



Stable start for NCAB in 2019

Q1 2019

Today's presenters

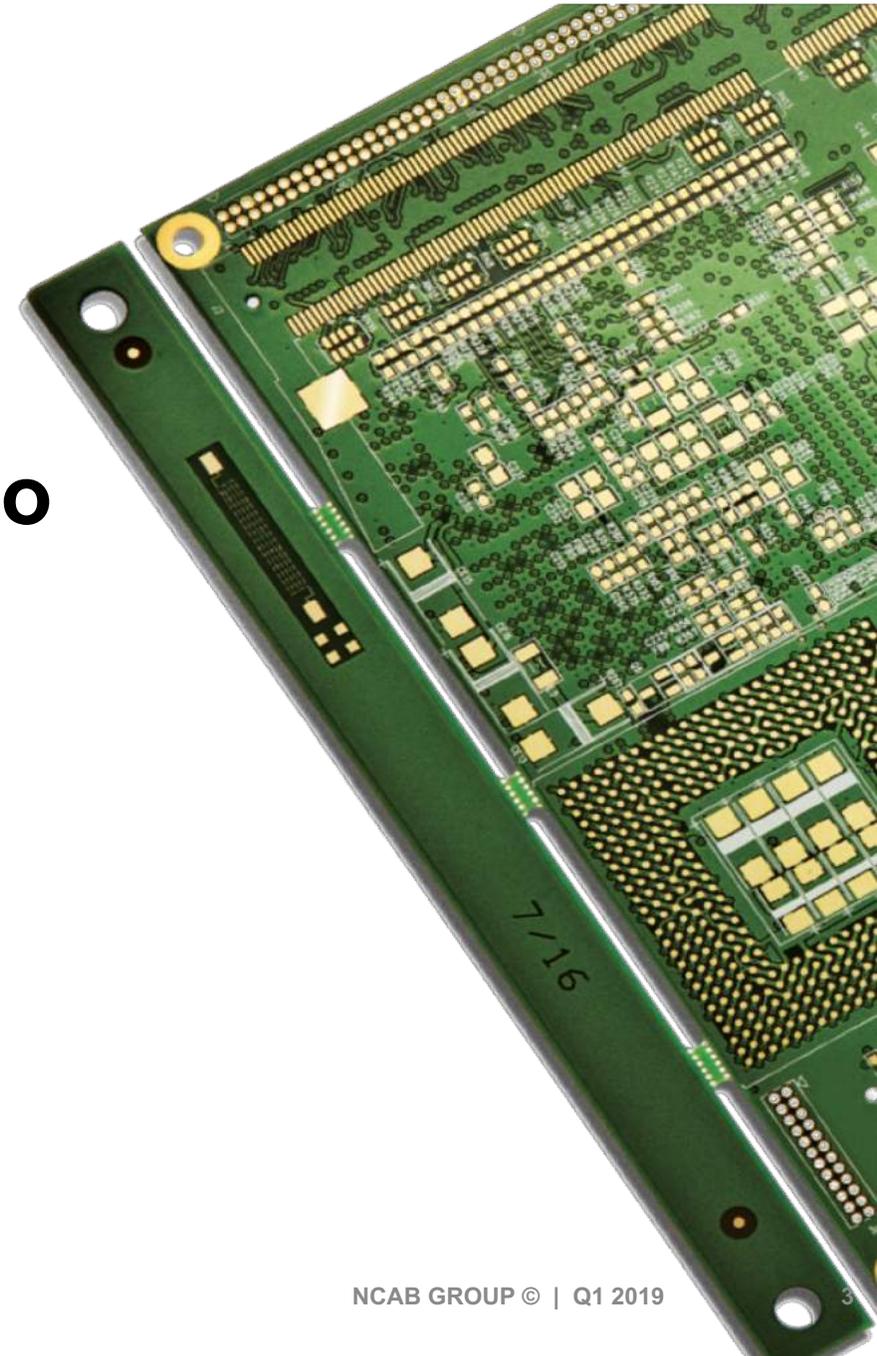
HANS STÅHL
CEO



ANDERS FORSÉN
CFO

Agenda

1. Q1 2019 in short
2. NCAB – who we are and what we do
3. Financials
4. Summary
5. Q&A



1. Q1 2019 in short



The quarter in numbers

Strong profit development – together with tailwind in currency

Q1
2019

445.9

Revenue, MSEK

48.8

Revenue, MUSD

40.6

Adj. EBITA, MSEK

9.1%

Adj. EBITA margin

**Change
vs
Q1 2018**

+19%

+5%

+21%

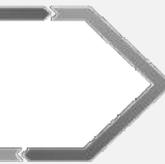
+20

Basis Points

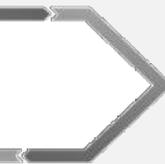
Strong performance in most segments

	Growth	EBITA margin
NORDIC	+34%	16.5%
EUROPE	+17%	6.6%
NORTH AMERICA	+1%	4.0%
EAST	+18%	11.4%

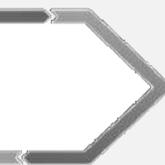
Events and highlights during and after Q1



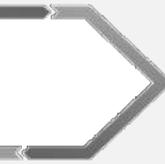
Start-up in Malaysia – local team in place. MD recruited in Netherlands



Completed acquisition of Multiprint A/S – integration according to plan

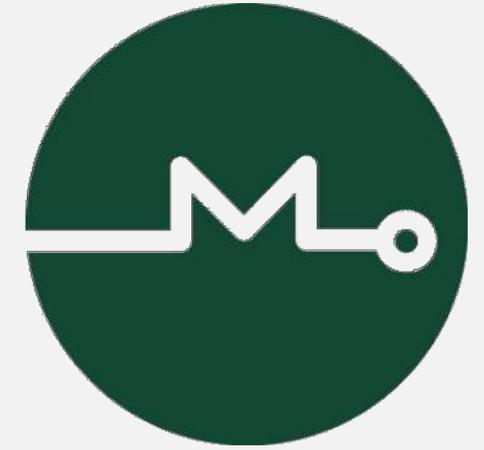


AGM resolved dividend of 75.8 MSEK, corresponding to 4.50 SEK per share



As of May 10, tariffs for imported goods to USA were decided to be raised from 10 to 25 percent

Acquisition of Multiprint A/S in Denmark



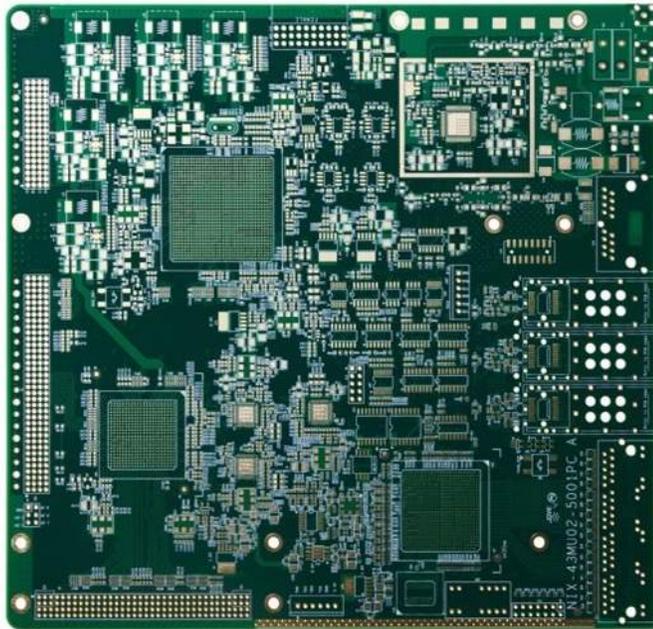
- **Good add-on to NCAB's Danish business**
- **Makes NCAB a clear market leader in Denmark**
- **Adds approximately 60 MSEK in annual revenue**
- **Profitable business – EPS accretive first year**
- **Matching cultures and business models**

A group of business professionals are seated in a meeting. A woman in the center, wearing a white shirt and a grey cardigan, is smiling and gesturing with her right hand. Other people in the background are also engaged in conversation. The scene is brightly lit, suggesting an indoor office or conference room setting.

2. NCAB – who we are and what we do

THIS IS WHAT WE DO

PCBs for making PCB-As



17

companies

45

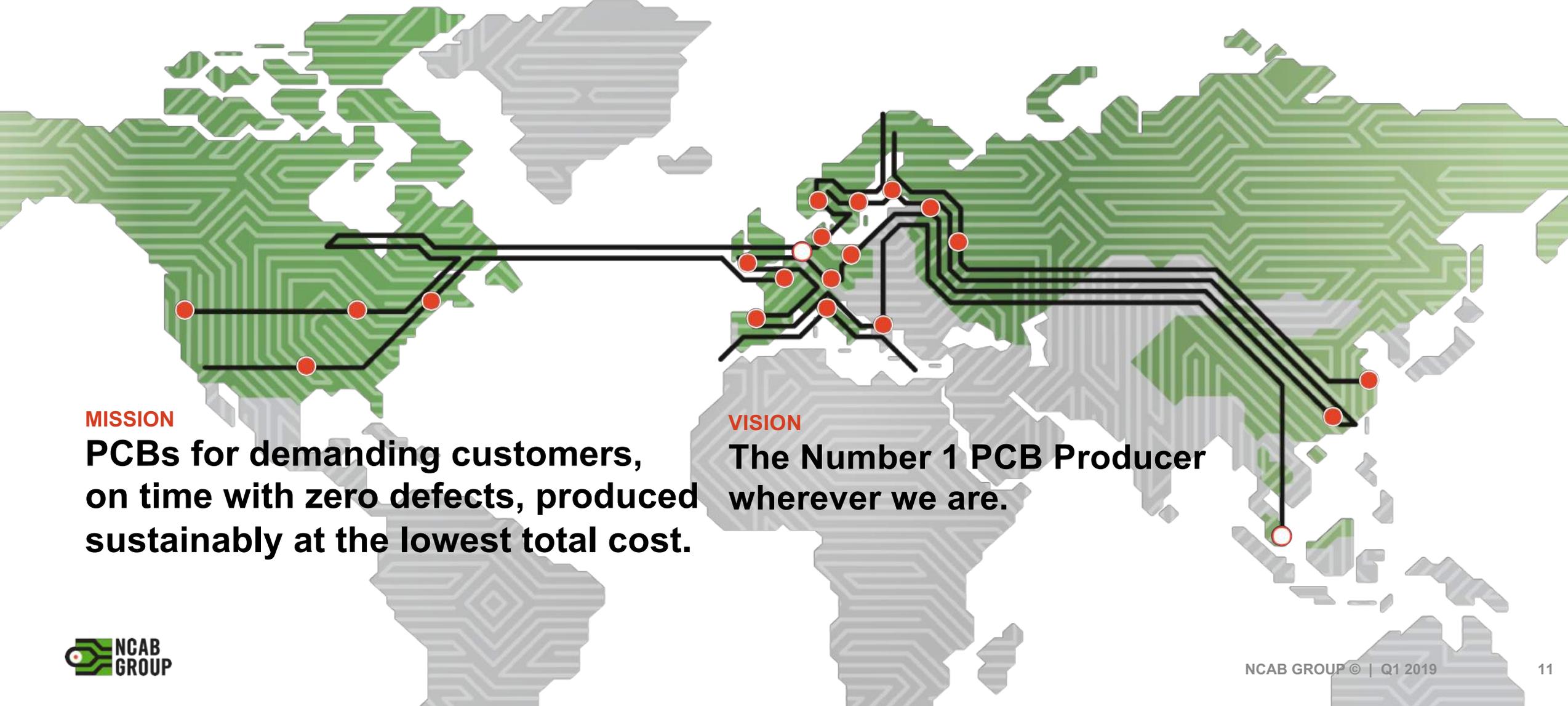
markets

388

specialists

22

factories



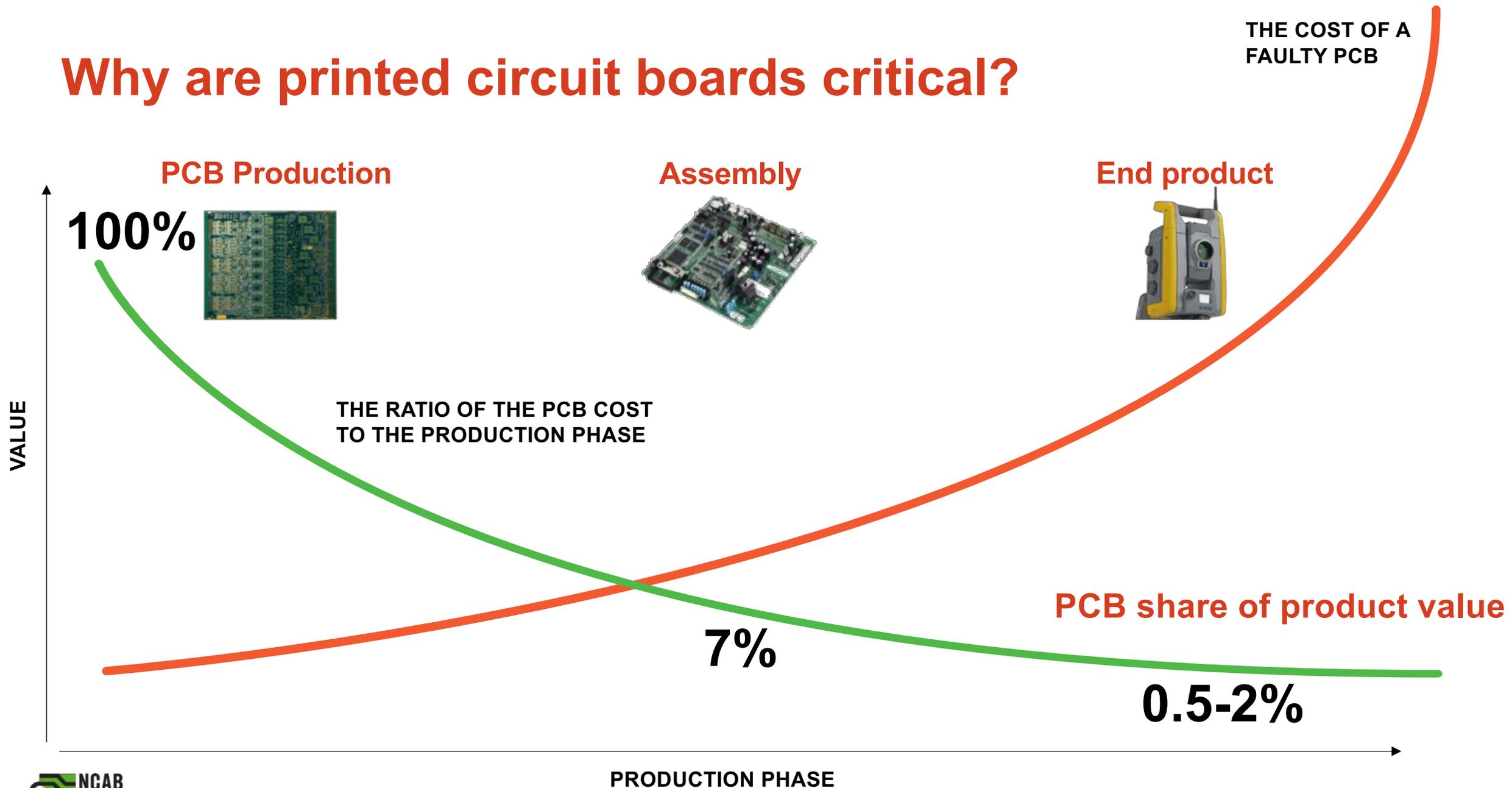
MISSION

**PCBs for demanding customers,
on time with zero defects, produced
sustainably at the lowest total cost.**

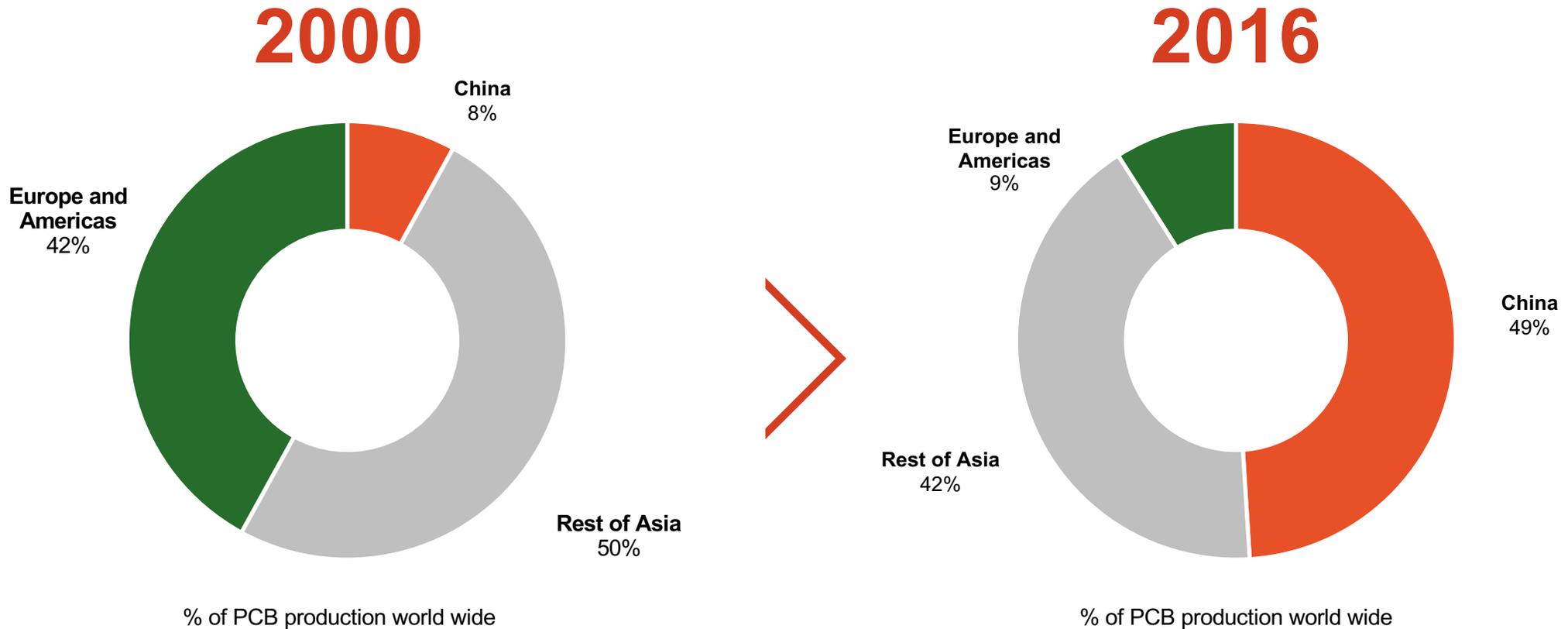
VISION

**The Number 1 PCB Producer
wherever we are.**

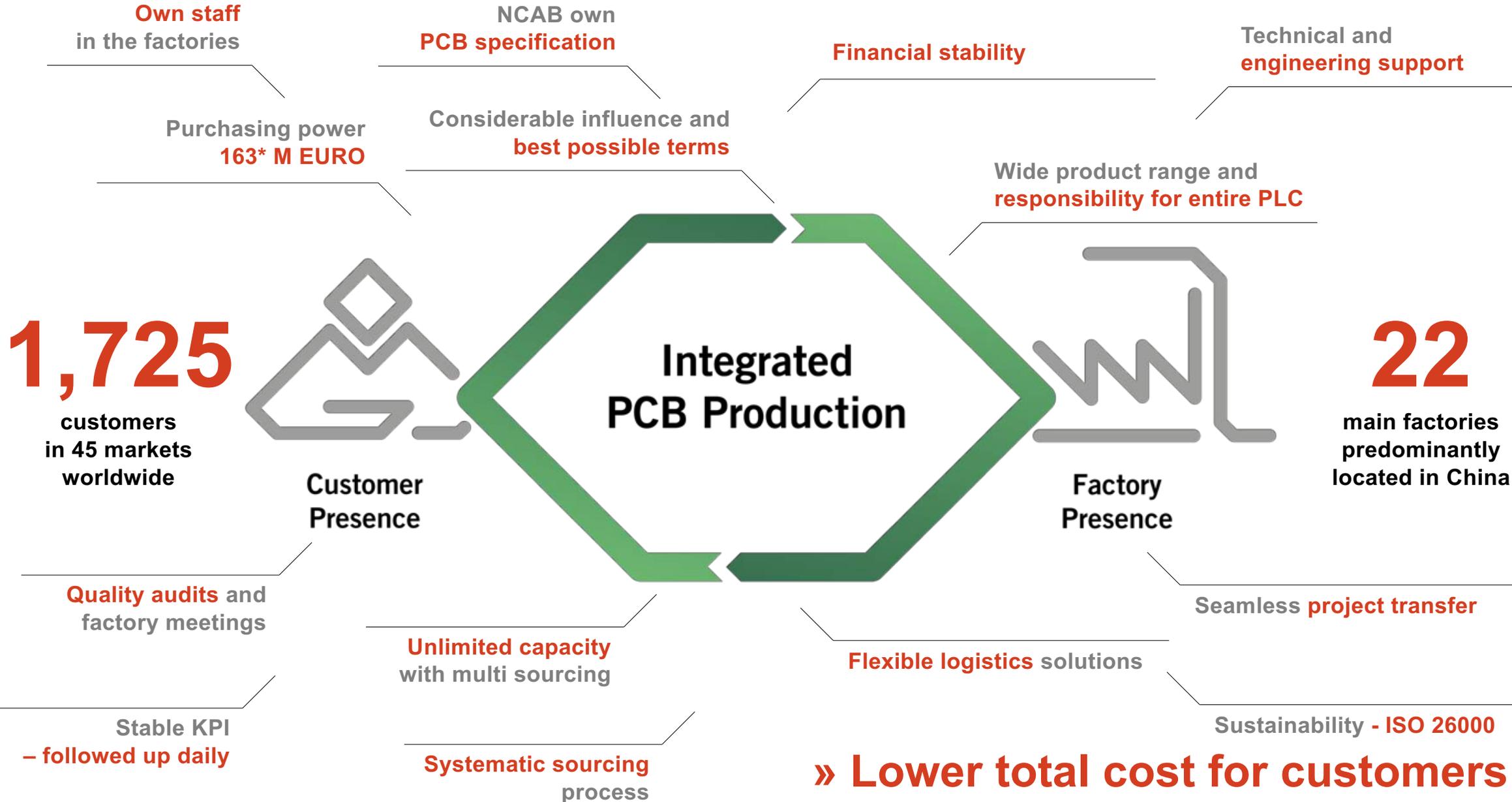
Why are printed circuit boards critical?



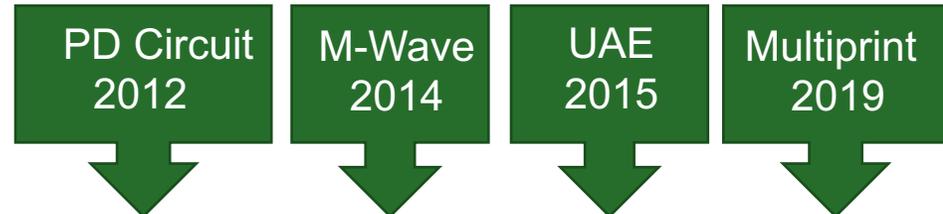
Why NCAB has a role to fill



European/US factories market share down from **42%** in 2000 to **9%** in 2016



Our journey



1993–2003

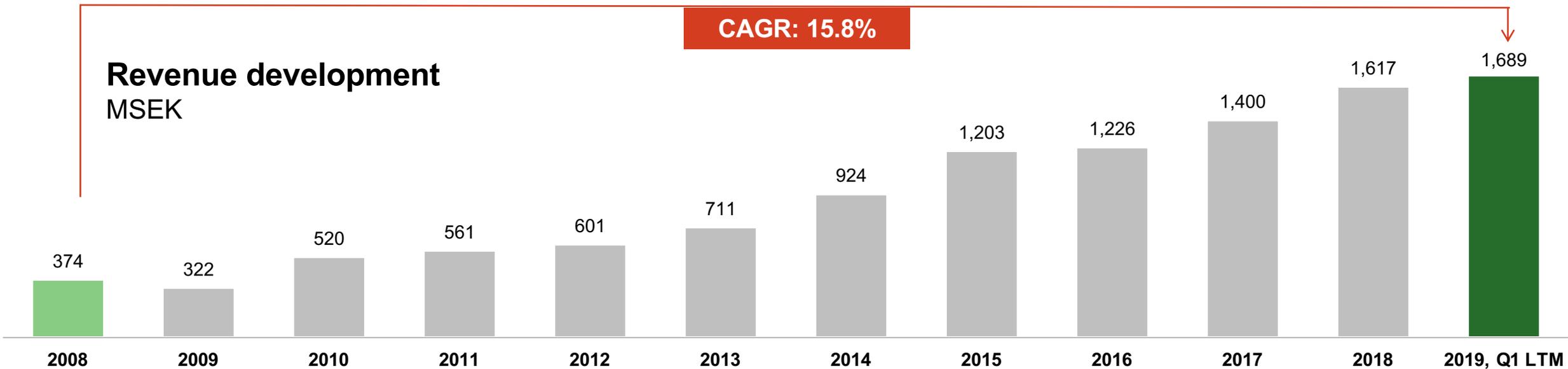
2004–2011

2012–



CAGR: 15.8%

Revenue development MSEK



- Rayval is a leading EMS company based in China, Suzhou covering a wide range of industries including telecom, industrial, automotive, power&energy and medical.
- Rayval and NCAB started cooperation in 2014.
- Through Rayval NCAB is delivering boards to demanding global end-customers such as Honeywell, Hirschmann, Delphi, Amphenol, Casco, Getinge.
- Rayval bought PCBs for more than 20 MUSD 2018 and put stringent demands on quality, flexibility, technical expertise and service.
- Rayval has a turnover of 176 MUSD (2018)
- 2 production plants in China
- 1150 employees



Global Customer Footprint



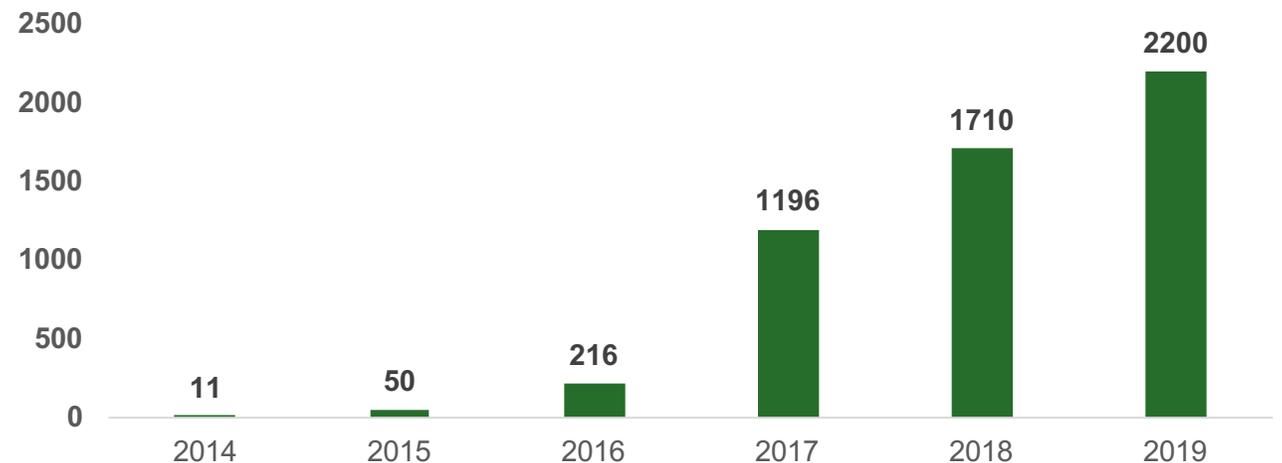
Value NCAB brings to Rayval:

- Product and service reliability
- A competitive HMLV offer
- An attractive high-tech offer
- High quality performance
- Strong technical design support together with OEM and ODM customers
- DFM and DFE support at an early stage
- A global service organisation

“Partnering with NCAB provides a competitive product offering of reliable PCBs in the High Mix Low Volume segment. In addition, NCABs global network enables a strong global long-term partnership”

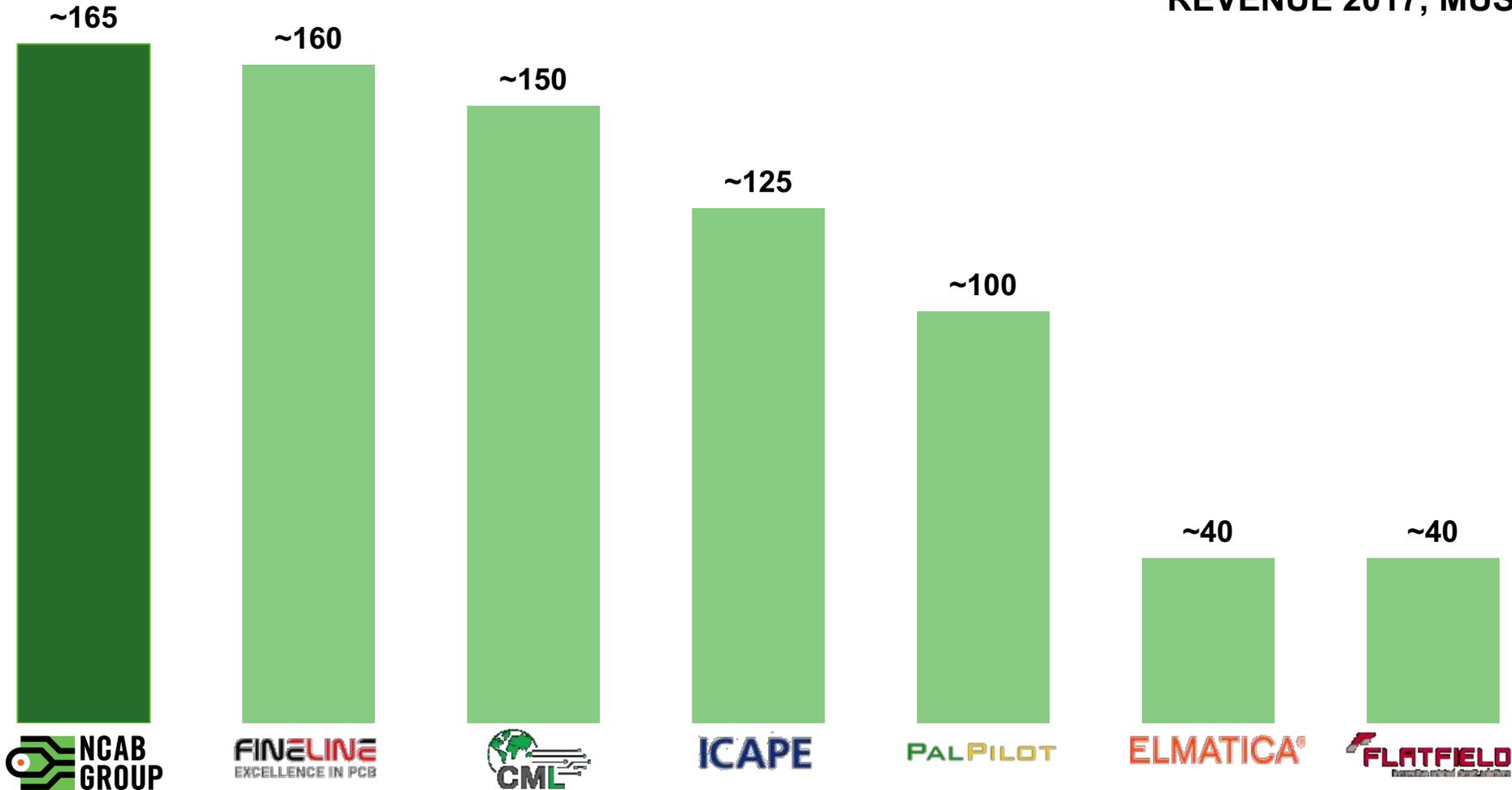
Owen Wang, Vice President Rayval technologies

NCAB sales growth with Rayval (KUSD)



A market leading position worldwide

REVENUE 2017, MUSD



3. Financials

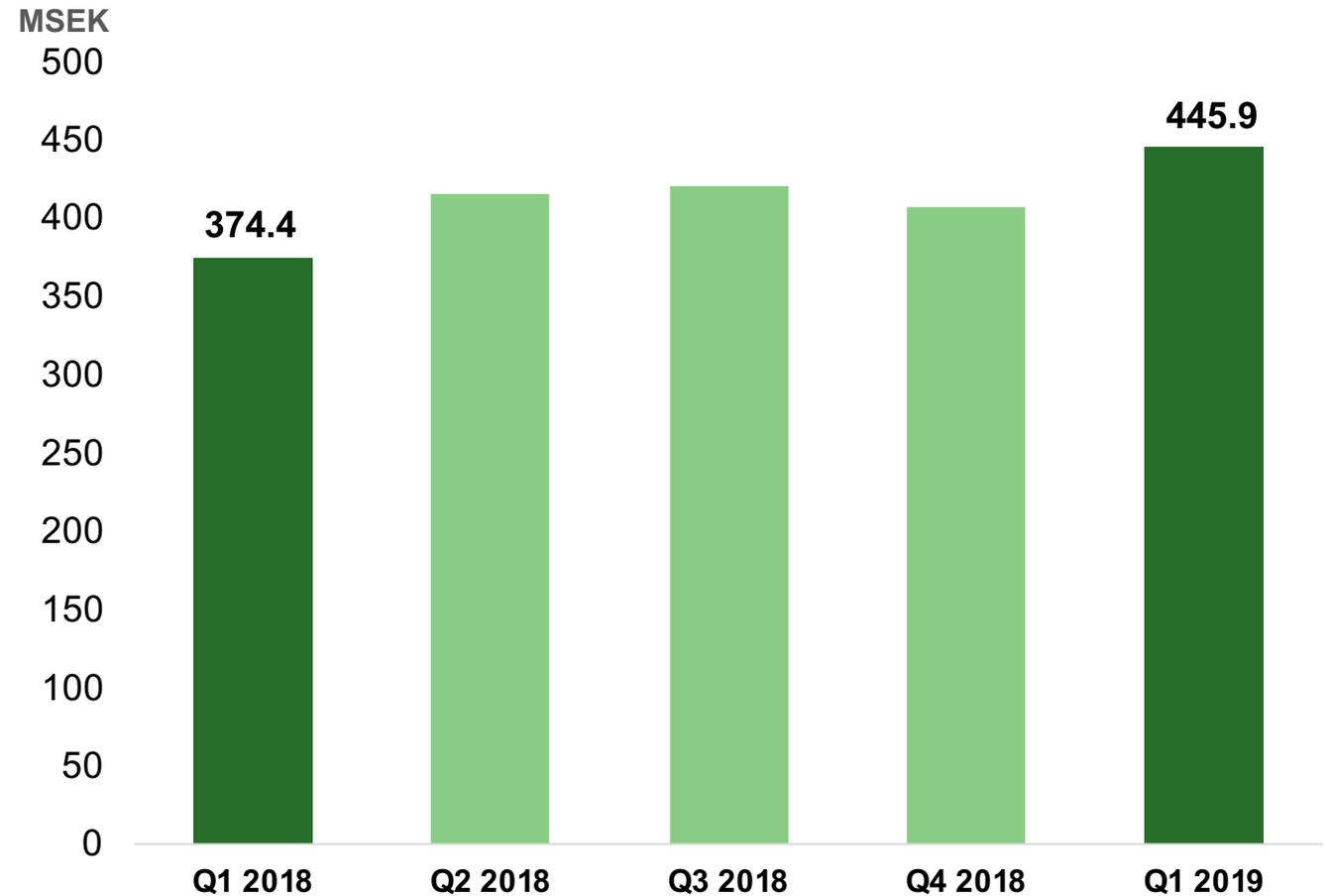


Top-line growth and stable gross margins



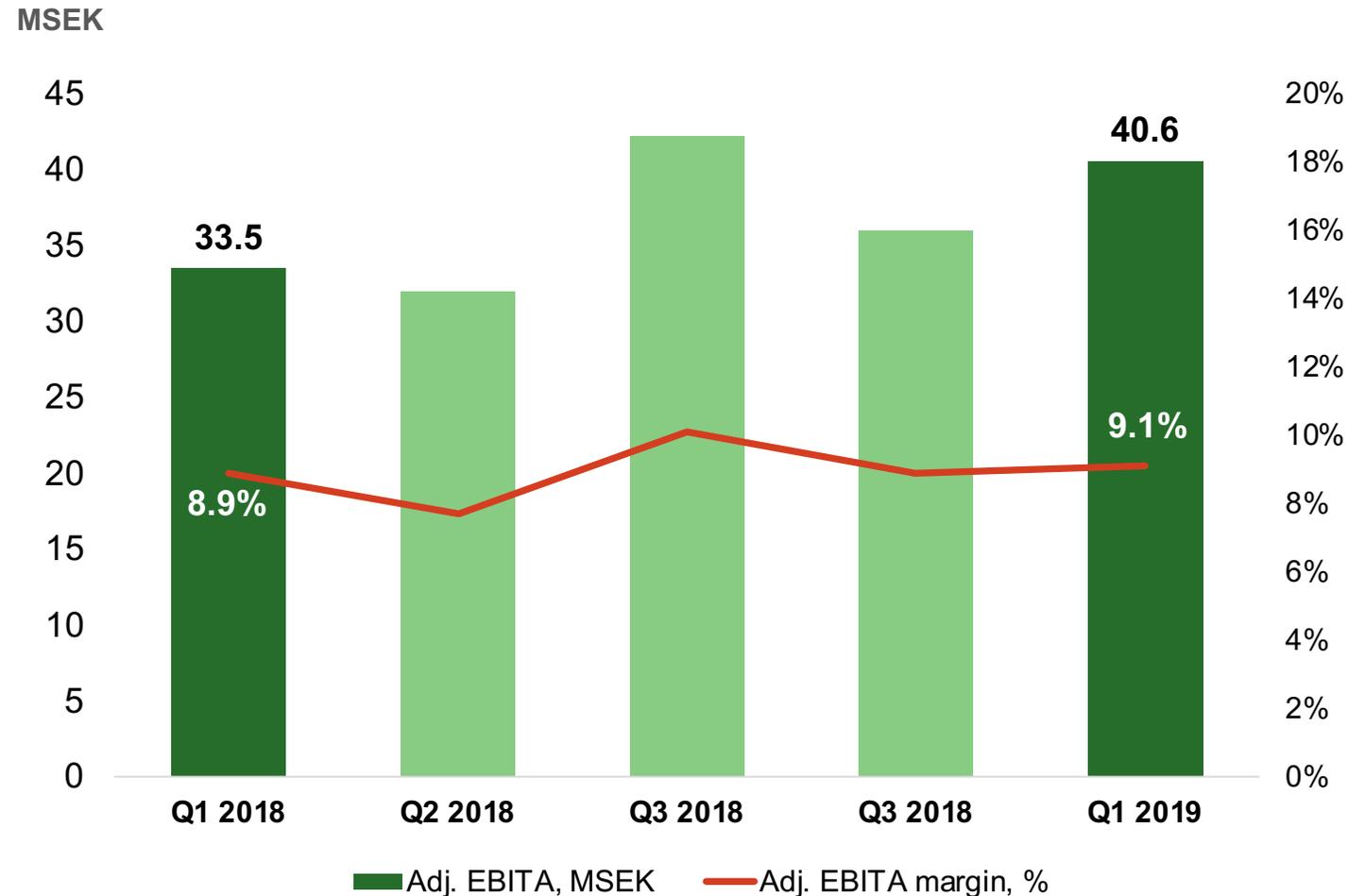
Net sales: Continued growth in revenue and order intake

- Stable growth and order intake in most segments coupled with tailwind in currencies
- Revenue increased by 19% in SEK, and by 5% in USD
- Order intake increased by 20% in SEK, and by 5% in USD
- Order intake in SEK between +20% and +30% in all segments except North America
- The underlying market positive



Result: Stronger result and margins

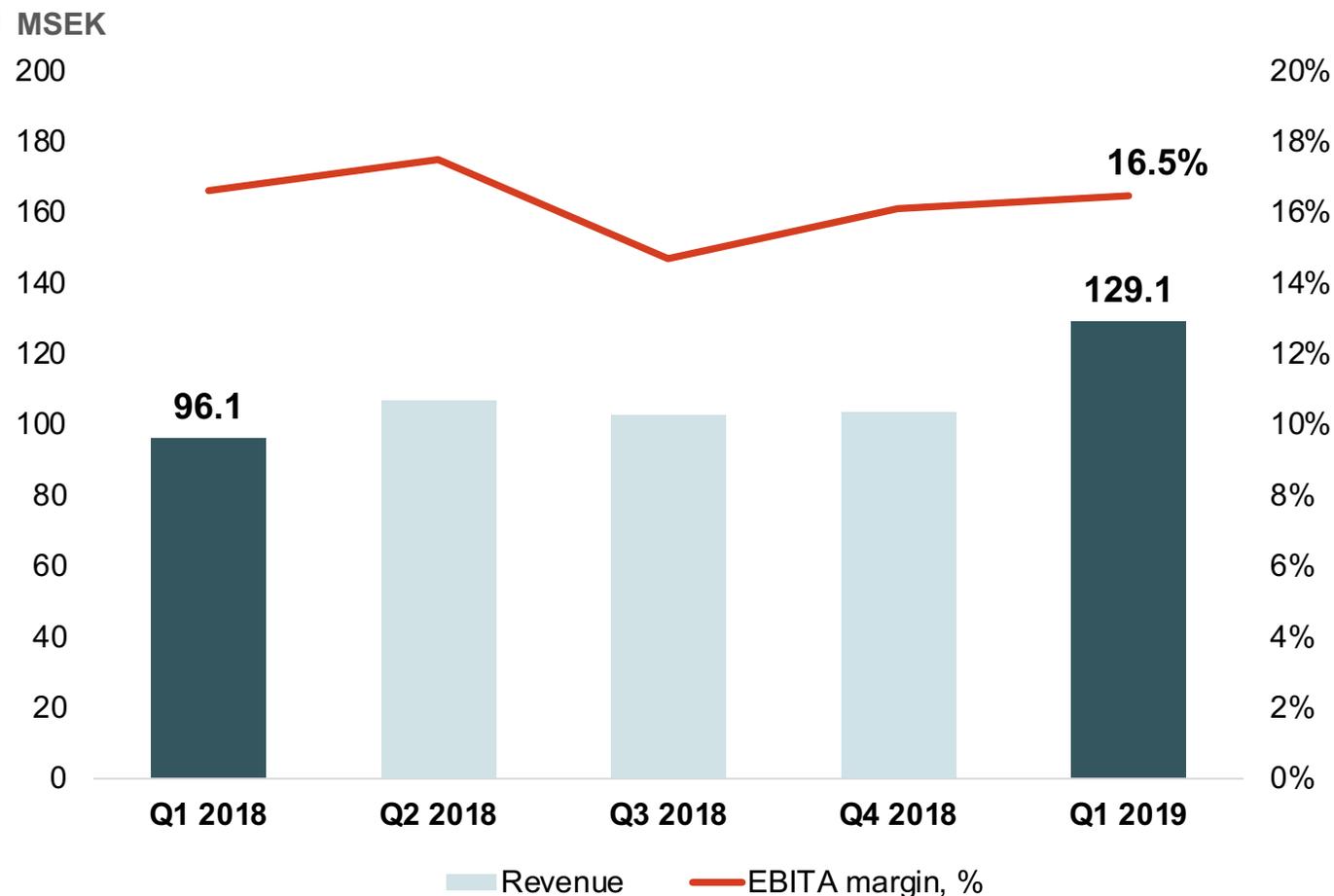
- Adj. EBITA increased by 21%, reached 40.6 MSEK (33.5)
- Adjusted EBITA margin of 9.1% (8.9)
- Stronger result due to higher gross margin, sales growth and slower increase in costs
- Earnings per share reached 2.06 SEK after dilution (1.31)



Strong development in Nordic

17%
EBITA margin

- Very strong growth – revenue increased by 34% to 129.1 MSEK (96.1)
- Acquisition of Multiprint affected positively with 7 percentage points
- Good performance in Norway and Denmark – somewhat weaker in Finland
- EBITA increased 34% to 21.3 MSEK (16.0) due to higher sales and stable gross margin. EBITA margin reached 16.5% (16.6)

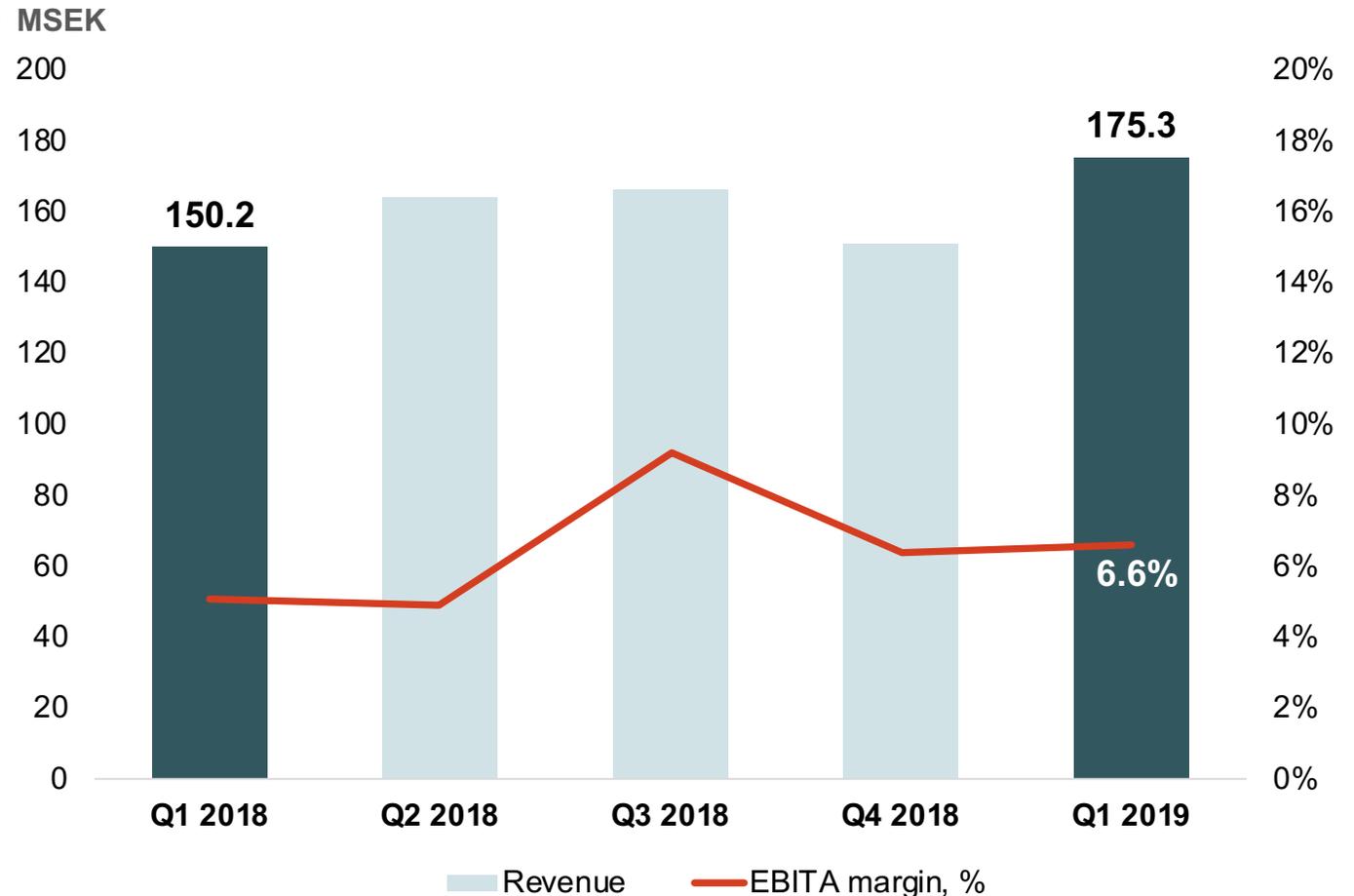


Continued positive trend in Europe

+17%

Revenue growth

- Positive trend continues – despite strong end of 2018
- Revenue growth of 17% to 175.3 MSEK (150.2) and higher order intake
- Italy fastest growing country. Expansion into Benelux region
- EBITA increased to 11.6 MSEK (7.6), corresponding to a margin of 6.6% (5.1), driven by higher sales and gross margin



Transition in North America

+1%

Revenue growth

- Modest growth of 1% to 57.6 MSEK (57.3) – in USD revenue fell by 11%
- Shift from low tech to high tech continues and NCAB can see growth of new customers
- Trade tariffs of 10% are invoiced to customers, but have created some turbulence on the market. Increase from 10% to 25% from May 10
- EBITA of 2.3 MSEK (1.2), corresponding to a margin of 4.0% (2.0)

MSEK

200

180

160

140

120

100

80

60

40

20

0

20%

18%

16%

14%

12%

10%

8%

6%

4%

2%

0%

57.3

57.6

4.0%

Q1 2018

Q2 2018

Q3 2018

Q4 2018

Q1 2019

Revenue EBITA margin, %

Stable performance in East

+18%

Revenue growth

- Revenue growth of 18% to 83.9 MSEK (71.0)
- Strongest development in Russia. Good momentum from new customers in China
- Start-up in Malaysia – continues to strengthen local team
- Adjusted EBITA of 9.6 MSEK (10.4), corresponding to a margin of 11.4% (14.7), due to somewhat lower gross margin

MSEK

200

180

160

140

120

100

80

60

40

20

0

Q1 2018

Q2 2018

Q3 2018

Q4 2018

Q1 2019

20%

18%

16%

14%

12%

10%

8%

6%

4%

2%

0%

71.0

83.9

11.4%

Revenue

Adj. EBITA margin, %

KPIs

	March 2019	March 2018	Dec- 2018
ROE, %	52.5	19.8	51.9
Net debt/Adj. EBITDA	0.3	1.3	-0.1
Equity/Asset ratio, %	41.8	22.3	41.0
Net working capital, MSEK	176.0	142.7	135.3

4. Summary



Delivering on our strategic plan



Financial targets, medium-term

Annual average growth before acquisitions of

8%

Average adjusted EBITA margin of

8%

Net debt/adjusted EBITDA less than

2x

Dividend expected to correspond to at least

50%

of net profit



Q&A



Next quarterly report:

January-June, 2019

July 30, 2019

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