Year-end Report 2018

OCTOBER–DECEMBER 2018

> Net sales increased by 24 per cent to SEK 406.7 million (327.3). In USD, net sales increased 14 per cent.
> Order intake increased 12 per cent to SEK 474.7 million (422.3). In USD, order intake increased 4 per cent.
> EBITA was SEK 36.0 million (-1.1), representing an EBITA margin of 8.9 per cent (-0.3).
> Adjusted* EBITA was SEK 36.0 million (12.4), representing an adjusted* EBITA margin of 8.9 per cent (3.8).
> Operating profit was SEK 34.9 million (-2.7). Operating margin was 9.0 per cent (-0.8).
> Profit after tax amounted to SEK 34.7 million (-10.2).
> Earnings per share was SEK 2.06 (-0.74) before dilution and SEK 2.06 (-0.74) after dilution**.

FULL-YEAR 2018

> Net sales increased 15 per cent to SEK 1,617.0 million (1,400.1). In USD, net sales increased 14 per cent.
> Order intake increased 10 per cent to SEK 1,664.5 million (1,509.2). In USD, order intake increased 8 per cent.
> EBITA was SEK 132.2 million (70.2), representing an EBITA margin of 8.2 per cent (5.0).
> Adjusted* EBITA was SEK 143.8 million (113.7), representing an adjusted* EBITA margin of 8.9 per cent (8.1).
> Operating profit was SEK 127.6 million (65.6). Operating margin was 7.9 per cent (4.7).
> Earnings after tax was SEK 104.6 million (40.4).
> Earnings per share was SEK 6.37 (2.42) before dilution and SEK 6.24 (2.38) after dilution**.
> The Board of Directors proposes a dividend for the 2018 financial year of SEK 4,50 per share.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

> NCAB established a new subsidiary in Malaysia in December 2018.
> In November 2018, a decision was taken to set up a company in the Netherlands. The recruitment of a Managing Director is in progress.
> In February 2019, an agreement was signed to acquire 100 per cent of the shares in Multiprint A/S in Denmark.

KEY PERFORMANCE INDICATORS	Oct–Dec			Jan–Dec		
	2018	2017	%	2018	2017	%
Order intake, SEK million	474.7	422.3	12	1,664.5	1,509.2	10
Order intake, USD million	52.5	50.7	4	191.1	176.8	8
Net sales, SEK million	406.7	327.3	24	1,617.0	1,400.1	15
Net sales, USD million	45.1	39.6	14	186.0	163.8	14
Gross margin, %	32.7	29.7		31.3	30.2	
EBITA, SEK million	36.0	-1.1		132.2	70.2	88
EBITA margin, %	8.9	-0.4		8.2	5.0	
Adjusted* EBITA, SEK million	36.0	12.4	192	143.8	113.7	26
Adjusted* EBITA margin, %	8.9	3.8		8.9	8.1	
Operating profit/loss, SEK million	34.9	-2.7		127.6	65.6	94
Profit/loss after tax, SEK million	34.7	-10.2		104.6	40.4	159
Earnings per share before dilution**, SEK	2.06	-0.74		6.37	2.42	156
Earnings per share after dilution**, SEK	2.06	-0.74		6.24	2.38	155
Cash flow from operating activities, SEK million	41.0	12.2	237	69.9	37.4	87
Return on equity, %				51.9	30.3	
Average exchange rate, SEK/USD	9.04	8.32		8.57	8.61	
Average exchange rate, SEK/EUR	10.33	9.80		10.26	9.63	

* Adjusted for non-recurring items of SEK 11.6 million in the January–December 2018 period and SEK 43.5 million for the full-year 2017, of which SEK 13.5 million is related to fourth quarter 2017. The adjustments refer to costs for the IPO and final settlement costs related to the agreement with the Russian tax authority.
** The Annual General Meeting on 14 March 2018 resolved to approve a 10:1 stock split. Earnings per share have been calculated retrospectively based on the total number shares after the stock split for each period.

MESSAGE FROM THE CEO

Proud to present NCAB's fourth quarter 2018

Normally, NCAB's fourth quarter is the weakest quarter of the year. However, during this quarter 2018 net sales grew 24 per cent in SEK. Net sales increased 14 per cent in USD and three of four regions reported double-digit growth. Our EBITA was also much stronger than last year and margins improved. Order intake in USD grew slightly slower for the quarter than the average for the year, but our business continues to develop positively, and we still see no indication of a slowdown.

The initiatives we have undertaken in new markets in Europe continue to support our growth. In the Nordic region, we noted a high level of profitability and also clear sales growth. In Asia, demand continued to rise sharply while conditions in the USA were more difficult.

The 10 per cent tariffs introduced on imports from China may have impacted sales slightly, even if it was positive that the increase to 25 per cent has not materialized so far. Manufacturing in China remains the best alternative. The import tariffs entailed some turbulence in the market, although it is still too early to assess the implications.

I am pleased that we have continued to expand and establish operations in several new markets. As previously announced, we launched a company in Malaysia to which we are continuing to recruit personnel. Malaysia is an interesting market with substantial PCB-A production and growing demand for printed circuit boards. We are also launching operations in the Netherlands and setting up an organisation for the Benelux region. Our experience from entering new markets is that we need to invest a couple of years before we start to make profit.

We also recently announced that we are acquiring a Danish company, Multiprint, which is very exciting. We are pleased to welcome the new employees and annual sales of just over SEK 60 million to NCAB. Multiprint represents a first-rate and profitable company that will further strengthen our position in the Nordic region.

Overall, we are pleased to present another strong quarter that concludes our first year as a listed company. I would like to take this opportunity to thank all of our committed and competent employees for their contributions over the past year!

Hans Ståhl
President and CEO, NCAB Group AB

"Another strong quarter that concludes our first year as a listed company."

Q4 2018

24%	406.7	36.0	8.9%
Sales growth	Net sales, SEK million	EBITA, SEK million	EBITA margin

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 22 February 2019, at 06:00 a.m. CET.

ABOUT NCAB

A leading supplier of PCBs

NCAB is one of the world's leading suppliers of printed circuit boards with some 1,725 customers across 45 markets globally. Being the leader does not necessarily mean being the biggest, even if size is important to us. We also want to be the leader in terms of expertise, service, sustainability and technology. Being the leading player also gives us the strength to attract customers through important projects, skilled employees and the best factories.

We take overall responsibility for supplying our customers with high-quality PCBs at the right price. We do not own any factories, but thanks to our local sales companies and our Factory Management team, we "own" the most important elements: the whole manufacturing process as well as the relationships with the customer and the factory. This gives us access to the best technology without being dependent on factory investments.

BUSINESS CONCEPT

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

VISION

The Number 1 PCB producer — wherever we are.

FINANCIAL TARGETS AND DIVIDEND POLICY

NCAB's medium-term target is to achieve average growth of about 8 per cent per year before acquisitions and an adjusted EBITA margin of approximately 8 per cent. The target for the capital structure is that net debt in relation to adjusted EBITDA should be less than 2.0 (before adjustment for IFRS 16). The debt ratio may temporarily exceed this level, in connection with a major acquisition, for example. NCAB intends to distribute available cash flow, after taking account of the company's debt situation and future growth opportunities, including acquisitions, which is expected to correspond to at least 50 per cent of net profit.

1,725
CUSTOMERS

17
COUNTRIES WITH LOCAL PRESENCE

22
MANUFACTURERS

45
MARKETS

378
SPECIALISTS

121
MILLION PCBs MANUFACTURED PER YEAR

GROUP PERFORMANCE

OCTOBER–DECEMBER 2018

NET SALES

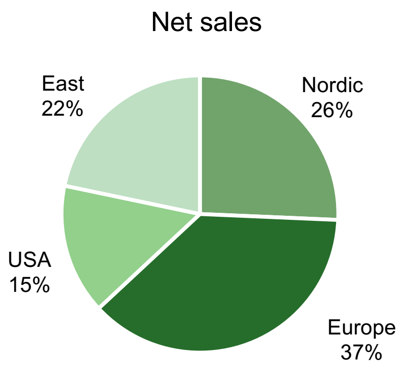
Net sales increased 24 per cent in the fourth quarter to SEK 406.7 million (327.3), with growth in USD at about 14 per cent. Most of NCAB's products are priced or invoiced in USD. All segments demonstrated sales growth. *Europe* and *East* continued their positive trend and both segments grew more than 30 per cent. *Nordic* also demonstrated stable growth in all countries, while growth in the *USA* was much lower. The total underlying market remains positive, which meant order intake rose 12 per cent during the quarter. However, growth for order intake in USD was slightly lower than earlier quarters at 4 per cent. Order intake increased in most of NCAB's markets. *Nordic* and *East* accounted for the greatest rate of increase.

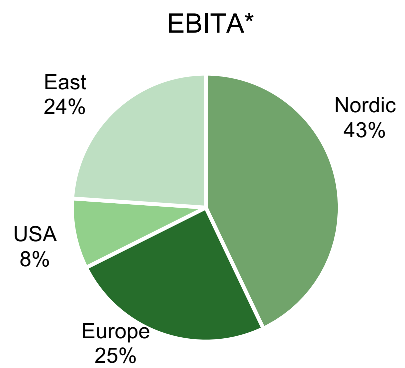
EARNINGS

Adjusted EBITA* was SEK 36.0 million (12.3) and the adjusted EBITA* margin increased to 8.9 per cent (3.8). The increase in EBITA margin is partly the result of higher sales and was primarily from the increase in gross margin. Operating expenses increased compared with 2017 due to more staff, but the proportion in relation to sales was lower. All segments noted a strong improvement in earnings compared with fourth quarter of 2017, with strongest growth in the *Europe* segment. EBITA was SEK 36.0 million (-1.1). Operating profit increased to SEK 34.9 million (-2.7).

Net financial items amounted to SEK -1.1 million (-3.8), where the improvement was due to lower negative foreign exchange differences of SEK -0.8 million (-1.6). Tax amounted to SEK 0.9 million (-3.7). Previously non-capitalised loss carry-forwards in Germany and France of SEK 5.6 million were recognised as deferred tax assets since we now can see that the loss carry-forwards will be utilised. Profit after tax for the period totalled SEK 34.7 million (-10.2). Earnings per share was SEK 2.06 (-0.74) before dilution and SEK 2.06 (-0.74) after dilution.

BREAKDOWN BY SEGMENT, OCTOBER–DECEMBER 2018





* No adjustment to EBITA in the segment during the 2018 quarter, Q4 2017 was adjusted with SEK 13.5 million

JANUARY–DECEMBER 2018

NET SALES

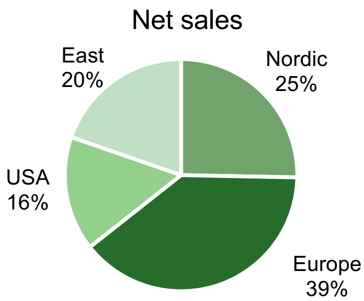
For full-year 2018, net sales increased 15 per cent to SEK 1,617.0 million (1,400.1). Underlying growth in USD was approximately 14 per cent. The USD exchange rate had an adverse impact on growth during the first half of the year but made a positive contribution during the second half of the year. Growth was favourable in the *Nordic, Europe* and *East* segments while sales decreased slightly in the *USA*. Growth was strongest in *Europe* and *East* and exceeded 20 per cent. The underlying market was strong during the year, at the same time as NCAB gained market shares in many countries, mainly in *Europe* and *East*. Order intake grew during the year by 10 per cent, while growth in USD was 8 per cent.

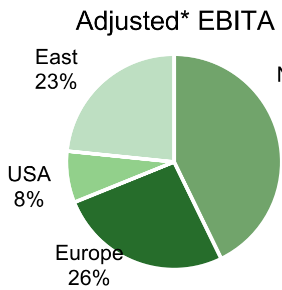
EARNINGS

Adjusted EBITA* was SEK 143.8 million (113.7) and the adjusted EBITA margin increased to 8.9 per cent (8.1). Gross margin improved gradually during the year to 31.3 per cent compared with 30.2 per cent in 2017. The improved EBITA margin is primarily the result of increased sales and an improved gross margin. The Group continued recruiting during the year with the aim of creating future growth. Most new members of staff were recruited in *Europe* and *East*, which had a short-term adverse impact on results for these segments. The stronger EUR also increased costs in the *Europe* segment. EBITA was SEK 132.2 million (70.2), negatively impacted by costs of SEK 10.7 million related to the IPO and costs of SEK 0.9 million related to final legal costs in the Russian tax settlement. Operating profit increased to SEK 127.6 million (65.6).

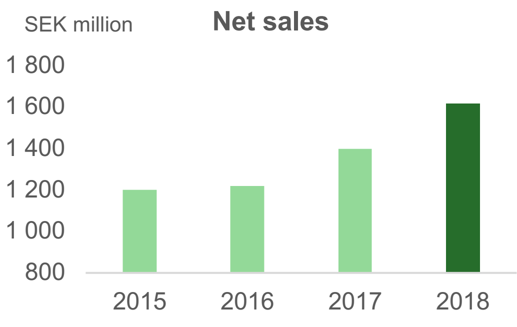
Net financial items amounted to SEK -10.6 million (-5.6), of which SEK -4.7 million (0.7) refers to foreign exchange differences. The change in net financial items between the years was mainly an effect of foreign exchange differences. Tax amounted to SEK -12.4 million (-19.6). Profit after tax for the period totalled SEK 104.6 million (40.4). Previously non-capitalised loss carry-forwards in Germany and France of SEK 5.6 million were recognised as deferred tax assets since we now can see that the loss carry-forwards will be utilised. Profit after tax for the period totalled SEK 34.7 million (-10.2). Earnings per share was SEK 6.37 (2.42) before dilution and SEK 6.24 (2.38) after dilution.

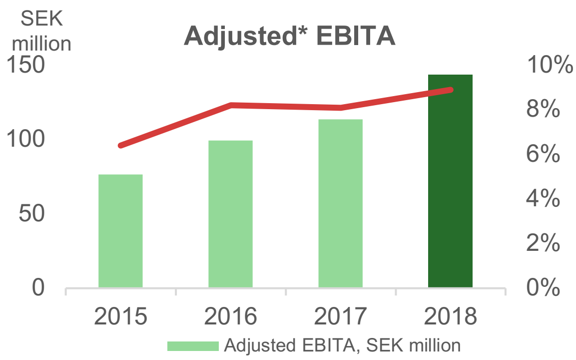
BREAKDOWN BY SEGMENT, JANUARY–DECEMBER 2018





*) Adjusted for non-recurring items of SEK 11.6 million in EBITA in 2018, and SEK 43.5 million in 2017 related to costs for the IPO and financial legal costs for the settlement with the Russian tax authority.





PERFORMANCE BY SEGMENT

NORDIC

Sweden, Norway, Denmark, Finland and Estonia. As all companies in the Nordic segment have relatively high market shares, the main focus is on profitability rather than growth and recruitment. The margin in this segment is generally high due to a higher technology content and mostly shorter series.

16%
EBITA margin

Fourth quarter 2018
The fourth quarter demonstrated very strong growth, especially in Norway and Denmark. Net sales increased 21.1 per cent to SEK 103.7 million (85.7). Underlying growth in USD was 12 per cent. EBITA increased to SEK 16.7 million (11.1) and the EBITA margin increased to 16.1 per cent (13.0), mainly an effect of increased sales and improved gross margin.

Full-year 2018
The full year was characterised by favourable growth in all of the companies in the segment primarily linked to strong demand and higher market shares in Norway and Denmark. Net sales for the full year increased 11.2 per cent to SEK 409.4 million (368.2). Underlying growth in USD was 10 per cent. The establishment of operations in Estonia in 2017 opened for new growth opportunities. A concerted effort to provide better technical support resulted in an improved gross margin, and combined with higher sales, meant EBITA rose to SEK 66.4 million (47.2) and EBITA margin to 16.2 per cent (12.8).

NORDIC	Oct–Dec			Full year		
SEK million	2018	2017	%	2018	2017	%
Net sales	103.7	85.7	21.1	409.4	368.2	11.2
EBITA	16.7	11.1	50.5	66.4	47.2	40.8
EBITA margin, %	16.1	13.0		16.2	12.8	

EUROPE

France, Germany, Spain, Poland, Italy and the UK. In the Europe segment, the main focus is on growth. All companies have relatively low market shares and several companies were established comparatively recently. A key factor for achieving continued growth is recruitment, which is putting short-term pressure on profitability. The number of employees increased during the year by 13 to 111 in December 2018. In November, a decision was taken to set up a new company in the Netherlands, which will also cover the Benelux region.

Fourth quarter 2018
Net sales for the fourth quarter increased 30.5 per cent to SEK 151.0 million (115.7). Underlying growth in USD was 21 per cent. Growth remained strong in Germany and in the UK. In Italy, where NCAB established operations early in 2017, sales continued to perform favourably. Other companies in the segment are growing but at a slower pace.

31%
Sales growth

EBITA increased sharply to SEK 9.6 million (2.4). EBITA margin grew to 6.4 per cent (2.1). The improvement is attributable to sales growth and strong gross margin. Results in the comparative period of 2017 were also weaker than normal in several companies. Italy remains in a start-up phase and is generating negative EBITA.

Full-year 2018
Growth remained favourable in most of the segment's companies driven by both new customers and increased penetration among existing customers, which overall meant a slight increase in market share. During the year, sales increased 24.7 per cent to SEK 632.8 million (507.5). Underlying growth in USD amounted to 23 per cent. EBITA increased to SEK 40.5 million (29.8). EBITA margin grew to 6.4 per cent (5.9) despite the many new recruits during the year, the establishment of operations in Italy and the negative currency effects from the stronger EUR.

EUROPE SEK million	Oct–Dec			Full year		
	2018	**2017**	**%**	**2018**	**2017**	**%**
Net sales	151.0	115.7	30.5	631.5	507.5	24.4
EBITA	9.6	2.4	295.5	40.5	29.8	35.9
EBITA margin, %	6.4	2.1		6.4	5.9	

USA

NCAB established a presence in the USA through two acquisitions in 2012 and 2014. Since then, three additional regional offices were opened to gain proximity to its customers. Our business in the USA is in a transitional phase where sales of low-tech products are declining in favour of more high-tech products. This has adversely impacted sales in 2018, although the company has noted an increase in the number of new customers.

2%
Sales growth

Fourth quarter 2018
In September 2018, import tariffs of 10 per cent were imposed in the USA on PCBs from China, which NCAB has passed on to customers. The import tariffs entailed some turbulence in the market, although it is still too early to assess the implications. The announced increase in the tariff to 25 per cent has up to now not been materialised, which calmed the market somewhat. The tariffs lead to more administrative work and an increase in capital employed as the tariff must be paid directly as goods are cleared at customs.

Net sales for the fourth quarter increased 2.2 per cent to SEK 61.4 million (60.1). In USD, sales were, however, 9 per cent lower year-on-year. EBITA improved to SEK 3.3 million (1.0) and the EBITA margin was 5.4 per cent (1.9). The transition from customers with high-volume/low-tech to more high-tech customers had an adverse impact on sales.

Full-year 2018
For the full year, net sales decreased slightly to SEK 258.1 million (261.0). Net sales in USD were slightly lower again. EBITA decreased to SEK 12.0 million (12.3) and the EBITA margin was 4.6 per cent (4.7). During the year, the organisation has been strengthened and focus is now on a return to growth.

USA SEK million	Oct–Dec			Full year		
	2018	**2017**	**%**	**2018**	**2017**	**%**
Net sales	61.4	60.1	2.2	258.1	261.0	-1.1
EBITA	3.3	1.1	195.7	12.0	12.3	-2.6
EBITA margin, %	5.4	1.9		4.6	4.7	

EAST

China, Macedonia, Malaysia and Russia. The East segment has a stable and expanding business in Russia. In China, NCAB is rapidly expanding among European and USA customers and with local Chinese contract manufacturers. A new office opened in Beijing in order to reach more customers. A new company was also established in Malaysia, the recruitment of a Managing Director was completed, and operations are set to start in February 2019.

Fourth quarter 2018

Net sales for the fourth quarter increased 35.0 per cent to SEK 87.7 million (65.0). Net sales increased by 23 per cent in USD. Strongest growth was noted in China, derived from both new and existing customers. Adjusted EBITA* was SEK 9.3 million (3.0) and the adjusted EBITA margin amounted to 10.6 per cent (1.7).

35%
Sales growth

Full-year 2018

The segment reported favourable growth during the year, with new customers in both Russia and China. NCAB has two sales companies in China: one in China that sells in CNY and one in Hong Kong that sells in USD. Sales growth is strongest among customers whose end products are aimed at the Chinese market, with sales in CNY.

Net sales increased 21.2 per cent to SEK 318.4 million (262.8). Adjusted EBITA* grew to SEK 36.3 million (27.8) and the adjusted EBITA margin increased slightly to 11.4 per cent (10.6).

EAST	Oct–Dec			Full year		
SEK million	2018	2017	%	2018	2017	%
Net sales	87.7	65.0	35.0	318.4	262.8	21.2
EBITA	9.3	1.1	747.2	35.4	-4.1	
Adjusted* EBITA	9.3	3.0	210.6	36.3	27.8	30.4
EBITA margin, %	10.6	1.7		11.1	-1.6	
Adjusted* EBITA margin, %	10.6	4.6		11.4	10.6	

*) EBITA was adjusted for legal costs in the settlement with the Russian tax authority, which totalled SEK 32.8 million, of which SEK 31.9 million in 2017.

FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the fourth quarter was SEK 41.0 million (12.2). Cash flow was driven by strong operating profit during the quarter. Cash flow from investing activities was SEK -0.8 million (-1.6).

For the full year, cash flow from operating activities was a positive SEK 69.9 million (37.4), negatively impacted by costs related to the IPO and the final payment to the Russian tax authority totalling SEK 28,0 million (-27,1). Cash flow from investing activities was SEK -5.3 million (-4.7).

LIQUIDITY AND FINANCIAL POSITION

The Group had no net debt at the end of the quarter. Instead, cash and cash equivalents exceeded interest-bearing liabilities by SEK 10.8 million compared with a net debt of SEK 133.9 million at the end of the fourth quarter of 2017. Changes compared with end of the fourth quarter of 2017 are due to cash flow from operating activities and the new share issue conducted in conjunction with the IPO. The new share issue raised SEK 100 million for the company before transaction costs. At 31 December, the equity/assets ratio was 41.0 per cent (19.2) and equity was SEK 296.6 million (106.4). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 219.1 million (67.6).

In connection with the IPO in June 2018, NCAB renegotiated its loans. Existing SEK and USD loans of SEK 117.6 million were redeemed and replaced by two new SEK loans of SEK 50 million each, both with maturity in 2023. One is free of instalments while the other is being repaid in quarterly instalments of SEK 2.5 million over the next five years. The company has also increased its overdraft facility by SEK 34 million to SEK 113 million. At the balance sheet date of 31 December 2018, the company was in compliance with all covenants under the financing agreement.

COSTS IN CONNECTION WITH THE IPO

The total costs for the preparation and implementation of the IPO were SEK 42.3 million, of which SEK 20.0 million refers to legal and other transaction costs, which have been charged directly to equity. The remaining IPO preparation costs of SEK 22.3 million were charged to the income statement, of which SEK 11.6 million in 2017 and SEK 10.7 million in the first and second quarter of 2018.

Other information

SIGNIFICANT RISKS AND UNCERTAINTIES

Through its operations, the Group is exposed to risks of a financial and operational nature, which the Group can influence to a greater or lesser extent. Continuous processes are in place in the Group to identify any risks and assess how they should be managed.

Operational risks include commercial risks arising from changes in economic activity and demand as well as customer preferences and relationships to the company. Other risks are related to the production capabilities, capacity and order books of the company's manufacturers, and to the availability and prices of raw materials. The company is also dependent on the continued trust of its employees and its ability to recruit skilled employees.

It should be mentioned concerning financial risks that 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 2017 Annual Report for a more detailed description of the Group's risk exposure and risk management.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

A new company was established in Malaysia during December 2018 and a new Managing Director recruited who started the new position in February 2019. NCAB has witnessed a favourable and expanding market for printed circuit boards in the prioritised high-mix-low-volume segment, strongly driven by growing local demand.

In November, a decision was taken to open a new company in the Netherlands, which will also cover the Benelux region. NCAB already has a number of customers in the Benelux region and a new company in the region will ensure continuing growth and cultivation of new customers. The recruitment of a Managing Director is in progress.

On February 21st, 2019, an agreement was signed to acquire 100 per cent of the shares in Multiprint A/S in Denmark. Multiprint has annual sales of just over SEK 60 million and the acquisition will strengthen NCAB's position in the Danish market at the same time as skilled employees are joining NCAB. More information about the acquisition is available in a separate press release published on February 21, 2019.

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 December 2018, the number of employees was 378 (354), of whom 177 (162) were women and 201 (192) were men. The average number of employees in the organisation during the period was 372 (340), of whom 174 (154) were women and 198 (186) were men.

PARENT COMPANY

The Parent Company's net sales for the fourth quarter of 2018 were SEK 15.3 million (16.7). Sales consist exclusively of internal billing. Profit after financial items was SEK 9.4 million (6.0). The Parent Company also incurred foreign exchange losses on internal loans in 2018, after reporting a net foreign exchange gain in 2017.

Net sales for the year amounted to SEK 57.4 million (55.3). Loss after financial items was SEK -18.2 million (30.5). The deterioration was due to IPO costs and negative foreign exchange differences on internal and external loans.

DECLARATION OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board of Directors and Chief Executive Officer provide their assurance that the year-end 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, 21 February 2019

Christian Salamon
Chairman of the Board

Jan-Olof Dahlén
Director

Per Hesselmark
Director

Magdalena Persson
Director

Hans Ramel
Director

Gunilla Rudebjer
Director

Hans Ståhl
Chief Executive Officer

CONTACT

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Gunilla Öhman, Head of Investor Relations, +46 (0)70 763 81 25

This Year-end Report has not been reviewed by the company's auditor.

This is information that NCAB Group AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out above on 22 February 2019, at 06:00 a.m. CET.

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www.ncabgroup.com

NCAB will hold a web-cast telephone conference at 8:30 a.m. CET, when CEO Hans Ståhl and CFO Anders Forsén will present the report. The presentation will be followed by a Q&A session. The presentation will be held in English and can be followed on the web or over the phone. To participate in the conference call, call the following numbers: from Sweden: +46856642703, from the UK: +443333009270 and from the USA: +16467224903. The presentation and conference can also be followed from the following link: https://tv.streamfabriken.com/ncab-group-q4-2018.

FINANCIAL CALENDAR

Annual Report	Week beginning 15 April, 2019
2019 Annual General Meeting	13 May 2019
Interim report January–March 2019	14 May 2019
Interim report, January–June 2019	30 July 2019
Interim report January-September 2019	6 November 2019

Group

CONSOLIDATED INCOME STATEMENT

SEK million	Oct–Dec 2018	Oct–Dec 2017	Jan–Dec 2018	Jan–Dec 2017
Operating revenue				
Net sales	406.7	327.3	1,617.0	1,400.1
Other operating income	0.6	-0.6	6.3	0.2
Total	**407.3**	**326.7**	**1,623.3**	**1,400.3**
Raw materials and consumables	-274.4	-229.5	-1,117.2	-977.8
Other external expenses	-31.4	-30.0	-117.8	-92.8
Staff costs	-64.3	-55.0	-240.2	-210.2
Depreciation of property, plant and equipment, and amortisation of intangible assets	-2.3	-2.2	-8.9	-8.5
Other operating expenses	-	-12.6	-11.6	-45.3
Total operating expenses	**-372.4**	**-329.4**	**-1,495.7**	**-1,334.7**
Operating profit/loss	**34.9**	**-2.7**	**127.6**	**65.6**
Net financial expense	-1.1	-3.8	-10.6	-5.6
Profit/loss before tax	**33.8**	**-6.5**	**117.0**	**60.0**
Income tax	0.9	-3.7	-12.4	-19.6
Profit/loss for the period	**34.7**	**-10.2**	**104.6**	**40.4**
Profit attributable to:				
Shareholders of the Parent Company	34.7	-10.2	104.5	40.3
Non-controlling interests	0.0	0.0	0.1	0.1
Average number of ordinary shares	16,847,124	12,214,170	14,882,810	12,156,330
Average number of preference shares	0	2,912,620	1,268,785	2,912,620
Average total number of shares	16,847,124	15,126,790	16,151,595	15,068,950
Earnings per share before dilution	2.06	-0.74	6.37	2.42
Earnings per share after dilution	2.06	-0.74	6.24	2.38

The Annual General Meeting on 14 March 2018 resolved to approve a 10:1 stock split. Earnings per share have been calculated retrospectively based on the total number shares after the stock split for each period. During the second quarter, the preference shares were converted into ordinary shares following a resolution of the shareholders' meeting. As the company's preference shares, in addition to interest payments, entitle the holder to dividends on the same terms as for ordinary shares, the total number of shares (i.e. ordinary shares and preference shares) is used in calculating earnings per share. In connection with the IPO, all outstanding options were exercised to acquire new shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Oct–Dec 2018	Oct–Dec 2017	Jan–Dec 2018	Jan–Dec 2017
Profit/loss for the period	34.7	-10.2	104.5	40.4
Other comprehensive income, items that can subsequently be reclassified to profit or loss:				
Foreign exchange differences	-1.9	8.6	4.1	-5.9
Total comprehensive income	32.8	-1.6	108.7	34.5
Profit attributable to:				
Shareholders of the Parent Company	32.8	-1.6	108.6	34.4
Non-controlling interests	0.0	0.0	0.1	0.1

CONSOLIDATED BALANCE SHEET

SEK million ASSETS	31 Dec 2018	31 Dec 2017
Non-current assets		
Goodwill	132.8	129.4
Other intangible assets	3.3	8.1
Leasehold improvement costs	1.5	1.9
Plant and equipment	4.2	4.9
Financial assets	3.9	1.0
Deferred tax assets	7.8	0.7
Total non-current assets	**153.4**	**146.0**
Current assets		
Inventories	110.9	97.5
Trade receivables	314.0	254.3
Other current receivables	13.4	15.9
Prepaid expenses and accrued income	16.9	9.4
Cash and cash equivalents	113.9	31.2
Total current assets	**569.1**	**408.3**
TOTAL ASSETS	**722.5**	**554.3**

EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Parent Company		
Share capital	1.7	1.5
Additional paid-in capital	201.6	117.6
Reserves	-3.2	-7.4
Retained earnings	96.3	-5.5
Non-controlling interests	0.2	0.1
Total equity	**296.6**	**106.4**
Non-current liabilities		
Borrowings*	85.0	-
Deferred tax	2.9	3.4
Total non-current liabilities	**87.9**	**3.4**
Current liabilities		
Other provisions	-	17.6
Current liabilities*	18.2	165.1
Trade payables	231.4	192.9
Current tax liabilities	9.8	7.1
Other current liabilities	21.2	19.4
Accrued expenses and deferred income	57.4	42.4
Total current liabilities	**338.0**	**444.5**
TOTAL EQUITY AND LIABILITIES	**722.5**	**554.3**

* Due to non-compliance with a solvency covenant at 31 December 2017, all bank loans were classified as non-current liabilities. The company received a waiver from the bank.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of the Parent Company						
1 January 2017	1.5	115.3	-1.5	44.2	159.5	0.1	159.7
Profit for the period	-	-	-	40.3	40.3	0.1	40.4
Other comprehensive income for the period	-	-	-5.9	-	-5.9	-	-5.9
Total comprehensive income	**-**	**-**	**-5.9**	**40.3**	**34.4**	**0.1**	**34.5**
Issue of new ordinary shares	0.0	2.3	-	-	2.3	-	2.3
Dividend	-	-	-	-90.0	-90.0	-	-90.0
Total transactions with shareholders, recognised directly in equity	**0.0**	**2.3**	**-**	**-90.0**	**-87.7**	**-**	**-87.7**
31 December 2017	**1.5**	**117.6**	**-7.4**	**-5.5**	**106.2**	**0.1**	**106.4**

	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of the Parent Company						
1 January 2018	1.5	117.6	-7.4	-5.5	106.2	0.1	106.4
Profit for the period	-	-	-	104.5	104.5	0.1	104.6
Other comprehensive income for the period	-	-	4.2	-	4.2	-	4.2
Total comprehensive income	**-**	**-**	**4.2**	**104.5**	**108.7**	**0.1**	**108.8**
Issue of new ordinary shares	0.2	104.0	-	-	104.2	-	104.2
Dividend, ordinary shares	-	-	-	-	-	-0.1	-0.1
Dividend, preference shares	-	-	-	-2.7	-2.7	-	-2.7
Costs for issue of shares / IPO	-	-20.0	-	-	-20.0	-	-20.0
Total transactions with shareholders, recognised directly in equity	**0.2**	**84.0**	**-**	**-2.7**	**81.5**	**-0.1**	**81.4**
31 December 2018	**1.7**	**201.6**	**-3.2**	**96.3**	**296.4**	**0.2**	**296.6**

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Oct–Dec 2018	Oct–Dec 2017	Jan–Dec 2018	Jan–Dec 2017
Cash flow from operating activities				
Profit before net financial income/expense	34.9	-2.7	127.6	65.6
Adjustment for non-cash items	-3.0	9.0	6.6	-0.4
Provisions	-	-12.4	-17.6	17.6
Interest received	0.7	0.8	1.0	0.8
Interest paid	-1.1	-4.0	-6.9	-7.2
Income taxes paid	-0.6	-3.6	-21.8	-18.6
Cash flow from operating activities before changes in working capital	**30.9**	**-13.0**	**88.9**	**57.7**
Change in inventories	-19.0	-25.4	-13.4	-8.2
Change in current receivables	14.0	22.9	-60.3	-32.6
Change in current operating liabilities	15.1	27.7	54.8	20.5
Total changes in working capital	**10.1**	**25.2**	**-19.0**	**-20.3**
Cash flow from operating activities	**41.0**	**12.2**	**69.9**	**37.4**
Cash flow from investing activities				
Investments in property, plant and equipment	-0.5	-1.2	-1.6	-3.5
Investments in intangible assets	-0.3	-	-0.8	-0.7
Investments in financial assets	-	-0.4	-2.9	-0.5
Cash flow from investing activities	**-0.8**	**-1.6**	**-5.3**	**-4.7**
Cash flow from financing activities				
Issue of new shares	-	-	104.2	2.3
Costs for issue of shares / IPO	-	-	-20.0	-
Change in overdraft facility	6.5	-3.3	-31.5	26.4
Borrowings	-	-	100.0	57.2
Transaction cost, loans	-	-	-	-0.6
Repayment of loans	-2.5	-10.2	-132.9	-35.8
Dividend	-	-0.1	-2.7	-90.1
Cash flow from financing activities	**4.0**	**-13.6**	**17.1**	**-40.6**
Decrease/increase in cash and cash equivalents				
Cash flow for the period	44.2	**-3.1**	81.7	**-7.8**
Foreign exchange difference in cash and cash equivalents	0.1	-0.8	1.0	-0.8
Cash and cash equivalents at beginning of period	69.6	35.1	31.2	39.9
Cash and cash equivalents at end of period	**113.9**	**31.2**	**113.9**	**31.2**

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Oct–Dec 2018	Oct–Dec 2017	Jan–Dec 2018	Jan–Dec 2017
Operating revenue				
Net sales	15.3	16.7	57.4	55.3
Total	**15.3**	**16.7**	**57.4**	**55.3**
Other external expenses	-12.9	-7.6	-42.4	-30.0
Staff costs	-5.9	-6.6	-23.3	-22.7
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.2	-0.2	-0.9	-1.0
Other operating expenses	-	-11.6	-10.6	-11.6
Total operating expenses	**-19.0**	**-26.0**	**-77.2**	**-65.3**
Operating profit/loss	**-3.7**	**-9.3**	**-19.8**	**-10.0**
Income from investments in Group companies	18.5	19.7	22.9	26.6
Other interest income and similar income	4.4	6.0	14.8	47.1
Interest expense and similar charges	-9.8	-10.4	-35.9	-33.3
Net financial income/expense	**13.1**	**15.3**	**1.7**	**40.5**
Profit/loss before tax	**9.4**	**6.0**	**-18.2**	**30.5**
Appropriations	61.0	2.8	61.0	-1.0
Tax on profit for the period	-0.2	2.4	-0.2	-0.7
Profit for the period	**70.2**	**11.2**	**42.6**	**28.8**

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.

As of 2018, the company recognises foreign exchange differences on a net basis in Other interest income and similar income and Interest expense and similar charges. For 2017 and in previous reports, foreign exchange differences were reported on a gross basis.

PARENT COMPANY BALANCE SHEET

SEK million ASSETS	31 Dec 2018	31 Dec 2017
Non-current assets		
Capitalised development costs	0.2	0.9
Plant and equipment	0.1	0.2
Non-current financial assets	215.9	206.2
Total non-current assets	**216.2**	**207.3**
Current assets		
Trade receivables	1.3	0.6
Receivables from Group companies	115.8	128.8
Other current receivables	2.1	7.0
Prepaid expenses and accrued income	3.4	2.0
Cash and cash equivalents	69.3	0.1
Total current assets	**191.9**	**138.5**
TOTAL ASSETS	**408.0**	**345.8**

EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital (16,847,124 shares)	1.7	1.5
Non-restricted equity		
Share premium account	201.6	117.6
Retained earnings	-31.5	-57.7
Profit for the period	42.6	28.8
Total equity	**214.4**	**90.3**
Untaxed reserves	8.8	8.8
Non-current liabilities		
Liabilities to credit institutions*	85.0	-
Other provisions		
Total non-current liabilities	**85.0**	**-**
Current liabilities		
Liabilities to credit institutions*	10.0	123.8
Trade payables	2.9	12.1
Overdraft facility	-	37.7
Liabilities to Group companies	75.5	63.4
Current tax liabilities	0.2	1.5
Other current liabilities	1.4	-
Accrued expenses and deferred income	10.0	8.2
Total current liabilities	**100.0**	**246.7**
TOTAL EQUITY AND LIABILITIES	**408.0**	**345.8**

* Due to non-compliance with a solvency covenant at 31 December 2017, all bank loans were classified as non-current liabilities. The company received a waiver from the bank during the first quarter of 2018.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Restricted equity	Non-restricted equity		
	Share capital	Share premium account	Retained earnings	Total
1 January 2017	1.5	115.3	32.3	149.2
Profit for the year	-	-	28.8	28.8
Other comprehensive income for the year	-	-	-	0.0
Total comprehensive income	**-**	**-**	**28.8**	**28.8**
Dividend	-	-	-90.0	-90.0
Issue of new shares	0.0	2.3	-	2.3
Total transactions with shareholders, recognised directly in equity	**0.0**	**2.3**	**-90.0**	**87.7**
31 December 2017	**1.5**	**117.6**	**-28.8**	**90.3**

SEK million	Restricted equity	Non-restricted equity		
	Share capital	Share premium account	Retained earnings	Total
1 January 2018	1.5	117.6	-28.8	90.3
Profit for the year	-	-	42.6	42.6
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	**-**	**-**	**42.6**	**42.6**
Issue of new ordinary shares	0.2	104.0	-	104.2
Dividend, preference shares	-	-	-2.7	-2.7
Costs for issue of shares / IPO	-	-20.0	-	-20.0
Total transactions with shareholders, recognised directly in equity	**0.2**	**84.0**	**-2.7**	**81.5**
31 December 2018	**1.7**	**201.6**	**11.1**	**214.4**

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 2017 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 2017, 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, USA and East.

The interim financial information on pages 1–26 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 2017.

Effects of new IFRS standards
IFRS 9 Financial Instruments is effective from 1 January 2018. The new standard contains rules for the classification and measurement of financial assets and liabilities, impairment of financial instruments and hedge accounting. As indicated by the previous analysis, the application of IFRS 9 has not had any significant impact on the company's financial statements.

IFRS 15 Revenue from Contracts with Customers is effective from 1 January 2018 and introduces new rules for the determination of obligations and transaction price as well as for when an entity should recognise revenue. The Group's material revenue flows and contracts have been reviewed and it has been established that control is mainly transferred at a point in time, when a good is delivered. The company applies the standard retrospectively. As indicated in the previous analysis, the introduction of the standard has not had any significant impact on the company's financial statements other than additional disclosure requirements. As the company's revenue streams refer exclusively to one product, printed circuit boards, no other presentation of revenue recognition than the breakdown by segment is made.

IFRS 16 Leases will be effective for financial years beginning on 1 January 2019. The standard will replace IAS 17 Leases and the related interpretations. The standard requires that assets and liabilities attributable to all leases, with a few exceptions, be recognised in the balance sheet. This accounting treatment is based on the view that the lessee has a right to use an asset during a specific period of time as well as an obligation to pay for this right. The Group has made an evaluation of the effects of IFRS 16.

The Group will apply the modified retrospective approach during the transition. This entails that leases were restated as of 1 January 2019, without restating comparative figures. Advanced application of the recommendations has not taken place. Leases of 12 months or less were not included in accordance with the simplified rules applied when using the method. Nor will leases of low value be taken into account. The discount rate applied was assessed by country taking into account the length of the lease, country-specific currency risk and risk premium. The Group currently has two types of operating leases that will in the future be managed as financial leases; premises and lease of cars, where lease of premises will be the largest part

The Group does not expect the effects on the balance sheet and the financial key figures to be material. Total assets will increase by SEK 24.4 million or approximately 3 per cent with the introduction on 1 January 2019. Net Debt will increase from SEK -10.4 million to SEK 13.6 million and Net debt / Adjusted EBITDA from -0.1 to 0.1.

Note 2 Information on financial assets and liabilities

For more information on financial assets and liabilities, see the 2017 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 amortized 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 and Spain. 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.

USA
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 Macedonia, China and Russia. 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, October–December

SEK million	Nordic		Europe		USA		East		Central functions		Group	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Net sales	103.7	85.7	151.0	115.7	61.4	60.1	87.7	65.0	1.5	2.8	406.7	327.3
Adjusted EBITA	16.7	**11.1**	9.6	**2.4**	3.3	**1.1**	9.3	**3.0**	-2.9	**-5.2**	36.0	**12.4**
Adjusted EBITA margin, %	16.1	13.0	6.3	2.1	5.4	1.9	10.6	1.7			8.9	3.8
Non-recurring items								-1.9		-11.6	0.0	-13.5
EBITA	16.7	**11.1**	9.6	**2.4**	3.3	**1.1**	9.3	**-1.1**	-2.9	**-16.8**	36.0	**-1.1**
EBITA margin, %	16.1	13.0	6.4	2.1	5.4	1.9	10.6	4.6	-	-	8.9	-0.3
Amortis. intangible assets											-1.1	-1.6
Operating profit/loss											34.9	**-2.7**
Operating margin, %											8.6	-0.8
Net financial expense											-1.1	-3.8
Profit/loss before tax											33.8	-6.5
Net working capital	38.1	34.8	81.5	79.1	17.1	17.7	17.8	13.0	-19.1	-29.3	135.3	115.3

Sales and earnings of segments, January–December

SEK million	Nordic		Europe		USA		East		Central functions		Group	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018 LTM**	**2017**
Net sales	409.4	368.2	631.5	507.5	258.1	261.0	318.4	262.8	-0.4	0.6	1,617.0	1,400.1
Adjusted EBITA	66.4	**47.2**	40.5	**29.8**	12.0	**12.3**	36.3	**27.8**	-11.4	**-3.4**	143.8	**113.7**
Adjusted EBITA margin, %	16.2	12.8	6.4	5.9	4.6	4.7	11.4	10.6			8.9	8.1
Non-recurring items							-0.9	-31.9	-10.7	-11.6	-11.6	-43.5
EBITA	66.4	**47.2**	40.5	**29.8**	12.0	**12.3**	35.4	**-4.1**	-22.4	**-15.0**	132.2	**70.2**
EBITA margin, %	16.2	12.8	6.4	5.9	4.6	4.7	11.1	-1.6		-	8.2	5.0
Amortis. intangible assets											-4.6	-4.6
Operating profit/loss											127.6	**65.6**
Operating margin, %											7.9	4.7
Net financial expense											-10.6	-5.6
Profit/loss before tax											117.0	60.0
Net working capital	38.1	27.8	81.5	69.7	17.1	16.8	17.8	13.9	-19.1	-29.3	135.3	115.3

Note 5 Quarterly summary

	Q4 '18	Q3 '18	Q2 '18	Q1 '18	Q4 '17	Q3 '17	Q2 '17	Q1 '17
Order intake, SEK million	474.7	411.2	409.6	369.0	422.3	340.7	369.3	376.9
Order intake, USD million	52.5	45.9	47.2	45.6	50.8	41.9	41.9	42.2
Net sales, SEK million	406.7	420.1	415.8	374.4	327.3	342.7	376.1	354.0
SEK annual growth, %	24.3	22.6	10.5	5.8	5.6	17.0	24.0	14.0
Net sales, USD million	45.1	46.7	48.0	46.2	39.6	41.7	42.6	39.9
USD annual growth, %	13.7	12.0	12.8	15.8	15.5	21.0	15.0	8.0
Gross margin, %	32.7	31.4	30.6	30.4	29.7	30.9	29.7	30.4
EBITA, SEK million	36.0	42.2	22.8	31.1	-1.1	0.9	34.2	36.2
Adjusted EBITA, SEK million	36.0	42.2	32.0	33.5	12.4	30.9	34.2	36.2
Adjusted EBITA margin, %	8.9	10.1	7.7	8.9	3.8	9.0	9.1	10.2
Operating profit/loss, SEK million	34.9	41.0	21.7	30.0	-2.7	0.1	33.2	35.0
Total assets, SEK million	722.5	672.2	644.2	590.7	554.3	556.6	541.1	533.2
Cash flow from operating activities, SEK million	41.0	38.4	11.5	-20.9	12.2	13.1	4.4	6.5
Equity/assets ratio, %	41.0	39.2	36.2	22.3	19.2	19.4	28.0	35.8
Number of employees	378	367	366	365	354	327	320	312
Average exchange rate, SEK/USD	9.04	8.95	8.67	8.11	8.32	8.14	8.81	8.92
Average exchange rate, SEK/EUR	10.33	10.41	10.33	9.97	9.80	9.56	9.68	9.51

Note 6 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	Oct–Dec 2018	Oct–Dec 2017	Jan–Dec 2018	Jan–Dec 2017
Net sales	406.7	327.3	1,617.0	1,400.1
Other operating income	-0.5	-1.4	4.7	2.1
Cost of goods sold	-274.4	-229.5	-1,117.2	-977.8
Translation differences	1.1	0.8	1.7	-1.9
Total gross profit	**132.9**	**97.2**	**506.1**	**422.5**
Gross margin, %	32.7	29.7	31.3	30.2

EBITA and adjusted EBITA

SEK million	Oct–Dec 2018	Oct–Dec 2017	Jan–Dec 2018	Jan–Dec 2017
Operating profit	34.9	-2.7	127.6	65.6
Amortisation and impairment of intangible assets	-1.2	-0.8	-4.6	-4.6
EBITA	**36.0**	**-1.9**	**132.2**	**70.2**
EBITA margin, %	8.9	neg.	8.2	5.0
Non-recurring items	-	-13.5	-11.6	-43.5
Adjusted EBITA	**36.0**	**11.6**	**143.8**	**113.7**
Adjusted EBITA margin, %	8.9	3.6	8.9	8.1

EBITDA and adjusted EBITDA

SEK million	Oct–Dec 2018	Oct–Dec 2017	Jan–Dec 2018	Jan–Dec 2017
Operating profit	34.9	-2.7	127.6	65.6
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	-2.3	-2.2	-8.9	-8.5
EBITDA	37.2	**-0.5**	136.6	**74.1**
EBITDA margin, %	9.1	neg.	8.4	5.3
Non-recurring items	-	13.5	11.6	43.5
Adjusted EBITDA	37.2	**13.0**	148.1	**117.6**
Adjusted EBITA margin, %	9.1	4.0	9.2	8.4

Return on equity

SEK million	Dec 2018	Dec 2017
Profit for the period — rolling 12 months	104.6	40.4
Equity (average)	201.5	133.0
Return on equity, %	**51.9**	**30.3**

Net working capital

SEK million	31 Dec 2018	31 Dec 2017
Inventories	110.9	97.5
Trade receivables	314.0	254.3
Other current receivables	13.4	15.9
Prepaid expenses and accrued income	16.9	9.4
Trade payables	-231.4	-192.9
Current tax liabilities	-9.8	-7.1
Other current liabilities	-21.2	-19.4
Accrued expenses and deferred income	-57.4	-42.4
Net working capital	**135.3**	**115.3**

Equity/assets ratio

SEK million	31 Dec 2018	31 Dec 2017
Equity	296.6	106.4
Total	**296.6**	**106.4**
Total assets	722.5	554.3
Equity/assets ratio, %	**41.0**	**19.2**

Net debt

SEK million	31 Dec 2018	31 Dec 2017
Interest-bearing liabilities	103.2	165.1
Cash and cash equivalents	-113.9	-31.2
Total net debt	**-10.8**	**133.9**
Adjusted EBITDA LTM	148.1	117.6
Net debt / Adjusted EBITDA	**-0.1**	**1.1**

Alternative performance measure	Definition	Purpose
Gross profit	Net sales less raw materials and consumables adjusted for translation differences on trade receivables and trade payables	Gross profit provides an indication of the surplus that is needed to cover fixed and semi-fixed costs in the NCAB Group
Gross margin	Gross profit divided by net sales	The gross margin provides an indication of the surplus as a percentage of net sales that is needed to cover fixed and semi-fixed costs in the NCAB Group
EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	EBITDA along with EBITA provide an overall picture of operating earnings
Adjusted EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets adjusted for non-recurring items	Adjusted EBITDA is adjusted for extraordinary items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets	EBITDA provides an overall picture of operating earnings
Adjusted EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for non-recurring items	Adjusted EBITA is adjusted for non-recurring items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
Adjusted EBITA margin	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for non-recurring items, divided by net sales	Adjusted EBITA margin is adjusted for non-recurring items. NCAB Group therefore considers that it is a useful performance measure for comparing the company's margin with other companies regardless of whether the business is driven by acquisitions or organic growth
Return on equity	Profit/loss for the past 12 months divided by average equity	Return on equity is used to analyse the company's profitability, based on how much equity is used
Net working capital	Current assets excluding cash and cash equivalents less non-interest-bearing current liabilities	This measure shows how much working capital is tied up in the business
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