



# Good quarter for NCAB despite raised tariffs

**Q2 2019**

# Today's presenters

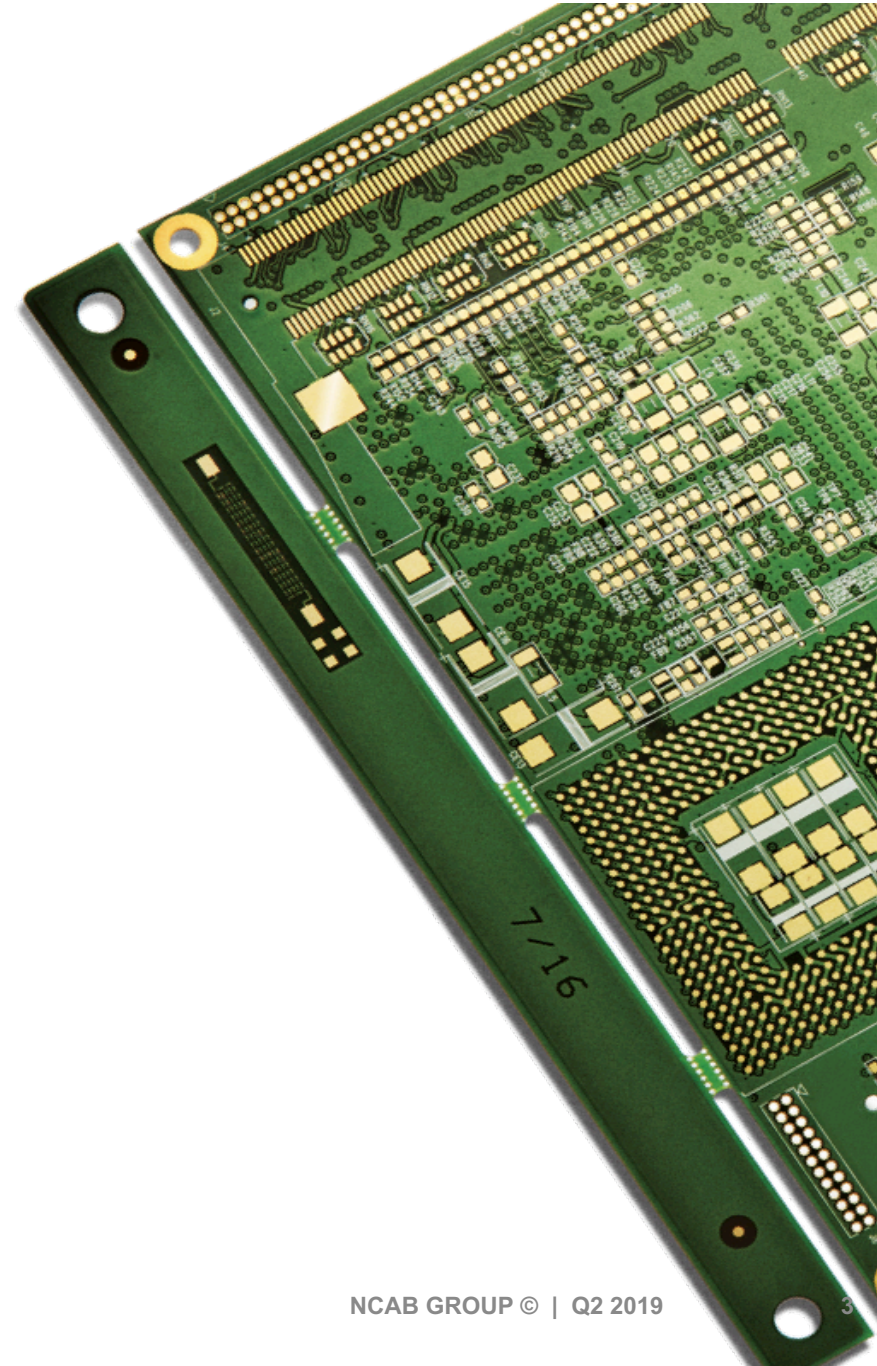
**HANS STÅHL**  
CEO



**ANDERS FORSÉN**  
CFO

# Agenda

1. Q2 2019 in short
2. NCAB in a nutshell
3. Q2 and half year financials
4. Summary
5. Q&A



# 1. Q2 2019 in short



# The quarter in numbers

Increased profitability, while growth in USD somewhat weaker

**Q2**  
2019

**473**

Net sales, MSEK

**58.0**

Net sales, MUSD

**37.3**

Adj. EBITA, MSEK

**7.9%**

Adj. EBITA margin

**Change**  
vs  
**Q2 2018**

**+14%**

**+4%**

**+17%**

**+20**

Basis Points

# North America is negatively affected by the trade war

	Growth	EBITA margin
NORDIC	+25%	13.1%
EUROPE	+12%	6.2%
NORTH AMERICA	-11%	6.3%
EAST	+26%	10.6%

A photograph of a group of people in a meeting or conference. A woman in the center is smiling and gesturing with her hands. The text '2. NCAB in a nutshell' is overlaid on the image.

## 2. NCAB in a nutshell

**17**

companies

**45**

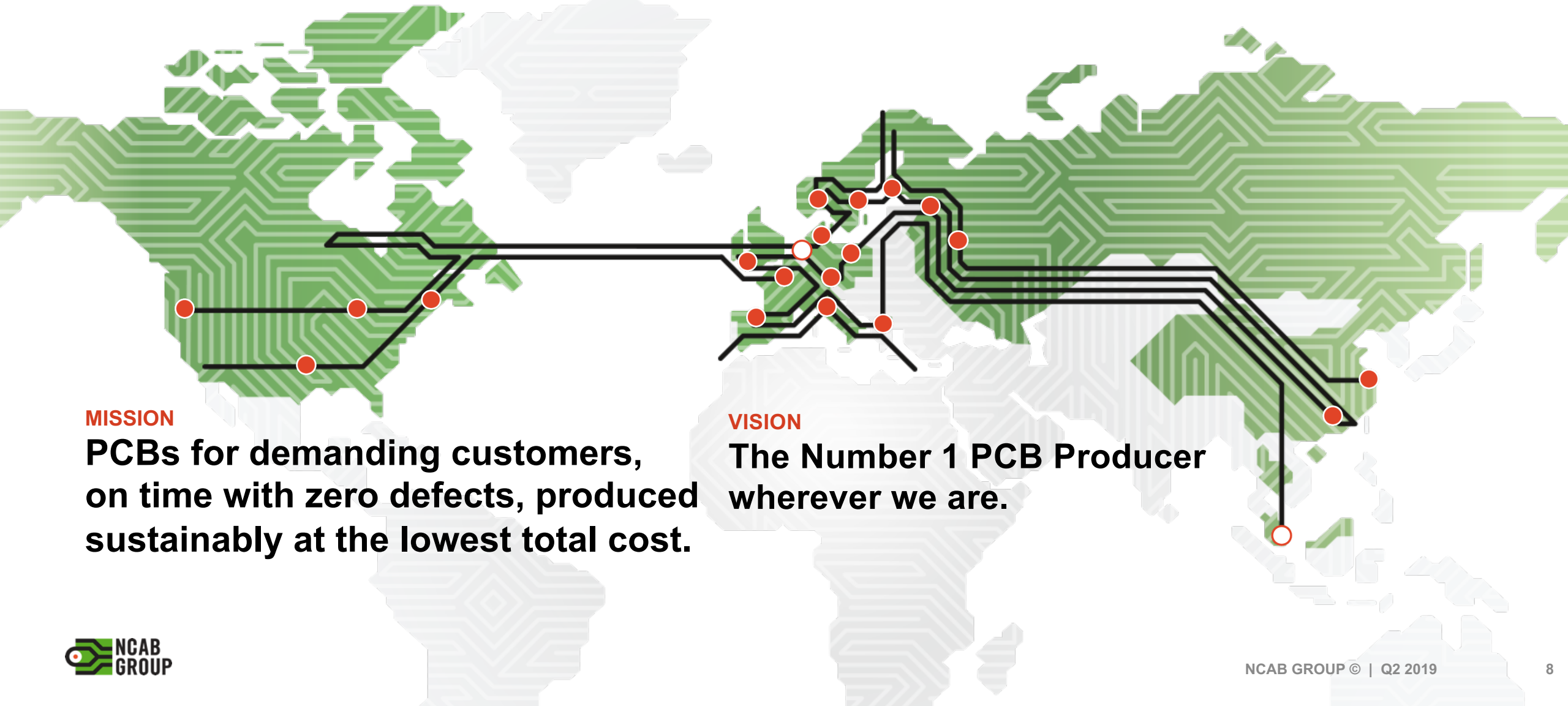
markets

**398**

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.**



**1,725**

customers  
in 45 markets  
worldwide



Customer  
Presence

Quality audits and  
factory meetings

Stable KPI  
– followed up daily

NCAB own  
PCB specification

Considerable influence and  
best possible terms

Financial stability

Technical and  
engineering support

Wide product range and  
responsibility for entire PLC

Integrated  
PCB Production



Factory  
Presence

**22**

main factories  
predominantly  
located in China

Seamless project transfer

Unlimited capacity  
with multi sourcing

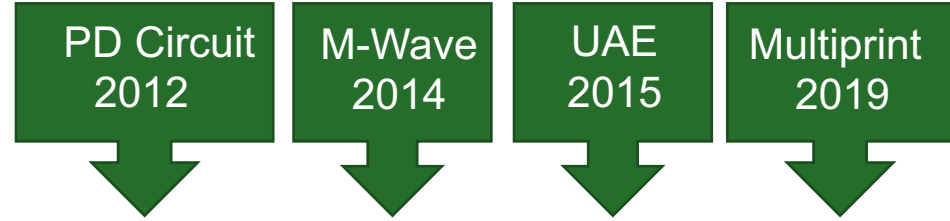
Flexible logistics solutions

Sustainability - ISO 26000

Systematic sourcing  
process

» Lower total cost for customers

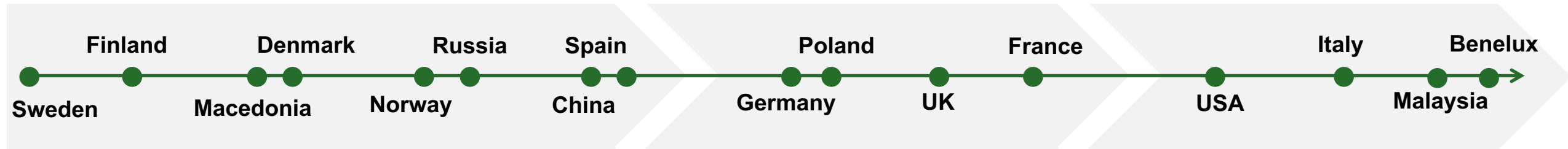
# Our journey



1993–2003

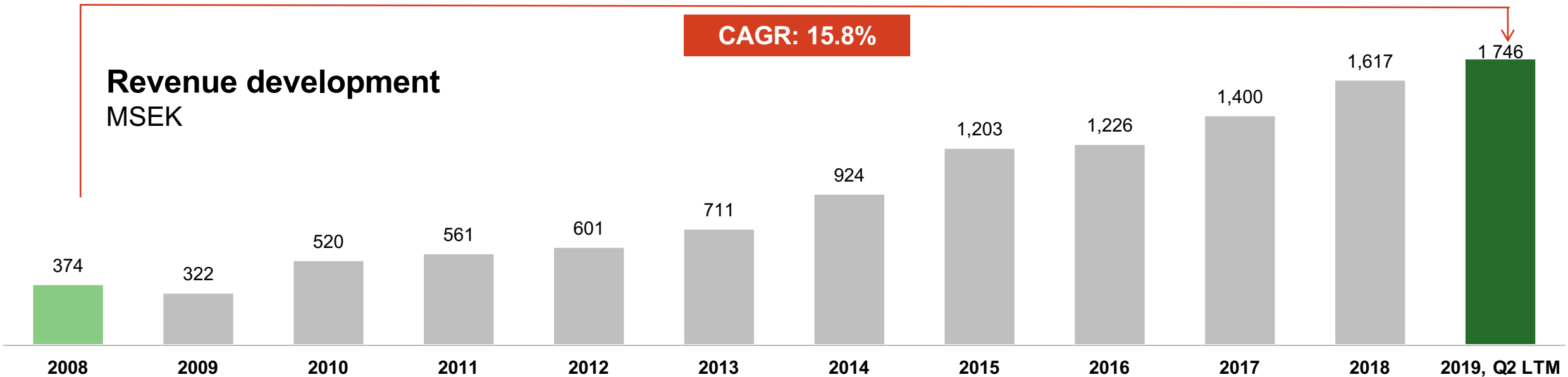
2004–2011

2012–



CAGR: 15.8%

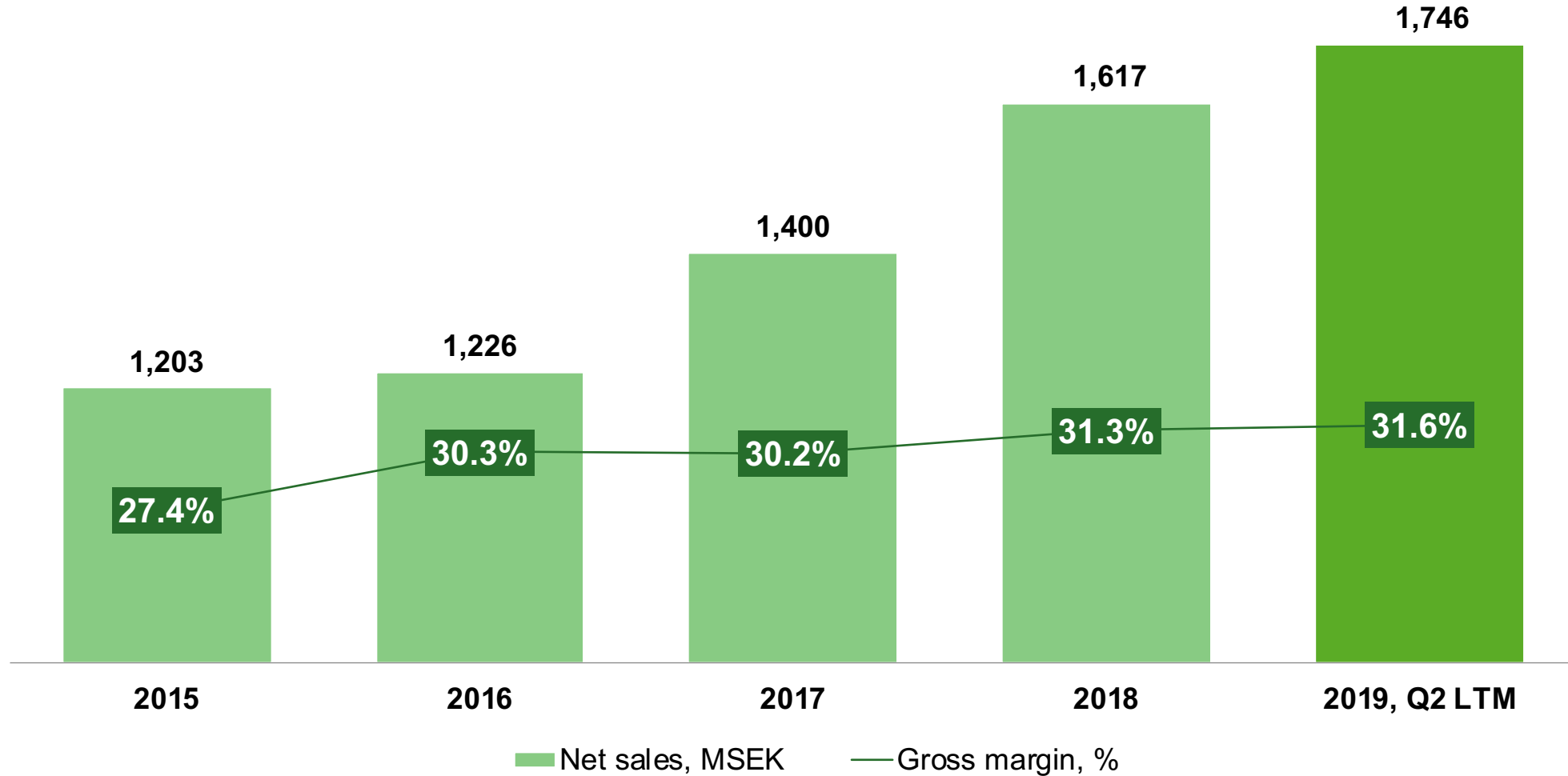
## Revenue development MSEK



# 3. Financials

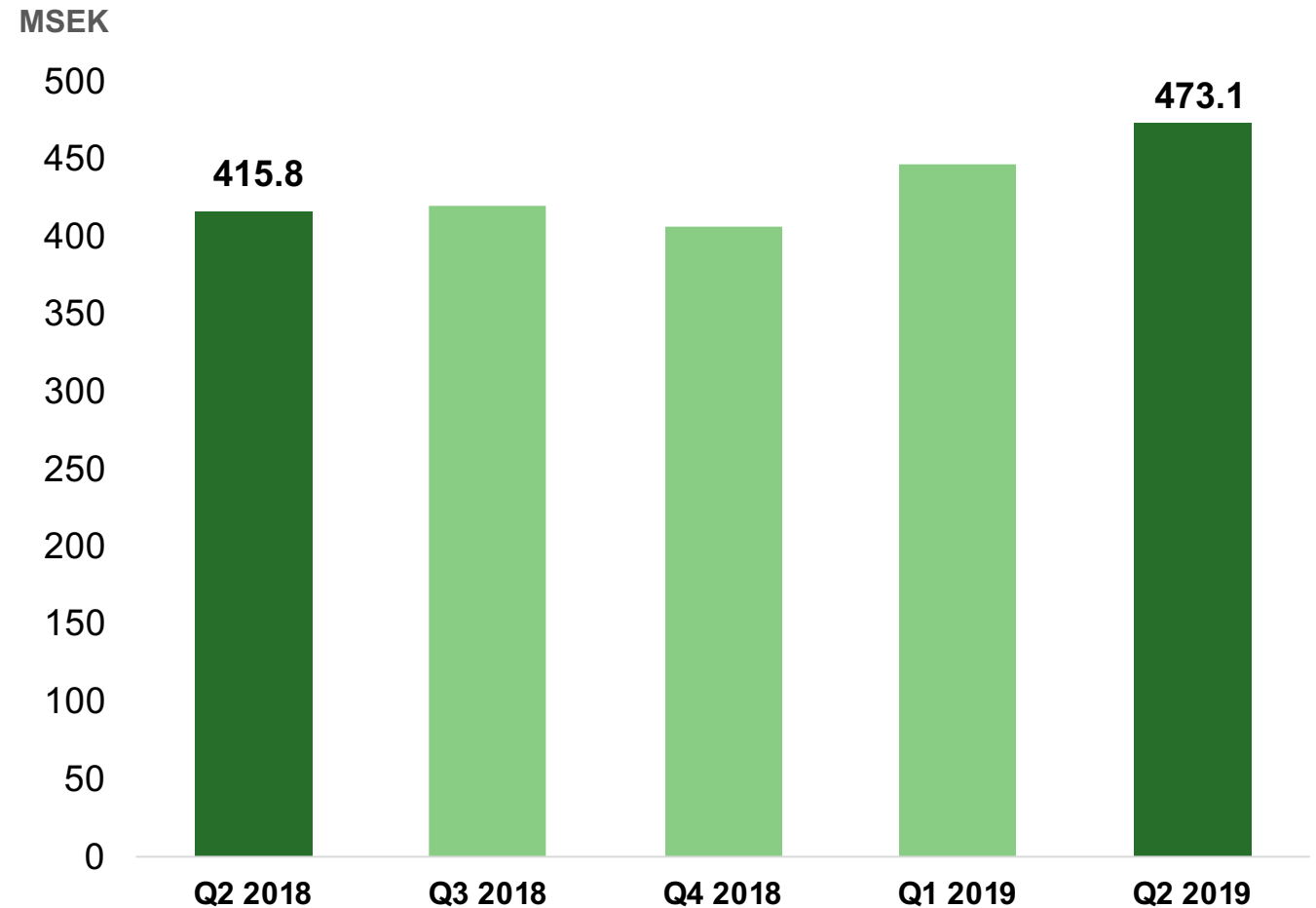


# Continued top-line growth and increased gross margin



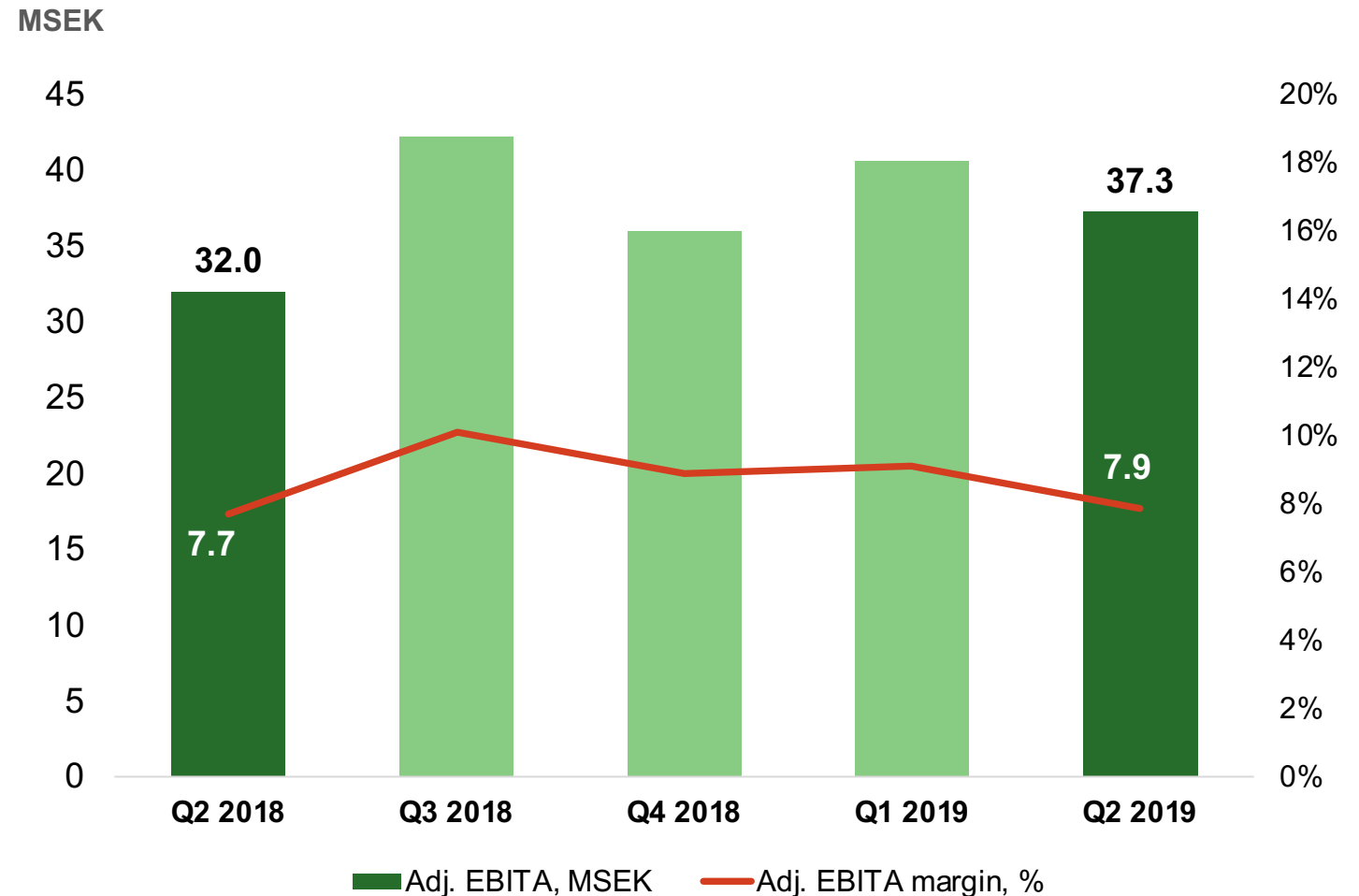
# Continued growth in net sales and order intake

- Increased tariffs had a direct impact on order intake in *North America*
- Growth in order intake in all other segments coupled with tailwind in currencies
- Net sales increased by 14% in SEK, and by 4% in USD. 10 % increase excluding Multiprint.
- Order intake increased by 10% in SEK, and by 1% in USD. 16% growth excl. *North America*
- Increased cautiousness from European customers



# Stronger result and margins

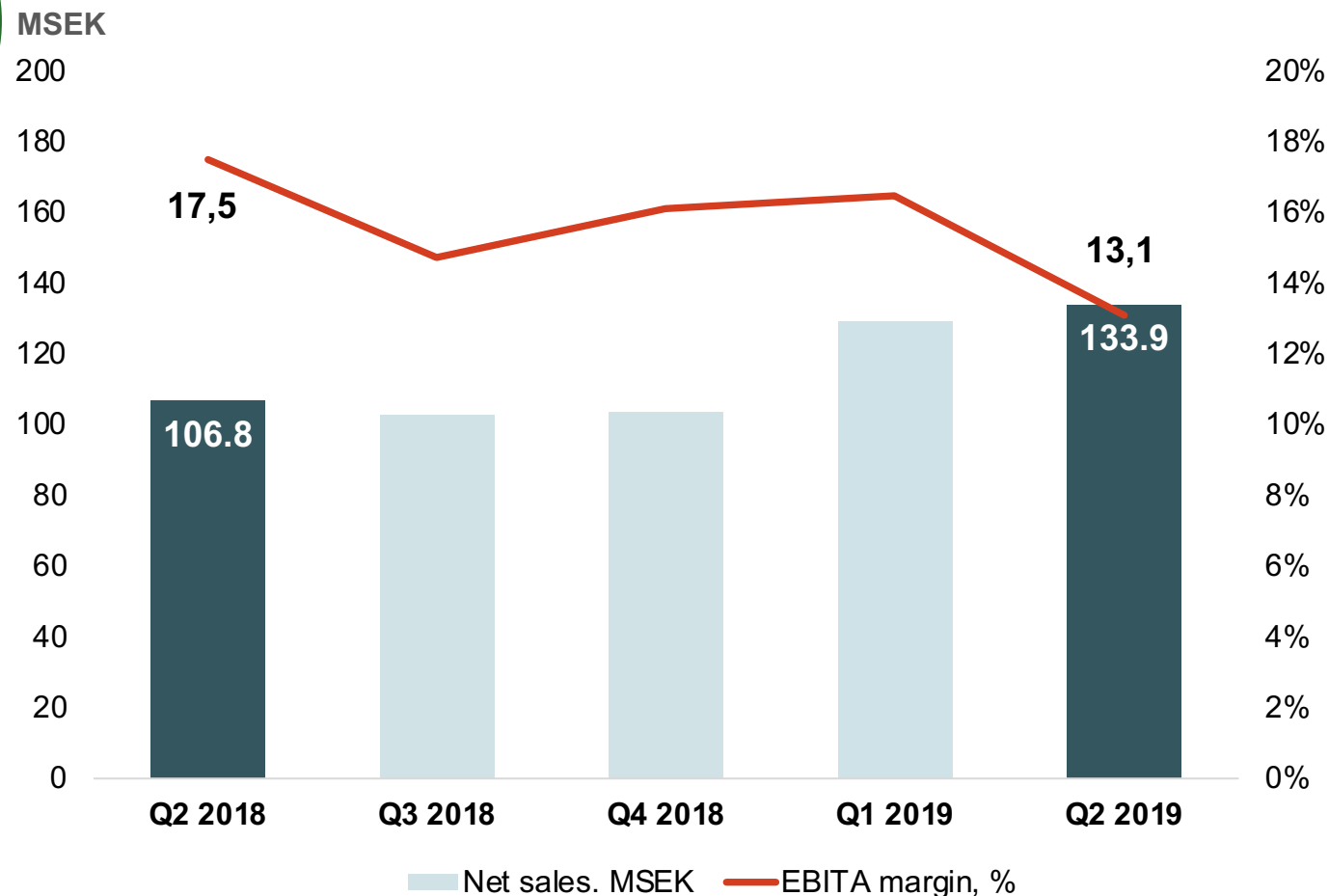
- Adj. EBITA increased by 17%, reached 37.3 MSEK (32.0)
- Adjusted EBITA margin of 7.9% (7.7)
- Stronger result due to higher gross margin. Continue to invest for growth in *Europe and East*
- Earnings per share reached 1.39 SEK (0.99), after dilution SEK1.39 (0.92)



# Strong growth in Nordic

**13%**  
EBITA margin

- Strong growth – net sales increased by 25% to 133.9 MSEK (106.8)
- Growth excl. acquired Multiprint was 11%
- Good performance in Norway and Denmark – somewhat weaker in Finland
- EBITA slightly lower, 17.5 MSEK (18.7). Lower EBITA margin 13% (18.0) due to changed mix between the countries

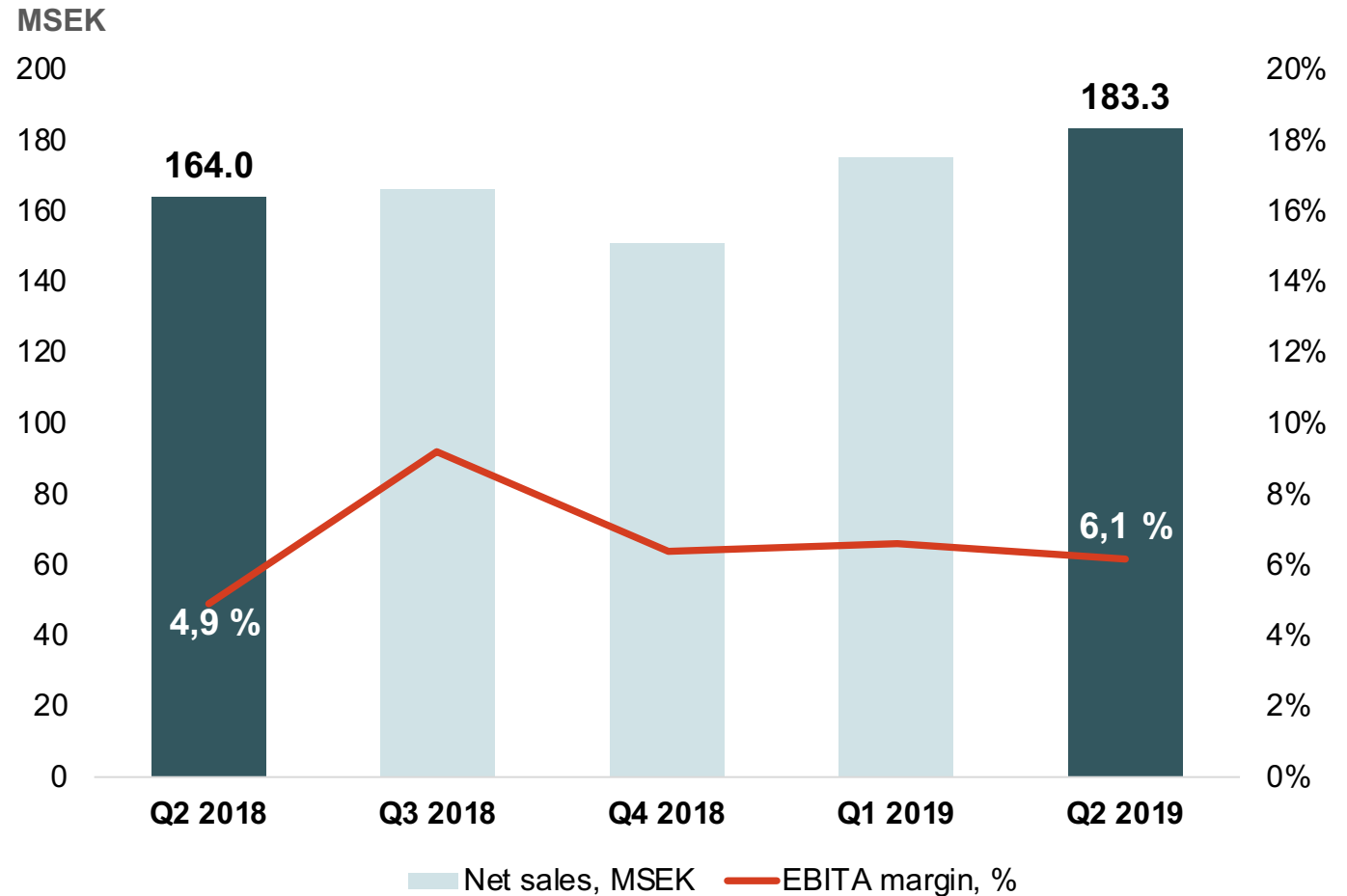


# Europe somewhat hesitant

12%

Revenue growth

- Net sales growth of 12% to 183.3 MSEK (164.0) and order intake growth of 10%
- Germany and UK good but weaker growth in other markets
- New company in Benelux established
- EBITA increased to 11.3 MSEK (8.0), corresponding to a margin of 6.2% (4.9)

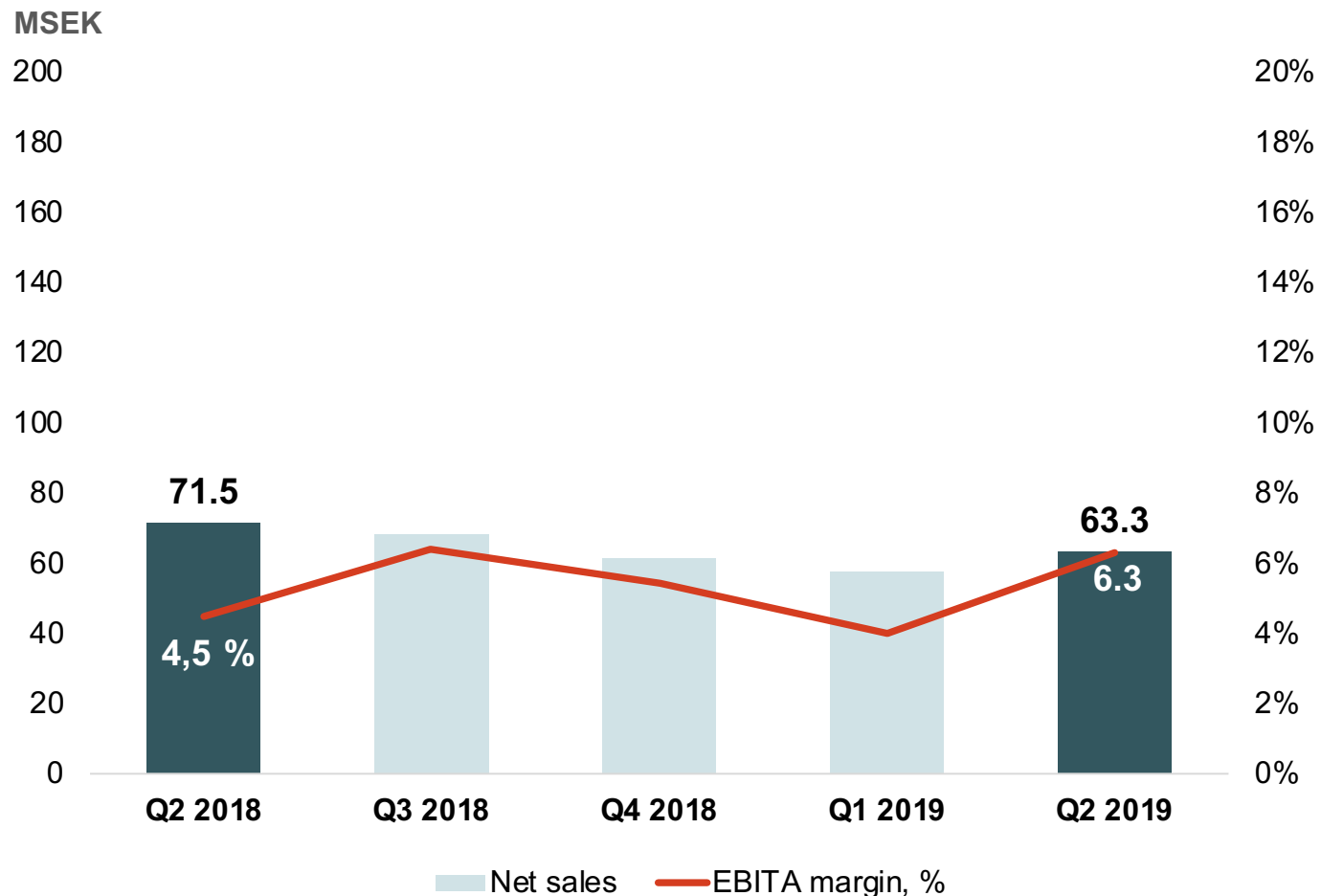




# North America slowed down by increased tariffs

**-11%**  
Net sales growth

- Net sales -11% to 63.3 MSEK (71.5) – in USD revenue fell by 21%
- Trade tariffs are invoiced to customers, but have created turbulence on the market. Increase from 10% to 25% from May 10
- EBITA of 4.0 MSEK (3.2), corresponding to a margin of 6.3% (4.5)



# Strong performance in East

26%

Revenue growth

- Net sales growth of 26% to 92.6 MSEK (73.5)
- Strong development in both Russia and China, even if Chinese customers exporting to USA are affected by the tariffs
- Start-up in Malaysia – continues to strengthen local team
- Adjusted EBITA of 9.8 MSEK (7.3), corresponding to a margin of 10.6% (9.9)

MSEK

200

180

160

140

120

100

80

60

40

20

0

20%

18%

16%

14%

12%

10%

8%

6%

4%

2%

0%

Q2 2018

Q3 2018

Q4 2018

Q1 2019

Q2 2019

73.5

9,9 %

92.6

10,6 %

Net sales

Adj. EBITA margin, %

# KPIs

	June 2019	June 2018	Dec 2018
ROE, %	<b>48.3</b>	7.0	51.9
Net debt/Adj. EBITDA	<b>0.6</b>	0.6	-0.1
Equity/Asset ratio, %	<b>36.0</b>	36.2	41.0
Net working capital, MSEK	<b>173.0</b>	153.8	135.3

# 4. Summary



NCAB GROUP

## Summary of the Q2 report

- **Good quarter for NCAB despite raised tariffs**
- **Somewhat dampened top line growth, due to trade war and hesitance among customers**
- **Increased gross margins**
- **Strong profitability**

# 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







## Next quarterly report:

January-September, 2019

**November 6, 2019**

## Investor contact:

Gunilla Öhman

[gunilla.ohman@ncabgroup.com](mailto:gunilla.ohman@ncabgroup.com)

