4.1	-17.6	-11.3
Dividend	-	-	-	-75.8	-	-75.8
Cash flow from financing activities	-12.5	-22.3	358.3	-92.0	353.5	-96.8
Decrease/increase in cash and cash equivalents						
Cash flow for the period	55.3	34.7	339.8	-36.1	338.1	-37.8
Foreign exchange difference in cash and cash equivalents	-0.3	3.7	-3.2	4.6	-1.7	6.1
Cash and cash equivalents at beginning of period	363.8	44.0	82.2	113.9	82.4	113.9
Cash and cash equivalents at end of period	418.8	82.4	418.8	82.4	418.8	82.2

142,8 million SEK has retroactive from second quarter been reclassified from Investments in subsidiaries to Repayment of loans

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Jul-Sep		Jan-Sep		Jan-Dec
	2020	2019	2020	2019	2019
Operating revenue					
Net sales	14.1	13.7	42.9	43.5	55.9
Total	14.1	13.7	42.9	43.5	55.9
Other external expenses	-6.1	-7.0	-23.2	-25.7	-33.7
Staff costs	-6.4	-5.7	-20.4	-21.0	-27.6
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.1	-0.0	-0.4	-0.3	-0.4
Other operating expenses	5.8	-0.0	-	-0.6	-0.6
Total operating expenses	-6.9	-12.7	-44.0	-47.6	-62.3
Operating loss	7.2	1.0	-1.0	-4.0	-6.4
Income from investments in Group companies	6.2	-	10.5	4.5	22.5
Other interest income and similar income	3.8	10.3	12.1	18.8	20.5
Interest expense and similar charges	-5.5	-25.4	-22.9	-40.1	-27.7
Net financial income/expense	4.5	-15.1	-0.2	-16.8	15.2
Profit before tax	11.7	-14.1	-1.2	-20.8	8.8
Appropriations	-	-	-	-	14.0
Tax on profit for the period	-0.1	-	-0.1	-	-0.2
Profit for the period	11.6	-14.1	-1.3	-20.8	22.6

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

PARENT COMPANY BALANCE SHEET

SEK million

ASSETS	30 Sep 2020	30 Sep 2019	31 Dec 2019
Non-current assets			
Capitalised development costs	1.2	-	1.3
Plant and equipment	0.0	0.1	0.1
Non-current financial assets	339.4	268.2	267.1
Total non-current assets	340.6	268.3	268.5
Current assets			
Trade receivables	1.7	1.6	2.2
Receivables from Group companies	361.6	105.1	131.1
Other current receivables	1.1	1.4	0.4
Prepaid expenses and accrued income	4.1	3.8	4.1
Cash and cash equivalents	271.5	22.0	6.8
Total current assets	639.9	133.8	144.6
TOTAL ASSETS	980.5	402.1	413.2
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (18,697,124 shares)	1.9	1.7	1.7
Non-restricted equity			
Share premium account	478.1	201.6	201.6
Retained earnings	-42.2	-64.8	-64.8
Profit/ loss for the period	-1.3	-20.8	22.6
Total equity	436.5	117.7	161.1
Untaxed reserves	8.8	8.8	8.8
Non-current liabilities			
Liabilities to credit institutions	292.8	77.5	75.0
Total non-current liabilities	292.8	77.5	75.0
Current liabilities			
Liabilities to credit institutions	36.5	10.0	10.0
Trade payables	1.9	3.4	3.2
Liabilities to Group companies	193.0	174.5	145.6
Current tax liabilities	-	0.2	-
Other current liabilities	2.5	1.7	2.1
Accrued expenses and deferred income	8.6	8.3	7.4
Total current liabilities	242.5	198.1	168.3
TOTAL EQUITY AND LIABILITIES	980.5	402.1	413.2

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	-	-	-20.8	-20.8
Total comprehensive income	-	-	-20.8	-20.8
Dividend, shares		-	-75.8	-75.8
Total transactions with shareholders, recognised directly in equity		-	-75.8	-75.8
30 Sep 2019	1.7	201.6	-85.6	117.7

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	-	-	-1.3	-1.3
Total comprehensive income	-	-	-1.3	-1.3
Total transactions with shareholders, recognised directly in equity	0.2	276.5	-	276.7
30 Sep 2020	1.9	478.1	-43.5	436.5

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 amortised cost. There are no financial assets and liabilities which are measured at fair value. The carrying amounts of the Group's financial assets and liabilities are deemed to approximate their fair values. All financial assets are recognised in the category "Financial assets measured at amortised cost". All financial liabilities are recognised in the category "Other financial liabilities".

Note 3 Pledged assets and contingent liabilities

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

Note 4 Segments

Description of segments and principal activities

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

Nordic

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

Europe

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

North America

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

East

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

Revenue

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

Sales and earnings of segments, July–September 2020

Quarter	Nordic		Europe		North America		East		Central functions		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
SEK million												
Net sales	110.5	128.5	220.8	168.0	121.9	56.9	83.4	86.4	-	0.0	536.7	439.8
EBITA	15.9	23.4	14.0	9.5	9.1	3.6	9.3	12.0	1.8	-2.2	50.1	46.3
EBITA margin, %	14.4	18.2	6.4	5.7	7.4	6.3	11.2	13.9			9.3	10.5
Amortis. intangible assets											-2.9	-0.4
Operating profit											47.2	45.9
Operating margin, %											8.8	10.4
Net financial expense											-6.6	2.9
Profit before tax											40.6	48.8
Net working capital	23.2	39.7	112.3	72.3	0.7	23.3	29.7	22.2	1.4	-4.5	167.3	153.0

Sales and earnings of segments, January–September 2020

SEK million	Nordic		Europe		North America		East		Central functions		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales	375.4	391.5	655.2	526.6	315.2	177.8	254.6	262.9	-	0.0	1,600.3	1,358.8
EBITA	57.9	62.1	44.1	32.4	25.7	9.8	29.3	31.4	-18.5	-11.5	138.5	124.2
EBITA margin, %	15.4	15.9	6.7	6.2	8.2	5.5	11.5	12.0			8.7	9.1
Amortis. intangible assets											-6.3	-3.2
Operating profit											132.2	121.0
Operating margin, %											8.3	8.9
Net financial expense											-14.0	3.1
Profit before tax											118.2	124.1

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
SEK million												
Net sales	500.5	516.6	803.6	675.0	374.2	236.9	344.3	352.6	0.1	0.1	#####	1,781.2
EBITA	73.7	77.9	52.9	41.2	31.2	15.3	41.3	43.5	-19.6	-12.6	179.7	165.4
EBITA margin, %	14.7	15.1	6.6	6.1	8.3	6.5	12.0	12.3			8.9	9.3
Amortis. intangible assets											-6.7	-3.6
Operating profit											173.0	161.7
Operating margin, %											8.6	9.1
Net financial expense											-18.0	-0.9
Profit before tax											155.0	160.9
Net working capital	23.2	30.4	112.3	66.2	0.7	2.6	29.7	30.7	1.4	-4.1	167.3	125.8
Fixed assets	5.5	5.6	15.1	13.1	10.0	8.9	1.0	1.1	10.4	11.7	42.1	40.5
Intangible assets	63.0	74.7	128.1	0.0	245.9	135.9	8.4	0.5	1.2	11.8	446.7	223.0

Note 5

Quarterly summary

	Q3 20	Q2 20	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Order intake, SEK million	512.3	486.2	563.4	479.7	446.6	450.0	442.1	474.7
Order intake, USD million	57.8	50.2	58.3	49.9	46.7	47.8	48.0	52.5
Net sales, SEK million	536.7	580.6	483.1	422.4	439.8	473.1	445.9	406.7
SEK annual growth, %	22.0	22.7	8.3	3.9	4.7	13.8	19.1	24.3
Net sales, USD million	60.3	60.0	50.0	45.1	45.2	50.0	48.8	45.1
USD annual growth, %	33.5	20.0	2.5	0.0	-3.3	4.1	5.6	13.7
Gross margin, %	29.3	29.4	31.1	32.4	32.2	30.9	31.5	32.7
EBITA, SEK million	50.1	50.6	37.9	41.2	46.3	37.3	40.6	36.0
EBITA margin, %	9.3	8.7	7.8	9.7	10.5	7.9	9.1	8.9
Operating profit/loss, SEK million	47.2	48.1	37.0	40.7	45.9	35.7	39.4	34.9
Total assets, SEK million	1,558.3	1,551.5	1,125.7	873.1	827.9	792.7	808.4	722.5
Cash flow from operating activities, SEK million	67.9	76.9	2.6	44.9	57.8	35.5	14.8	41.0
Equity/assets ratio, %	46.7	43.3	34.6	39.9	39.4	36.0	41.8	41.0
Number of employees	469	473	452	395	403	398	388	378
Average exchange rate, SEK/USD	8.87	9.69	9.67	9.61	9.59	9.44	9.17	9.04
Average exchange rate, SEK/EUR	10.36	10.66	10.66	10.64	10.66	10.62	10.42	10.33

Note 6 Acquisitions

Flatfield

On 12 March 2020, an agreement was signed to acquire 100 per cent of the shares in IPCS B.V., the Parent Company of Flatfield, based in Tiel, the Netherlands. Operating profit together with assets and liabilities associated with the acquired company were consolidated from transaction date. Goodwill of SEK 100.1 million arose in conjunction with the acquisition, of which SEK 42.1 million in Flatfield. Flatfield contributed SEK 174.4 million in net sales and SEK 11.4 million in EBITA in the period between 12 March and 30 September 2020. Transaction costs of SEK 5.8 million related to the acquisition of Flatfield were expensed in the first quarter as central costs.

Bare Board Group

On 24 April 2020, 100 per cent of the shares in Bare Board Group, based in Largo, USA, were acquired. The Bare Board Group had net sales of SEK 280 million in 2019 and has 30 employees, of whom 10 in Taiwan. The majority of its PCBs are acquired from suppliers in Taiwan. The operating result, assets and liabilities of the acquired company were consolidated from 24 April 2020. Goodwill of SEK 119,2 million arose in conjunction with the acquisition. Bare Board Group contributed SEK 102.0 million in net sales and SEK 4.9 million in EBITA in the period between 24 April and 30 September 2020. Transaction costs of SEK 9.1 million related to the acquisition of Bare Board Group were expensed in the second quarter as central costs.

Acquisitions	Flatfield 12 March	BBG 24 April
Total purchase consideration	64,752	111,233
Acquired assets and assumed liabilities		
Non-current assets	9,295	0
Customer relationships	26,711	7,571
Other current assets	86,829	41,480
Cash and cash equivalents	7,818	4,088
Loans	-126,552	-16,940
Other operating liabilities	-33,750	-42,071
Deferred tax	-5,716	-2,120
Total net assets	-35,365	-7,992
Goodwill	100,117	119,225

Amounts reported in the table above are preliminary values.

If Flatfield and Bare Board Group had been consolidated on 1 January 2020, net sales for the period between January and September of 2020 would have increased by SEK 119.5 million to SEK 1,719.8 million and EBITA by SEK 8.0 million to SEK 145.4 million.

Note 7 Alternative performance measures

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

Gross profit

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2020	2019	2020	2019	LTM	2019
Net sales	536.7	439.8	1,600.3	1,358.8	2,022.7	1,781.2
Other operating income	0.7	1.4	1.3	2.4	3.8	4.9
Cost of goods sold	-380.1	-301.9	-1,123.3	-935.7	-1,413.0	-1,225.4
Translation differences	-	2.2	-	2.6	1.6	4.3
Total gross profit	157.3	141.4	478.3	428.2	615.1	564.9
Gross margin, %	29.3	32.2	29.9	31.5	30.4	31.7

EBITA

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2020	2019	2020	2019	LTM	2019
Operating profit	47.2	45.9	132.2	121.0	173.0	161.7
Amortisation and impairment of intangible assets	2.9	0.4	6.3	3.2	6.7	3.6
EBITA	50.1	46.3	138.5	124.2	179.7	165.4
EBITA margin, %	9.3	10.5	8.7	9.1	8.9	9.3

EBITDA

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2020	2019	2020	2019	LTM	2019
Operating profit	47.2	45.9	132.2	121.0	173.0	161.7
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	7.9	1.9	20.7	9.8	29.0	18.2
EBITDA	55.1	47.8	152.9	130.8	202.0	179.9
EBITDA margin, %	10.3	10.9	9.6	9.6	10.0	10.1

Return on equity

SEK million	Sep 2020	Sep 2019	Dec 2019
Profit for the period — LTM	124.0	131.4	128.4
Equity (average)	526.8	295.2	322.4
Return on equity, %	23.5	44.5	39.8

Net working capital and capital employed

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
Inventories	176.5	119.4	148.8
Trade receivables	376.1	363.9	320.0
Other current receivables	27.7	20.0	17.9
Prepaid expenses and accrued income	24.7	20.8	29.0
Trade payables	-282.4	-251.4	-252.5
Current tax liabilities	-32.9	-20.7	-29.4
Other current liabilities	-45.6	-28.4	-26.9
Accrued expenses and deferred income	-76.7	-70.5	-81.2
Net working capital	167.3	153.0	125.8
Non-current assets	534.5	221.5	275.2
Prepaid expenses and accrued income	418.8	82.4	82.2
Deferred tax	-16.6	-2.9	-8.1
Capital employed	1,104.0	454.0	475.1

Return on capital employed

SEK million	Sep 2020	Sep 2019	Dec 2019
Operating profit/loss — LTM	173.0	155.9	161.7
Capital employed (average)	779.0	410.1	438.8
Return on capital employed, %	22.2	38.0	36.9

Equity/assets ratio

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
Equity	727.0	326.6	348.1
Untaxed reserves	-	-	-
Total	727.0	326.6	348.1
Total assets	1,558.3	827.9	873.1
Equity/assets ratio, %	46.7	39.4	39.9

Net debt

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
Interest-bearing liabilities	377.1	127.5	127.0
Cash and cash equivalents	-418.8	-82.4	-82.2
Total net debt	-41.8	45.1	44.8
EBITDA LTM	202.0	168.1	179.9
Net debt / EBITDA	-0.2	0.3	0.2

Net debt excl. IFRS 16 adjustments

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
Interest-bearing liabilities excl IFRS 16	341.2	91.5	92.9
Cash and cash equivalents	-418.8	-82.4	-82.2
Total net debt excl IFRS16	-77.6	9.1	10.7
EBITDA LTM excl IFRS 16	184.5	164.0	168.6
Net debt excl IFRS 16/ EBITDA excl IFRS 16	-0.4	0.1	0.1

Alternative performance measure	Definition	Purpose
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, 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-	Adjusted EBITA is adjusted for non-recurring items. NCAB Group therefore considers that it

	related intangible assets adjusted for non-recurring items	is a useful performance measure for showing the company's operating earnings
Adjusted EBITA margin	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for non-recurring items, divided by net sales	Adjusted EBITA margin is adjusted for non-recurring items. NCAB Group therefore considers that it is a useful performance measure for comparing the company's margin with other companies regardless of whether the business is driven by acquisitions or organic growth
Return on equity	Profit/loss for the past 12 months divided by average equity	Return on equity is used to analyse the company's profitability, based on how much equity is used
Net working capital	Current assets excluding cash and cash equivalents less non-interest-bearing current liabilities	This measure shows how much working capital is tied up in the business
Capital employed	Equity and interest-bearing liabilities	Capital from external parties
Return on capital employed	Profit/loss for the past 12 months divided by average capital employed	Return on capital employed is used to analyse the company's profitability, based on how much equity is used
Equity/assets ratio	Equity and untaxed reserves net of deferred tax, divided by total assets	NCAB Group considers that this is a useful measure for showing what portion of total assets is financed by equity. It is used by management to monitor the Group's long-term financial position
Net debt	Interest-bearing liabilities less cash and cash equivalents	Net debt is a measure which shows the company's total indebtedness
Net debt excl. IFRS 16 adjustment	Räntebärande skulder exkl skuld för nyttjanderätts tillgångar med avdrag för likvida medel	Net debt is a measure which shows the company's total indebtedness is in adjusted for IFRS 16. This is used for covenant calculation with our bank
EBITDA excl IFRS	EBITDA adjusted for leasing costs relating to assets classified as Right-of use Assets	EBITDA together with EBITA provides an overall picture of operating earnings. This is used for covenant calculation with our bank