

Interim report January–June 2020

APRIL–JUNE 2020

- > Net sales increased by 23% to SEK 580.6 million (473.1). The increase is a result of the acquisitions of Flatfield and Bare Board Group. In USD, net sales increased 20%. Growth excluding acquisitions was -3%.
- > Order intake increased 8% to SEK 486.2 million (450.0). In USD, order intake increased 5%. Order intake was affected by the unusually strong order intake in the first quarter.
- > EBITA increased to SEK 50.6 million (37.3), representing an EBITA margin of 8.7% (7.9). SEK 9.1 million was charged to EBITA relating to transaction costs for Bare Board Group. Excluding transaction costs, EBITA amounted to SEK 59.7 million, corresponding to an EBITA margin of 10.3%.
- > Operating profit was SEK 48.1 million (35.7). Operating margin was 8.3% (7.5).
- > Profit after tax was SEK 20.4 million (23.5).
- > Earnings per share was SEK 1.12 (1.39).

JANUARY–JUNE 2020

- > Net sales increased by 16% to SEK 1,063.7 million (919.0). The increase is a result of the acquisitions of Flatfield and Bare Board Group. In USD, net sales increased 11%. Excluding the acquisitions, sales decreased 2%.
- > Order intake increased 18% to SEK 1,049.7 million (892.1). In USD, order intake increased 13%.
- > EBITA increased to SEK 88.4 million (77.9), representing an EBITA margin of 8.3% (8.5). 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 103.3 million, corresponding to an EBITA margin of 9.7%.
- > Operating profit was SEK 85.1 million (75.1). Operating margin was 8.0% (8.2).
- > Profit after tax was SEK 60.8 million (58.2).
- > Earnings per share was SEK 3.46 (3.45).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > On 3 April, it was announced that Peter Kruk had been recruited to replace Hans Ståhl as President and CEO. Peter Kruk will take up his new duties at the beginning of October.
- > On 24 April, 100 per cent of shares in Bare Board Group in Largo, USA were acquired. In conjunction with the acquisition, an additional bank loan of SEK 132.5 million was raised and the overdraft facility was extended by another SEK 50 million.
- > On 24 April, a directed share issue of 1,850,000 shares at SEK 155/share was completed.
- > The Annual General Meeting was held on 5 June 2020. The Meeting resolved in accordance with the Board of Directors' proposal not to pay a dividend.
- > The Corona pandemic has had an adverse impact on order intake and net sales during the quarter and it is still difficult to judge the impact for rest of 2020. The economic effects vary greatly between different markets and customer segments and demand will probably remain weak for rest of 2020.

Key performance indicators

	Apr-Jun			Jan-Jun			Full-year	
	2020	2019	%	2020	2019	%	LTM	2019
Order intake, SEK million	486.2	450.0	8	1,049.7	892.1	18	1,975.9	1,818.3
Order intake, USD million	50.2	47.8	5	108.1	95.8	13	204.6	192.2
Net sales, SEK million	580.6	473.1	23	1,063.7	919.0	16	1,925.9	1,781.2
Net sales, USD million	60.0	50.0	20	110.0	98.8	11	200.3	189.1
Gross margin, %	29.4	30.9		30.2	31.2		31.1	31.7
EBITA, SEK million	50.6	37.3	35	88.4	77.9	13	175.9	165.4
EBITA margin, %	8.7	7.9		8.3	8.5		9.1	9.3
Operating profit, SEK million	48.1	35.7	35	85.1	75.1	13	171.7	161.7
Operating margin, %	8.3	7.5		8.0	8.2		8.9	9.1
Profit after tax, SEK million	20.4	23.5	-13	60.8	58.2	5	131.0	128.4
Earnings per share, SEK	1.12	1.39	-20	3.46	3.45	0	7.63	7.61
Cash flow from operating activities, SEK million	76.9	35.5	117	79.5	50.3	58	182.2	153.0
Return on capital employed, %				23.2	41.6		23.2	41.6
Return on equity, %				27.4	39.8		27.4	39.8
USD/SEK - average	9.69	9.44		9.67	9.31		9.58	9.46
EUR/SEK - average	10.66	10.62		10.66	10.51		10.64	10.58

MESSAGE FROM THE CEO

Strong earnings despite the crisis

The second quarter of 2020 has been special for everyone, also for us at NCAB.

In conjunction with the coronavirus outbreak in China in early 2020, many factories in China closed for four weeks in connection with the Chinese New Year. We worked intensively to ensure that our customers received their deliveries. We also saw a large build up in the backlog of orders when order intake increased by 27 per cent in first quarter year-on-year. As we wrote in the interim report, this was one way our customers endeavored to ensure deliveries in the future.

The pandemic spread to the rest of the world in the second quarter. Many countries were partially or entirely in lockdown in April and May. We can see that countries in southern Europe and the UK were hardest hit among our operations.

Our company in the UK was seriously affected by weaker sales to a customer in the transport industry. Development in our Germany operation has remained strong, together with Nordic, China and the USA. An increase in demand was noted in a number of countries in the areas of MedTech and the electrification of the automotive industry. Our deliveries to 5G-projects in China are increasing. It is gratifying that we are now emerging from our transitional phase in the USA and can see sales growth in our existing operations and good contributions from the acquisitions of Altus and Bare Board Group (BBG).

Following the strong order intake in the first quarter, we have now seen a decline in the second quarter, though order intake for the first half of the year is in parity with net sales, meaning a book to bill of 1,0. Net sales for the quarter fell by 3 per cent excluding acquisitions, though this is still an acceptable level given the lockdowns and continued unstable market in several countries. Earnings were highly favorable, noting an increase of 40 per cent excluding acquisitions. Our business model, entailing that we do not own factories and keep minimal inventory, is particularly appropriate in times such as these. I am proud of our employees and their excellent handling of the situation. The good results are derived from our work close to customers in new and existing projects, at the same time as we have reduced costs and, in a few countries, could benefit of government support measures.

Which of these trends are sustainable? NCAB has gained a greater geographical coverage and reach, meaning that some regions can offer support when others are struggling. The same is true of our dependence on different sectors or customers. Our diversification balances our business. Our acquisitions made positive contributions and can only improve as we begin to benefit from the synergies. The strong earnings are also partly due to cost reductions for travel, conferences and trade fairs – activities that we will resume when things return to normal. Coming quarters are still uncertain, but to sum up, NCAB has an ability to deliver positive results even in times of uncertainty, but we will in the future again invest in growth and keep a stable level of earnings in line with our established targets.

On a personal level, I would like to express my gratitude to our dedicated employees and the Board of Directors, as well as for the trust shown by our interested shareholders. This is my last interim report as CEO of NCAB. My successor, Peter Kruk, will begin in October and we wish him very welcome.

Hans Ståhl
CEO and President, NCAB Group AB

” I am proud of our employees and their excellent handling of the situation ”



Q2 2020

23%	580.6	50.6	8.7%
Sales growth	Net sales, SEK million	EBITA, SEK million	EBITA margin
		59.7	10.3%
		Excl transaction costs	Excl transaction costs

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

473
SPECIALISTS



137
MILLION PCBs
MANUFACTURED PER YEAR



GROUP PERFORMANCE

APRIL–JUNE 2020

ORDER INTAKE

Order intake rose 8 per cent during the quarter, 5 per cent in USD. Order intake for comparable units decreased 15 per cent. Due to the pandemic outbreak in China, many customers placed orders earlier than normal, to secure delivery, which resulted in a very strong order intake during the first quarter. This is now visible in lower order intake during the second quarter. The lower order intake is also impacted by lower general demand as a result of the Corona pandemic. Southern Europe was hardest hit following the closure of several countries.

NET SALES

Net sales increased in the quarter by 23 per cent to SEK 580.6 million (473.1), with growth in USD at about 20 per cent. Excluding acquired sales (Altus PCB, November 2019, Flatfield and Bare Board Group), net sales were about 3 per cent lower year-on-year. Net sales were adversely affected by the pandemic in Europe and the USA. The effects varied greatly between different countries and customer segments. Net sales in the *Nordic* and *East* segments remained unchanged year-on-year, while *Europe*, excluding the acquisition of Flatfield, decreased approximately 14 per cent. Net sales in *North America* doubled during the quarter, primarily due to the acquisition of Altus PCB in November and Bare Board Group in April, and as a result of import tariffs being recognized as net sales as of 2020.

EARNINGS

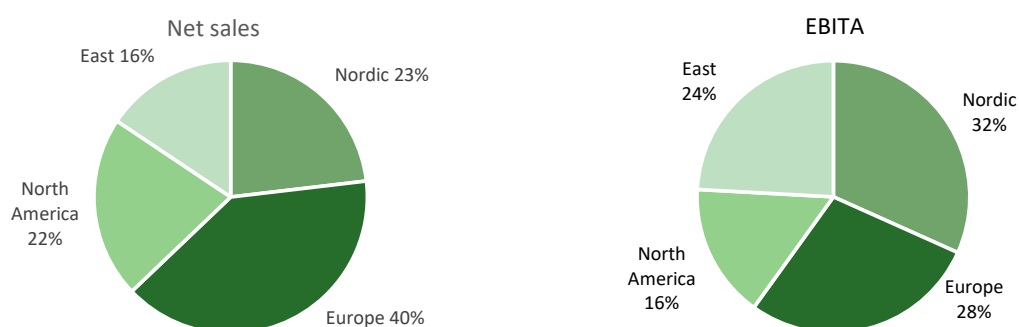
EBITA was SEK 50.6 million (37.3) and EBITA margin rose to 8.7 per cent (7.9). SEK 9.1 million was charged to EBITA relating to transaction costs for the acquisition of Bare Board Group. Excluding transaction costs, EBITA amounted to SEK 59.7 million, an EBITA margin of 10.3 per cent. Rapid cost adjustments relating to, for example, travel, trade fairs and recruitment, led to a reduction in operating expenses for comparable units during the quarter. All segments noted an improvement in earnings compared with the second quarter of 2019. Operating profit increased to SEK 48.1 million (35.7) despite acquisition costs of SEK 9.1 million.

Net financial items amounted to SEK -20.7 million (-3.5), where the decline was due to negative foreign exchange differences of SEK -17.1 million (-2.0). Tax amounted to SEK -6.9 million (-8.7). Profit after tax for the period totaled SEK 20.4 million (23.5). Earnings per share was SEK 1.12 (1.39).

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. For example, sales to MedTech customers rose sharply, while the transport sector in particular was adversely affected. NCAB applied for and received financial support, mainly in Italy, France, Spain and the UK. These are also the companies most seriously affected by falling net sales. NCAB received a total of SEK 3.6 million in government support during the quarter. Some of this support will continue into the third quarter.

BREAKDOWN BY SEGMENT, APRIL–JUNE 2020



JANUARY-JUNE 2020

ORDER INTAKE

Order intake rose 18 per cent during the first half of the year and 13 per cent in USD. Order intake for comparable units increased 3 per cent. Order intake in the first half of the year remained at a stable level, with a strong first quarter and weaker second quarter.

NET SALES

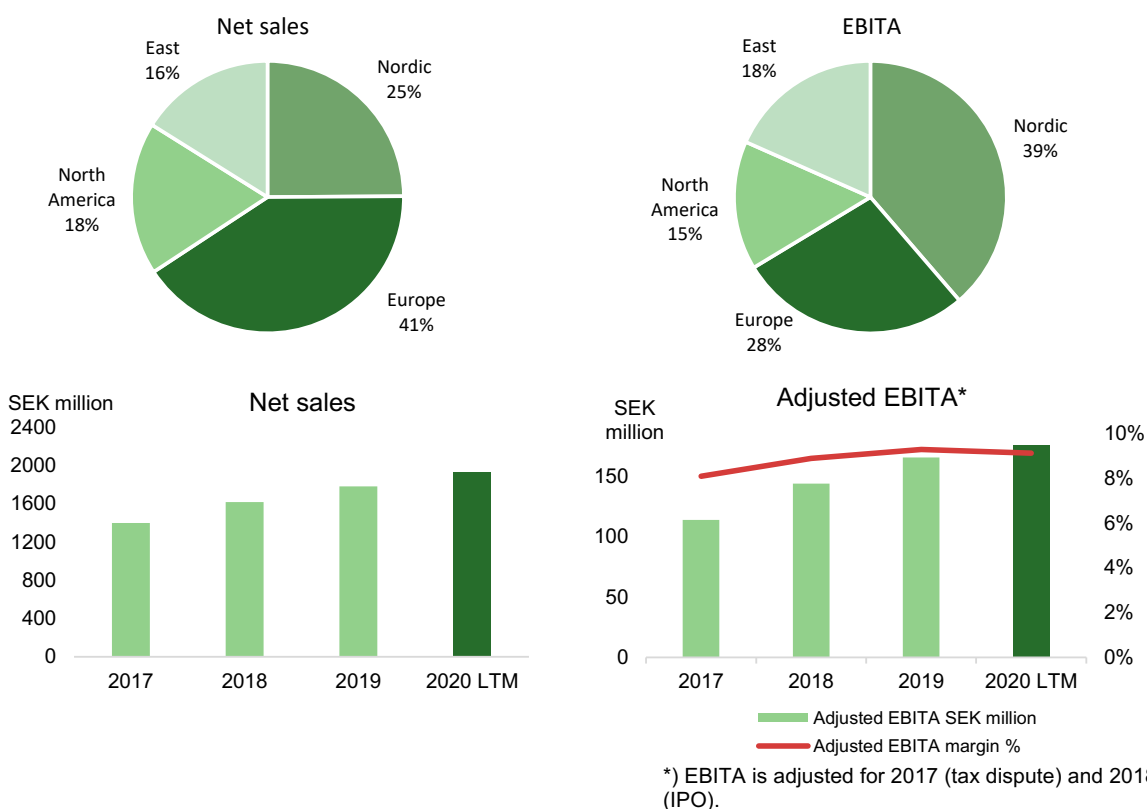
Net sales increased in the first half of the year by 16 per cent to SEK 1,063.7 million (919.0), with growth in USD at about 11 per cent. Net sales for comparable units decreased 2 per cent, with the *Europe* segment most severely affected. The *Nordic* and *North America* segments have successfully retained net sales. The acquisitions of Flatfield and Bare Board Group together contributed increased net sales of SEK 142 million.

EARNINGS

EBITA was SEK 88.4 million (77.9) and EBITA margin decreased to 8.3 per cent (8.5). SEK 14.9 million was charged to EBITA relating to transaction costs for the acquisitions of Flatfield and Bare Board Group. Excluding transaction costs, EBITA amounted to SEK 106.7 million, representing an EBITA margin of 10.0 per cent. Costs were reduced due to cost adjustments in combination with some government support in the most severely affected markets. All segments noted an improvement in earnings compared with the second half of 2019. Operating profit increased to SEK 85.1 million (75.1) despite acquisition costs of SEK 14.9 million.

Net financial items amounted to SEK -7.4 million (0.2), where the decline was due to negative foreign exchange differences of SEK -1.6 million (2.5). Tax amounted to SEK -16.8 million (-17.1). The average tax rate fell to 22.6 per cent (22.7). Profit after tax for the period totaled SEK 60.8 million (58.2). Earnings per share was SEK 3.46 (3.45).

BREAKDOWN BY SEGMENT, JANUARY-JUNE 2020



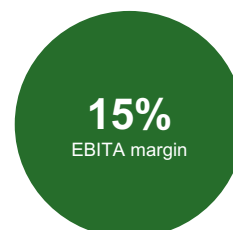
PERFORMANCE BY SEGMENT

NORDIC

Sweden, Norway, Denmark, Finland and Estonia. All companies in the *Nordic* segment have greater focus on profitability than growth. The margin in this segment is higher due to a high technology content and generally lower volumes per order. The acquisition of Multiprint A/S, which was completed early in 2019, strengthened NCAB's position in the Danish market.

Second quarter 2020

Order intake in the second quarter decreased 14 per cent to SEK 114 million (132). Sweden reported an increase in order intake, while Norway and Finland had declining order intake. The decrease was partly due to a strong order intake in the first quarter.



Net sales were unchanged year-on-year. Denmark reported slight growth while the other countries were just below the level in the preceding year, though with major differences between the various customer segments. Net sales amounted to SEK 134.3 million (133.9). In USD, net sales decreased 2 per cent. The segment's gross margin remained stable and EBITA margin improved due to falling costs. NCAB has not applied for government support in the *Nordic* segment. EBITA increased to SEK 20.0 million (17.5) and EBITA margin amounted to 14.9 per cent (13.1).

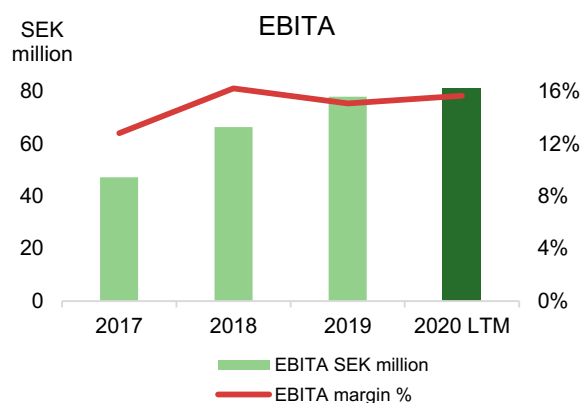
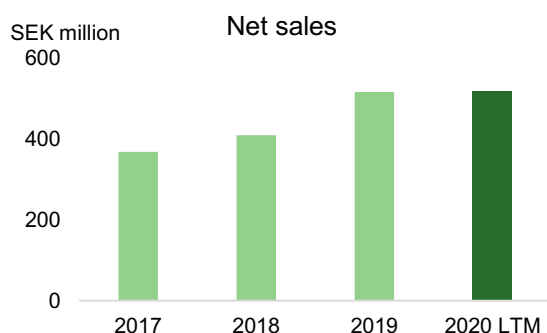
January to June 2020

Order intake increased 10 per cent to SEK 272 million while net sales rose 1 per cent to SEK 264.9 million. Sweden reported slightly lower net sales while Denmark continued to grow. Lower costs entailed an increase in EBITA.

NORDIC

SEK million

	Apr-Jun			Jan-Jun			Full-year	
	2020	2019	%	2020	2019	%	LTM	2019
Net sales	134.3	133.9	0.3	264.9	263.0	0.7	518.5	516.6
EBITA	20.0	17.5	14.3	42.1	38.8	8.4	81.2	77.9
EBITA margin, %	14.9	13.1		15.9	16.5		15.7	15.1

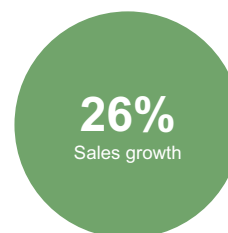


EUROPE

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.

Second quarter 2020

Order intake increased 15 per cent to SEK 199 million (173). The increase is a result of the acquisition of Flatfield and continued growth in Germany. However, southern Europe and the UK reported another weak quarter with falling order intake. NCAB's operations in the UK were largely impacted by a low level of activity for one customer that supplies the transport industry.



Net sales in the second quarter increased 26 per cent to SEK 230.7 million (183.3). Excluding the acquisition of Flatfield, net sales amounted to SEK 158.4 million, a decrease of 14 per cent. In USD, net sales increased 22 per cent. During the quarter, sales in Germany and North Macedonia increased, while other countries noted a drop in net sales.

A stable gross margin, improved profitability in Germany and positive figures from Flatfield meant EBITA increased to SEK 17.8 million (11.3) and EBITA margin grew to 7.7 per cent (6.2). NCAB received government support in Italy, Spain and France and furloughed staff in the UK.

January to June 2020

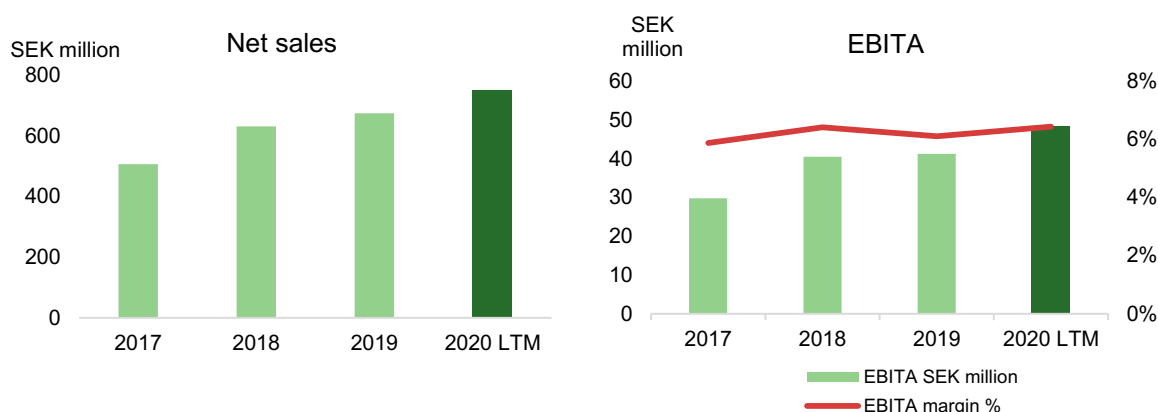
Order intake for the first half of the year increased 18 per cent to SEK 425 million (360) and net sales rose 21 per cent. Excluding the acquisition of Flatfield, order intake decreased 8 per cent and net sales 6 per cent, with most of the decline attributable to the UK.

Flatfield's net sales in 2019 were about SEK 300 million, evenly distributed between Benelux and Germany. Together, NCAB's market presence and purchasing power are strengthened. Flatfield's 15 employees in China have been integrated into NCAB's Factory Management team in China. The remaining 35 employees are mainly in the Netherlands. Customer reactions have been positive and integration work has been highly successful so far, despite travel restrictions.

EUROPE

SEK million

	Apr-Jun			Jan-Jun			Full-year	
	2020	2019	%	2020	2019	%	LTM	2019
Net sales	230.7	183.3	25.9	434.4	358.6	21.1	750.8	675.0
EBITA	17.8	11.3	57.5	30.1	22.9	31.0	48.4	41.2
EBITA margin, %	7.7	6.2		6.9	6.6		6.4	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.

Second quarter 2020

Order intake increased 69 per cent to SEK 100 million (59), of which BBG accounted for 65 per cent, or SEK 38 million, of the increase. Large parts of the US economy have been in lockdown during the quarter, but order intake has still risen.

Net sales for the segment increased 97 per cent to SEK 124.9 million (63.3). Import tariffs on PCBs are recognized in net sales as of 2020. Net sales excluding Altus PCB, BBG and import tariffs amounted to SEK 68.9 million, an increase of 9 per cent.

The gross margin remains stable in our original operations but has fallen due to the lower gross margin of BBG. EBITA improved as a result of a continued focus on costs and synergies from the acquisition of Altus PCB in the autumn. EBITA increased to SEK 10.1 million (4.0) and EBITA margin grew to 8.1 per cent (6.3). These figures do not include the transaction costs of SEK 9.1 million for the acquisition of BBG that were recognized as central costs.

January to June 2020

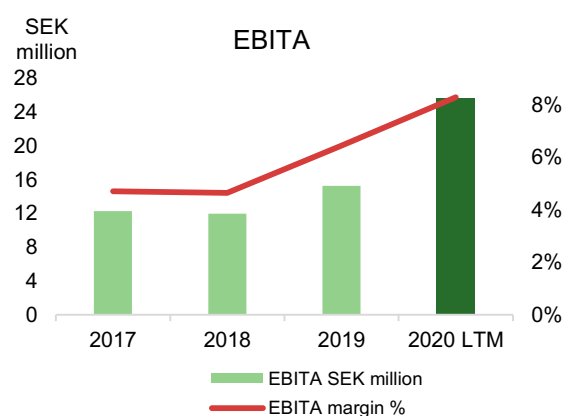
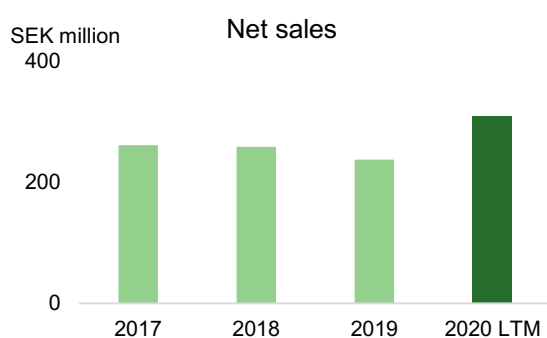
Order intake increased for the first half of the year by 55 per cent to SEK 181 million (117) and net sales rose 60 per cent to SEK 193 million (121). Excluding the acquisitions of Altus PCB and BBG and the import tariffs, order intake increased 10 per cent and net sales 3 per cent. EBITA continued to strengthen and for the first half of the year rose to SEK 16.6 million (6.3), corresponding to an EBITA margin of 8.6 per cent (5.2). Higher growth and improved profitability were reported following the previous transitional phase, despite the negative effects of the coronavirus pandemic. An increased lockdown in USA would short term have a negative impact on continued growth.

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. Integration work has begun.



NORTH AMERICA

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2020	2019	%	2020	2019	%	LTM	2019
Net sales	124.9	63.3	97.3	193.3	120.9	59.8	309.2	236.9
EBITA	10.1	4.0	152.5	16.6	6.3	165.2	25.7	15.3
EBITA margin, %	8.1	6.3		8.6	5.2		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. NCAB has four sales offices in China – in Shenzhen, Beijing, Shanghai and Wuhan. NCAB also has several offices in Russia – in St. Petersburg, Moscow and Novosibirsk.

Second quarter 2020

Order intake decreased 17 per cent to SEK 71 million (85). The decrease was due to the strong order intake in the first quarter and to effects by the Corona pandemic in Russia.

Net sales decreased in the second quarter to SEK 90.7 million (92.6). China reported weak growth while net sales decreased in Russia. However, Russia has quickly recovered to normal volumes. In USD, net sales for the segment decreased 4 per cent.



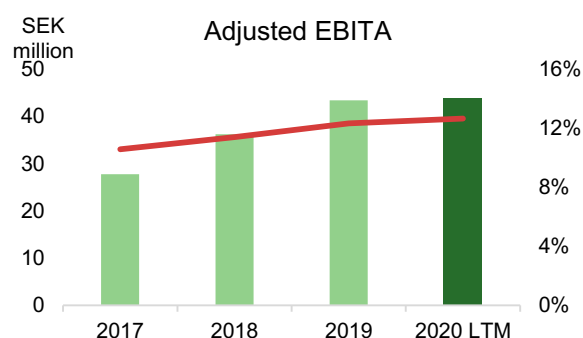
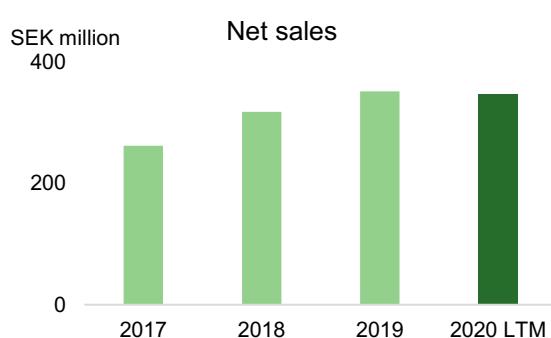
EBITA for the segment improved during the quarter, partly as a result of improved profitability in China but also due to a slight recovery in the ruble exchange rate, which yielded a positive exchange rate difference of SEK 1,6 million when translating operating receivables and operating liabilities. The reverse effect was felt in Russia in the first quarter as the ruble experienced a volatile year. EBITA amounted to SEK 15.2 million (9.8) and EBITA margin increased to 16.8 per cent (10.6).

January to June 2020

Despite a turbulent start, with an almost total lockdown in China in February and in Russia in April, order intake increased 3 per cent to SEK 171 million, while net sales decreased 3 per cent. EBITA was essentially unchanged at 19.9 per cent (19.4). Profitability was stable in China, while Russia noted major fluctuations resulting from a volatile currency.

EAST

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2020	2019	%	2020	2019	%	LTM	2019
Net sales	90.7	92.6	-2.0	171.2	176.5	-3.0	347.3	352.6
EBITA	15.2	9.8	54.8	19.9	19.4	2.8	44.0	43.5
EBITA margin, %	16.8	10.6		11.7	11.4		12.7	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 76.9 million (35.5). The improvement reflects a solid result and a decrease in working capital. Cash flow from operating activities in the first half of the year was SEK 79.5 million (50.3). Great emphasis is placed on monitoring customer payments to minimize the risk of bad debt losses. No bad debt loss occurred, and the customer credit period remains at a normal level. NCAB has credit insurance that covers most of the trade receivables outstanding. Cash flow from investing activities was SEK -123.9 million (-6.3) during the quarter. Non-acquisition-related investments totaled SEK -0.4 million (-0.7) during the quarter. For the first half of the year, cash flow from investing activities was SEK -308.6 million (51.5). Non-acquisition-related investments amounted to SEK -1.7 million (-1.2).

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 6.3 million (104.5). In conjunction with the acquisition of Bare Board Group, 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 June, the equity/assets ratio was 43.3 per cent (36.0) and equity was SEK 672.4 million (285.5). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 577.8 million (135.0).

During the quarter, NCAB received a new loan of SEK 132.5 million that is free of instalments for five years. The company already has three loans, of which one is free of instalments and one is being repaid in quarterly instalments of SEK 2.5 million, both maturing in 2023. The third is being repaid in quarterly instalments of SEK 6.6 million and matures in 2025. In addition to the loans, there is an overdraft facility of SEK 214 million. The overdraft facility was increased by SEK 50 million during the quarter. At the balance sheet date of 30 June 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 enter lockdown, *capacity* in connection with the closure of NCAB's suppliers in China and the *dependence on China*, as described in the Annual Report.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

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

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

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

On 24 April, the company completed a directed share issue of 1,850,000 shares at SEK 155/share, which raised approximately SEK 287 million before issuance costs. The issue was fully subscribed by a number of Swedish and international institution investors.

The Annual General Meeting was held on 5 June 2020 and resolved in accordance with the Board of Directors' proposal not to pay a dividend.

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.

ORGANIZATION

At 30 June 2020, the number of employees was 473 (398), of whom 213 (187) were women and 260 (211) were men. The average number of employees in the organization during the period was 463 (393)

PARENT COMPANY

The Parent Company's net sales for the second quarter were SEK 14.8 million (15.1). Sales consist exclusively of internal billing. Profit after financial items was SEK 14.5 million (3.2). The stronger earnings were due to foreign exchange gains on intra-Group loans 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, 23 July 2020

Christian Salamon
Chairman of the Board

Jan-Olof Dahlén
Director

Per Hesselmark
Director

Magdalena Persson
Director

Hans Ramel
Director

Gunilla Rudebjer
Director

Hans Ståhl
Chief Executive Officer

CONTACT

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Anders Forsén, CFO +46 (0)8 4030 0051
Gunilla Öhman, IR Manager, +46 (0)70 763 81 25

This interim 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 and the Swedish Security Markets Act. The information was issued for publication through the agency of the contact persons set out above on 24 July 2020, at 7:30 a.m. CEST.

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.

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 24 July 2020 at 10:00 a.m. CEST, 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: +46850558353, the UK: +443333009274 and the USA: +18335268397. The presentation and conference can also be followed from the following link: <https://tv.streamfabriken.com/ncab-group-q2-2020>.

FINANCIAL CALENDAR

Interim report third quarter	10 November 2020
Year-end report 2020	23 February 2021
Interim report first quarter	7 May 2021
Annual General Meeting	10 May 2021

About NCAB Group

NCAB is a worldwide leading supplier of printed circuit boards, listed on NASDAQ Stockholm. NCAB offers PCBs for demanding customers, on time with zero defects, produced sustainably at the lowest total cost. NCAB was founded in 1993. Since its foundation, the operations have been characterized by an entrepreneurial and cost-efficient culture and have showed strong growth and good profitability over time. Today, NCAB has a local presence in 17 countries in Europe, Asia and North America and customers in approximately 45 countries worldwide. Revenues in 2019 amounted to SEK 1,781 million. Organic growth and acquisitions are part of NCAB's strategy. For more information about NCAB Group, please visit us at www.ncabgroup.com.

Group

CONSOLIDATED INCOME STATEMENT

SEK million	Apr-Jun		Jan-Jun		LTM	Jan-Dec
	2020	2019	2020	2019		2019
Operating revenue						
Net sales	580.6	473.1	1,063.7	919.0	1,925.9	1,781.2
Other operating income	0.5	0.1	0.6	1.5	8.2	9.2
Total	581.1	473.1	1,064.2	920.5	1,934.1	1,790.3
Raw materials and consumables	-410.3	-326.8	-743.2	-633.8	-1,334.8	-1,225.4
Other external expenses	-27.6	-33.6	-53.9	-61.4	-100.0	-107.5
Staff costs	-77.2	-73.5	-153.1	-141.8	-286.0	-274.7
Depreciation of property, plant and equipment, and amortisation of intangible assets	-7.4	-3.5	-12.8	-7.9	-23.0	-18.2
Other operating expenses	-10.5	-0.0	-16.3	-0.6	-18.4	-2.8
Total operating expenses	-533.0	-437.4	-979.2	-845.4	-1,762.3	-1,628.6
Operating profit	48.1	35.7	85.1	75.1	171.7	161.7
Net financial income/expense	-20.7	-3.5	-7.4	0.2	-8.5	-0.9
Profit before tax	27.3	32.2	77.7	75.3	163.2	160.9
Income tax	-6.9	-8.7	-16.8	-17.1	-32.2	-32.5
Profit for the period	20.4	23.5	60.8	58.2	131.0	128.4
Profit attributable to:						
Shareholders of the Parent Company	20.3	23.4	60.7	58.1	130.9	128.3
Non-controlling interests	0.1	0.0	0.1	0.1	0.1	0.1
Average number of ordinary shares	18,209,212	16,847,124	17,528,168	16,847,124	17,185,785	16,847,124
Earnings per share	1.12	1.39	3.46	3.45	7.63	7.61

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr-Jun		Jan-Jun		LTM	Jan-Dec
	2020	2019	2020	2019		2019
Profit for the period	20.4	23.5	60.8	58.2	131.0	128.4
Other comprehensive income, items that can subsequently be reclassified to profit or loss:						
Foreign exchange differences	-14.6	2.5	-13.3	6.7	-20.9	-1.0
Total comprehensive income	5.8	25.9	47.6	64.8	110.2	127.4
Profit attributable to:						
Shareholders of the Parent Company	5.8	26.0	47.4	64.7	110.0	127.3
Non-controlling interests	0.1	-0.0	0.1	0.1	0.1	0.1

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	30 Jun 2020	30 Jun 2019	31 Dec 2019
Non-current assets			
Goodwill	400.3	159.0	206.3
Other intangible assets	51.9	7.4	16.8
Leasehold improvement costs	2.5	1.4	2.8
Right-of-use Office and Cars	31.7	36.7	33.5
Plant and equipment	5.1	5.4	4.1
Financial assets	18.5	4.0	4.0
Deferred tax assets	6.7	5.1	7.7
Total non-current assets	516.6	219.0	275.2
Current assets			
Inventories	200.5	110.0	148.8
Trade receivables	422.8	380.9	320.0
Other current receivables	22.1	20.0	17.9
Prepaid expenses and accrued income	25.8	18.8	29.0
Cash and cash equivalents	363.8	44.0	82.2
Total current assets	1,034.9	573.7	598.0
TOTAL ASSETS	1,551.5	792.7	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	-17.4	3.4	-4.1
Retained earnings	209.4	78.5	148.7
Non-controlling interests	0.3	0.2	0.2
Total equity	672.4	285.5	348.1
Non-current liabilities			
Borrowings	301.1	80.0	75.0
Leased liabilities	18.5	24.8	22.7
Deferred tax	15.7	2.9	8.1
Total non-current liabilities	335.3	107.7	105.8
Current liabilities			
Current liabilities	36.5	31.6	17.9
Current Leased liabilities	14.0	12.0	11.4
Trade payables	329.5	255.8	252.5
Current right-of-use liabilities	28.3	18.6	29.4
Other current liabilities	59.5	27.2	26.9
Accrued expenses and deferred income	76.0	54.3	81.2
Total current liabilities	543.8	399.6	419.2
TOTAL EQUITY AND LIABILITIES	1,551.5	792.7	873.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Parent Company							
SEK million	Share capital	Additional paid-in capital	Reserves	Retained earning	Total	Non-controlling interests	Total equity
1 Jan 2019	1.7	201.6	-3.2	96.2	296.4	0.2	296.6
Profit for the period				58.1	58.1	0.1	58.2
Other comprehensive income for the period	-	-	6.7	-	6.7	-	6.7
Total comprehensive income	-	-	6.7	58.1	64.7	0.1	64.8
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 Jun 2019	1.7	201.6	3.5	78.5	285.3	0.2	285.5

Attributable to shareholders of the Parent Company							
SEK million	Share capital	Additional paid-in capital	Reserves	Retained earning	Total	Non-controlling interests	Total equity
1 Jan 2020	1.7	201.6	-4.1	148.7	347.9	0.2	348.1
Profit for the period				60.7	60.7	0.1	60.8
Other comprehensive income for the period	-	-	-13.3	-	-13.3	-	-13.3
Total comprehensive income	-	-	-13.3	60.7	47.4	0.1	47.6
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	-	276.7
30 Jun 2020	1.9	478.1	-17.4	209.4	672.0	0.3	672.4

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2020	2019	2020	2019	LTM	2019
Cash flow from operating activities						
Profit before net financial income/expense	48.1	35.7	85.1	75.1	171.7	161.7
Adjustment for non-cash items	0.8	-0.0	17.7	12.3	19.3	13.9
Interest received	0.0	0.0	0.0	0.3	0.9	1.2
Interest paid	-3.7	-1.4	-5.8	-2.2	-9.0	-5.4
Income taxes paid	-7.3	-7.3	-21.7	-12.5	-26.4	-17.2
Cash flow from operating activities before changes in working capital	37.8	27.0	75.3	72.9	156.5	154.2
Change in inventories	-45.9	-1.4	-5.1	12.2	-43.0	-25.6
Change in current receivables	28.2	-8.8	-19.3	-54.6	43.4	8.1
Change in current operating liabilities	56.8	18.7	28.7	19.8	25.3	16.5
Total changes in working capital	39.1	8.5	4.2	-22.6	25.6	-1.1
Cash flow from operating activities	76.9	35.5	79.5	50.3	182.2	153.0
Cash flow from investing activities						
Investments in property, plant and equipment	-0.0	-0.5	-0.8	-0.8	-4.4	-4.3
Investments in intangible assets	-0.3	-0.2	-0.7	-0.2	-2.9	-2.5
Investments in subsidiaries	-123.5	-5.6	-307.0	-50.3	-343.4	-86.7
Investments in financial assets	-0.1	-	-0.2	-0.2	-0.5	-0.6
Cash flow from investing activities	-123.9	-6.3	-308.6	-51.5	-351.2	-94.0
Cash flow from financing activities						
Issue of new shares	286.8	-	286.8	-	286.8	-
Costs for issue of shares	-10.0	-	-10.0	-	-10.0	-
Change in overdraft facility	-72.5	16.1	-7.9	14.6	-22.2	0.4
Borrowings	132.5	-	265.0	-	265.0	-
Transaction cost, loans	-1.5	-	-1.5	-	-1.5	-
Repayment of loans	-9.1	-2.5	-11.6	-5.0	-16.6	-10.0
Repayment of leased liabilities	-3.5	-1.4	-7.0	-3.5	-14.8	-11.3
Dividend	-	-75.8	-	-75.8	-	-75.8
Cash flow from financing activities	322.6	-63.6	513.7	-69.7	486.6	-96.8
Decrease/increase in cash and cash equivalents						
Cash flow for the period	275.6	-34.4	284.5	-70.8	317.5	-37.8
Foreign exchange difference in cash and cash equivalents	-4.7	-0.2	-3.0	0.9	2.3	6.1
Cash and cash equivalents at beginning of period	92.8	78.5	82.2	113.9	44.0	113.9
Cash and cash equivalents at end of period	363.8	44.0	363.8	44.0	363.8	82.2

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Apr-Jun		Jan-Jun		Jan-Dec
	2020	2019	2020	2019	2019
Operating revenue					
Net sales	14.8	15.1	28.9	29.8	55.9
Total	14.8	15.1	28.9	29.8	55.9
Other external expenses	-8.7	-9.2	-17.1	-18.7	-33.7
Staff costs	-6.8	-8.0	-14.0	-15.4	-27.6
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.1	-0.1	-0.3	-0.3	-0.4
Other operating expenses	-	-	-5.8	-0.6	-0.6
Total operating expenses	-15.7	-17.3	-37.1	-34.9	-62.3
Operating loss	-0.9	-2.2	-8.2	-5.0	-6.4
Income from investments in Group companies	4.3	4.5	4.3	4.5	22.5
Other interest income and similar income	4.5	4.4	8.4	8.5	20.5
Interest expense and similar charges	6.7	-3.5	-17.4	-14.7	-27.7
Net financial income/expense	15.4	5.4	-4.7	-1.7	15.2
Profit before tax	14.5	3.2	-13.0	-6.7	8.8
Appropriations	-	-	-	-	14.0
Tax on profit for the period	-	-	-	-	-0.2
Profit for the period	14.5	3.2	-13.0	-6.7	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 Jun 2020	30 Jun 2019	31 Dec 2019
Non-current assets			
Capitalised development costs	1.3	0.0	1.3
Plant and equipment	0.0	0.3	0.1
Non-current financial assets	332.1	266.9	267.1
Total non-current assets	333.4	267.2	268.5
Current assets			
Trade receivables	1.0	1.5	2.2
Receivables from Group companies	385.4	116.6	131.1
Other current receivables	2.3	1.8	0.4
Prepaid expenses and accrued income	3.4	4.0	4.1
Cash and cash equivalents	251.3	0.1	6.8
Total current assets	643.3	124.0	144.6
TOTAL ASSETS	976.7	391.2	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	-64.7	-64.8
Profit/ loss for the period	-13.0	-6.7	22.6
Total equity	424.8	131.9	161.1
Untaxed reserves	8.8	8.8	8.8
Non-current liabilities			
Liabilities to credit institutions	301.9	80.0	75.0
Total non-current liabilities	301.9	80.0	75.0
Current liabilities			
Liabilities to credit institutions	36.5	10.0	10.0
Trade payables	2.0	6.0	3.2
Liabilities to Group companies	193.0	121.4	145.6
Current tax liabilities	-	0.2	-
Other current liabilities	2.6	2.0	2.1
Accrued expenses and deferred income	7.1	7.4	7.4
Total current liabilities	241.2	170.5	168.3
TOTAL EQUITY AND LIABILITIES	976.7	391.2	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	-	-	-6.7	-6.7
Total comprehensive income	-	-	-6.7	-6.7
Dividend, shares			-75.8	-75.8
Total transactions with shareholders, recognised directly in equity			-75.8	-75.8
30 Jun 2019	1.7	201.6	-71.5	131.8

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	-	-	-13.0	-13.0
Total comprehensive income	-	-	-13.0	-13.0
Total transactions with shareholders, recognised directly in equity	0.2	276.5	-	276.7
30 Jun 2020	1.9	478.1	-55.2	424.8

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 1–28 is an integral part of this financial report.

Significant estimates and judgements

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

Note 2 Information on financial assets and liabilities

For more information on financial assets and liabilities, see the 2019 Annual Report, Note 2. All of the Group's financial assets and liabilities are measured at amortized cost. There are no financial assets and liabilities which are measured at fair value. The carrying amounts of the Group's financial assets and liabilities are deemed to approximate their fair values. All financial assets are recognized in the category "Financial assets measured at amortized cost". All financial liabilities are recognized in the category "Other financial liabilities".

Note 3 Pledged assets and contingent liabilities

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

Note 4 Segments

Description of segments and principal activities

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

Nordic

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

Europe

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

North America

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

East

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

Revenue

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

Net sales and earnings of segments, April–June 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	134.3	133.9	230.7	183.3	124.9	63.3	90.7	92.6	-	0.0	580.6	473.1
EBITA	20.0	17.5	17.8	11.3	10.1	4.0	15.2	9.8	-12.5	-5.3	50.6	37.3
EBITA margin, %	14.9	13.1	7.7	6.2	8.1	6.3	16.8	10.6			8.7	7.9
Amortis. intangible assets											-2.5	-1.6
Operating profit											48.1	35.7
Operating margin, %											8.3	7.5
Net financial expense											-20.7	-3.5
Profit before tax											27.3	32.2
Net working capital	21.3	57.1	121.7	78.8	-7.2	18.9	39.1	30.7	2.9	-11.6	177.8	173.8

Net sales and earnings of segments, January–June 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	264.9	263.0	434.4	358.6	193.3	120.9	171.2	176.5	-0.0	0.0	1,063.7	919.0
EBITA	42.1	38.8	30.1	22.9	16.6	6.3	19.9	19.4	-20.3	-9.5	88.4	77.9
EBITA margin, %	15.9	14.8	6.9	6.4	8.6	5.2	11.7	11.0			8.3	8.5
Amortis. intangible assets											-3.4	-2.9
Operating profit											85.1	75.1
Operating margin, %											8.0	8.2
Net financial expense											-7.4	0.2
Profit before tax											77.7	75.3

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	518.5	516.6	750.8	675.0	309.2	236.9	347.3	352.6	0.1	0.1	1,925.9	1,781.2
EBITA	81.2	77.9	48.4	41.2	25.7	15.3	44.0	43.5	-23.4	-12.6	175.9	165.4
EBITA margin, %	15.7	15.1	6.4	6.1	8.3	6.5	12.7	12.3			9.1	9.3
Amortis. intangible assets											-4.1	-3.6
Operating profit											171.7	161.7
Operating margin, %											8.9	9.1
Net financial expense											-8.5	-0.9
Profit before tax											163.2	160.9
Net working capital	21.3	30.4	121.7	66.2	-7.2	2.6	39.1	30.7	2.9	-4.1	177.8	125.8
Fixed assets	4.1	5.6	16.3	13.1	7.4	8.9	1.0	1.1	10.5	11.7	39.3	40.5
Intangible assets	57.8	74.7	105.6	0.0	247.8	135.9	8.5	0.5	32.4	11.8	452.2	223.0

Note 5

Quarterly summary

	Q2 20	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
Order intake, SEK million	486.2	563.4	479.7	446.6	450.0	442.1	474.7	411.2
Order intake, USD million	50.2	58.3	49.9	46.7	47.8	48.0	52.5	45.9
Net sales, SEK million	580.6	483.1	422.4	439.8	473.1	445.9	406.7	420.1
SEK annual growth, %	22.7	8.3	3.9	4.7	13.8	19.1	24.3	22.6
Net sales, USD million	60.0	50.0	45.1	45.2	50.0	48.8	45.1	46.7
USD annual growth, %	20.0	2.5	0.0	-3.3	4.1	5.6	13.7	12.0
Gross margin, %	29.4	31.1	32.4	32.2	30.9	31.5	32.7	31.4
EBITA, SEK million	50.6	37.9	41.2	46.3	37.3	40.6	36.0	42.2
EBITA margin, %	8.7	7.8	9.7	10.5	7.9	9.1	8.9	10.1
Operating profit/loss, SEK million	48.1	37.0	40.7	45.9	35.7	39.4	34.9	41.0
Total assets, SEK million	1,551.5	1,125.7	873.1	827.9	792.7	808.4	722.5	672.2
Cash flow from operating activities, SEK million	76.9	2.6	44.9	57.8	35.5	14.8	41.0	38.4
Equity/assets ratio, %	43.3	34.6	39.9	39.4	36.0	41.8	41.0	39.2
Number of employees	473	452	395	403	398	388	378	367
Average exchange rate, SEK/USD	9.69	9.67	9.61	9.59	9.44	9.17	9.04	8.95
Average exchange rate, SEK/EUR	10.66	10.66	10.64	10.66	10.62	10.42	10.33	10.41

Note 6 Acquisitions

Flatfield Group

On 12 March 2020, an agreement was signed to acquire 100 per cent of the shares in IPCS B.V., the Parent Company of the Flatfield Group, based in Tiel, the Netherlands. Operating profit together with assets and liabilities associated with the acquired company were consolidated on 1 March 2020. Goodwill of SEK 100.1 million arose in conjunction with the acquisition, of which SEK 42.1 million in the Flatfield. Flatfield contributed SEK 96.6 million in net sales and SEK 6.0 million in EBITA in the period between 1 March and 30 June 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 on 1 May 2020. Goodwill of SEK 102.3 million arose in conjunction with the acquisition. Bare Board Group contributed SEK 45.3 million in net sales and SEK 1.6 million in EBITA in the period between 1 May and 30 June 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	0
Other operating liabilities	-33,750	-42,071
Deferred tax	-5,716	-2,120
Total net assets	-35,365	8,948
Goodwill	100,117	102,285

Amounts reported in the table above are preliminary values.

If Flatfield Group and Bare Board Group had been consolidated on 1 January 2020, net sales for the first half of 2020 would have increased by SEK 119.5 million to SEK 1,183.2 million and EBITA by SEK 8.0 million to SEK 96.4 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 analyze the Group's financial performance and financial position. Investors should regard this information as complementary rather than as replacing financial reporting in accordance with IFRS.

Gross profit

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2020	2019	2020	2019	LTM	2019
Net sales	580.6	473.1	1,063.7	919.0	1,925.9	1,781.2
Other operating income	0.5	0.1	0.6	1.1	4.4	4.9
Cost of goods sold	-410.3	-326.8	-743.2	-633.8	-1,334.8	-1,225.4
Translation differences	-	-0.0	-	0.5	3.8	4.3
Total gross profit	170.8	146.3	321.1	286.8	599.2	564.9
Gross margin, %	29.4	30.9	30.2	31.2	31.1	31.7

EBITA

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2020	2019	2020	2019	LTM	2019
Operating profit	48.1	35.7	85.1	75.1	171.7	161.7
Amortisation and impairment of intangible assets	2.5	1.6	3.4	2.9	4.1	3.6
EBITA	50.6	37.3	88.4	77.9	175.9	165.4
EBITA margin, %	8.7	7.9	8.3	8.5	9.1	9.3

EBITDA

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2020	2019	2020	2019	LTM	2019
Operating profit	48.1	35.7	85.1	75.1	171.7	161.7
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	7.4	3.5	12.8	7.9	23.0	18.2
EBITDA	55.5	39.1	97.8	83.0	194.7	179.9
EBITDA margin, %	9.6	8.3	9.2	9.0	10.1	10.1

Return on equity

SEK million	Jun 2020	Jun 2019	Dec 2019
Profit for the period — LTM	131.0	125.5	128.4
Equity (average)	478.9	259.4	322.4
Return on equity, %	27.4	48.4	39.8

Net working capital and capital employed

SEK million	30 Jun 2020	30 Jun 2019	31 Dec 2019
Inventories	200.5	110.0	148.8
Trade receivables	422.8	380.9	320.0
Other current receivables	22.1	20.0	17.9
Prepaid expenses and accrued income	25.8	18.8	29.0
Trade payables	-329.5	-255.8	-252.5
Current tax liabilities	-28.3	-18.6	-29.4
Other current liabilities	-59.5	-27.2	-26.9
Accrued expenses and deferred income	-76.0	-54.3	-81.2
Net working capital	177.8	173.8	125.8
Non-current assets	516.6	219.0	275.2
Prepaid expenses and accrued income	363.8	44.0	82.2
Deferred tax	-15.7	-2.9	-8.1
Capital employed	1,042.4	434.0	475.1

Return on capital employed

SEK million	Jun 2020	Jun 2019	Dec 2019
Operating profit/loss — LTM	171.7	151.0	161.7
Capital employed (average)	739.6	389.0	438.8
Return on capital employed, %	23.2	38.8	36.9

Equity/assets ratio

SEK million	30 Jun 2020	30 Jun 2019	31 Dec 2019
Equity	672.4	285.5	348.1
Untaxed reserves	-	-	-
Total	672.4	285.5	348.1
Total assets	1,551.5	792.7	873.1
Equity/assets ratio, %	43.3	36.0	39.9

Net debt

SEK million	30 Jun 2020	30 Jun 2019	31 Dec 2019
Interest-bearing liabilities	370.1	148.5	127.0
Cash and cash equivalents	-363.8	-44.0	-82.2
Total net debt	6.3	104.5	44.8
EBITDA LTM	194.7	157.4	179.9
Net debt / EBITDA	0.0	0.7	0.2

Net debt excl. IFRS 16 adjustments

SEK million	30 Jun 2020	30 Jun 2019	31 Dec 2019
Interest-bearing liabilities excl IFRS 16	337.6	111.6	92.9
Cash and cash equivalents	-363.8	-44.0	-82.2
Total net debt excl IFRS16	-26.1	67.7	10.7
EBITDA LTM excl IFRS 16	180.2	153.9	168.6
Net debt excl IFRS 16/ EBITDA excl IFRS 16	-0.1	0.4	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, amortization and impairment of property, plant and equipment, and intangible assets	EBITDA along with EBITA provide an overall picture of operating earnings
Adjusted EBITDA	Operating profit before depreciation, amortization and impairment of property, plant and equipment, and intangible assets adjusted for non-recurring items	Adjusted EBITDA is adjusted for extraordinary items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
EBITA	Operating profit before amortization and impairment of goodwill and acquisition-related intangible assets	EBITDA provides an overall picture of operating earnings
Adjusted EBITA	Operating profit before amortization and impairment of goodwill and acquisition-related intangible assets adjusted for non-recurring items	Adjusted EBITA is adjusted for non-recurring items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
Adjusted EBITA margin	Operating profit before amortization and impairment of goodwill and acquisition-related intangible assets adjusted for non-recurring items, divided by net sales	Adjusted EBITA margin is adjusted for non-recurring items. NCAB Group therefore considers that it is a useful performance measure for comparing the company's margin with other companies regardless of whether the business is driven by acquisitions or organic growth
Return on equity	Profit/loss for the past 12 months divided by average equity	Return on equity is used to analyze the company's profitability, based on how much equity is used
Net working capital	Current assets excluding cash and cash equivalents less non-interest-bearing current liabilities	This measure shows how much working capital is tied up in the business
Capital employed	Equity and interest-bearing liabilities	Capital from external parties
Return on capital employed	Profit/loss for the past 12 months divided by average capital employed	Return on capital employed is used to analyze the company's profitability, based on how much equity is used
Equity/assets ratio	Equity and untaxed reserves net of deferred tax, divided by total assets	NCAB Group considers that this is a useful measure for showing what portion of total assets is financed by equity. It is used by management to monitor the Group's long-term financial position
Net debt	Interest-bearing liabilities less cash and cash equivalents	Net debt is a measure which shows the company's total indebtedness