

Interim Report January–September 2022

JULY–SEPTEMBER 2022

- > Net sales increased 35% to SEK 1,168.3 million (863.6). In USD, net sales increased 10%. For comparable units, net sales increased 23%, and in USD the decrease was 2%.
- > Order intake increased 8% to SEK 1,011.0 million (935.2). In USD, order intake decreased 12%, but adjusted for the elevated order intake in 2021, linked to longer lead times, order intake for the third quarter is estimated to have increased approximately 16% in SEK. For comparable units, the decrease for order intake was 4% in SEK, and 22% in USD.
- > EBITA increased 49% to SEK 183.5 million (123.2), representing an EBITA margin of 15.7% (14.3).
- > Cash flow from operating activities was SEK 212.2 million (0.2).
- > Operating profit was SEK 172.3 million (118.6).
- > Profit after tax was SEK 138.5 million (91.2).
- > Earnings per share* before and after dilution amounted to SEK 0.74 (0.49).

JANUARY–SEPTEMBER 2022

- > Net sales increased 53% to SEK 3,431.6 million (2,242.9). In USD, net sales increased 31%. For comparable units, net sales increased 37%, and in USD 16%.
- > Order intake increased 8% to SEK 3,218.0 million (2,971.9). In USD, order intake decreased 7%. For comparable units, the decrease for order intake was 5% in SEK and 19% in USD.
- > EBITA increased to SEK 489.9 million (285.1), representing an EBITA margin of 14.3% (12.7). SEK 8.1 million was charged to EBITA relating to acquisition costs for META and Kestrel as well as the final payment for Prevent. Excluding these costs, EBITA amounted to SEK 498.0 million, representing an EBITA margin of 14.5 per cent (12.4, excl transaction cost and PPP loan for 2021).
- > On 8 April, NCAB divested its operations in Russia, which entailed impairment losses of SEK 43.2 million that did not impact EBITA.
- > Cash flow from operating activities was SEK 384.7 million (28.5).
- > Operating profit was SEK 417.1 million (273.5).
- > Profit after tax was SEK 345.8 million (209.6).
- > Earnings per share* amounted to SEK 1.85 (1.12).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > During the quarter, a new loan facility was signed with Nordea for an additional SEK 300 million to strengthen future acquisition opportunities.
- > The second part of the dividend of SEK 0.60 per share, corresponding to SEK 0.30 per share, was paid out in October (in 2021, SEK 0.50* per share was distributed as an ordinary dividend and SEK 1.00* as an extra dividend).
- > Benjamin Klingenberg, MD of NCAB Germany was appointed VP of NCAB Europe and consequently a new member of Group management as of November 1. Howard Goff, former VP NCAB Europe was appointed VP Sales.

*) Calculated after 10:1 split

Key performance indicators

	Jul-Sep			Jan-Sep			Full-year	
	2022	2021	%	2022	2021	%	LTM	2021
Order intake, SEK million	1,011.0	935.2	8	3,218.0	2,971.9	8	4,285.1	4,039.0
Order intake, USD million	94.1	107.3	-12	324.4	350.1	-7	444.9	470.7
Net sales, SEK million	1,168.3	863.6	35	3,431.6	2,242.9	53	4,408.2	3,219.5
Net sales, USD million	109.8	99.8	10	345.9	264.2	31	457.2	375.5
Gross margin, %	32.2	30.8		31.6	30.7		31.4	30.7
EBITA, SEK million	183.5	123.2	49	489.9	285.1	72	610.9	406.1
EBITA margin, %	15.7	14.3		14.3	12.7		13.9	12.6
Operating profit, SEK million	172.3	118.6	45	417.1	273.5	53	530.8	387.2
Operating margin, %	14.8	13.7		12.2	12.2		12.0	12.0
Profit after tax, SEK million	138.5	91.2	52	345.8	209.6	65	421.5	285.3
Earnings per share* before dilution, SEK	0.74	0.49	52	1.85	1.12	65	2.25	1.52
Earnings per share* after dilution, SEK	0.74	0.49	52	1.85	1.12	65	2.25	1.52
Cash flow from operating activities, SEK million	212.2	0.2		384.7	28.5	1,249	404.4	48.3
Return on capital employed, %							32.6	28.6
Return on equity, %							42.4	38.7
USD/SEK - average	10.55	8.65		9.92	8.49		9.64	8.58
EUR/SEK - average	10.63	10.19		10.53	10.15		10.43	10.14

MESSAGE FROM THE CEO

Record profit and continued stable customer demand

It is gratifying to report NCAB's strongest quarterly profit ever in an environment dominated by negative headlines about war, interest rates hikes and rising electricity prices. We continued to note net sales growth on an annual basis, and with gradual improvement in the gross margin this produced a record EBITA result. The strong cash flow was also positive, affected by the continued reduction in working capital which continues to be an important focus area.

During the quarter, we noted a reduction in lead times and an improvement in the supply of components to our customers, which has led to bottlenecks slowly disappearing for our customers. We are in a good position to continue our profitable growth journey and to win new customers in growing segments, such as energy optimisation and security.

Despite the economic climate, our order intake has so far remained stable. Admittedly, it decreased slightly year-on-year, but as we have previously explained this was due to an abnormally large order book that was accumulated as a result of long lead times in 2021. As lead times improved in the supply chain, we have now delivered some of our earlier order book. Combined with certain inventory adjustments by customers, this resulted in a negative book to bill (order intake compared with invoicing) for the second consecutive quarter. However, we expect this situation to normalise already during the next quarter. We have minimal exposure to the market segments that are up till today affected by the economic downturn, such as consumer goods. The outlook for future orders from our customers remain positive.

All of our segments performed at a high level. Growth in *Nordic* was highly favourable, with strong results in most units while the segment was further strengthened by the acquisition of Elmatica. Profitability remained high, with positive performance in all countries and synergies from the acquisition of Elmatica.

In *Europe*, the sharp rise in net sales continued and margins improved further. The integration of Kestrel International Circuits in the UK, that was acquired in June, has made good progress and synergies have already materialised both on the income and cost side.

In *North America*, net sales growth continued to be good. The substantial improvement in profitability is highly positive and was the result of efficiency enhancements and increased gross margins.

The *East* segment experienced clear challenges during the quarter. In addition to our exit from the Russian market, which has a significant impact on year-on-year comparisons, net sales in China were also weak. The zero-COVID policy has had a considerable impact on business activity in the country and our ability to grow in the region. However, we are proud that we could increase our already strong EBITA margin, due to a persistent focus on providing good service and supporting niched high-tech market segments.

As previously announced, we have clearly captured market shares. This is the result of a number of factors. Our technical know-how that has helped customers to optimise their solutions and supply chains, but also our presence in China, when many of our customers or smaller competitors have had difficulties to visit that country has contributed. We also received positive attention from customers for our sustainability agenda, a de facto aspect that has provided us new business. This is an area where NCAB has taken a leading position in our industry and is continuing to invest to help our customers make the best possible choice even from a sustainability perspective.

Looking ahead, we are despite the uncertainties in the world, still in a strong position in many ways and continue to invest in growth, both organic and through acquisitions. We have expanded our pipeline of acquisition candidates and are in talks with several companies.

Peter Kruk
President and CEO, NCAB Group AB



We are in a strong position and continue to invest in growth.



Q3 2022

35%

Sales growth

1,168.3

Net sales, SEK
million

183.5

EBITA, SEK
million

15.7%

EBITA margin

JULY–SEPTEMBER 2022

ORDER INTAKE

Market conditions remained stable and customer activity was healthy. There were some signs of improvements for customers in receiving semiconductor components, even if this remained an area of concern. Lead times for the production of PCBs and shipping have returned to normal levels, which had a temporary negative impact on order intake since order placement by our customers was adapted to reflect the shorter lead times for the delivery of PCBs. The third quarter of 2021 was the last quarter with an abnormally high order intake due to the rising lead times from order to delivery. Order intake in the third quarter of 2021 is estimated to have been elevated by approximately SEK 75 million due to longer lead times while order intake in 2022 was lower as lead times are becoming more normalized.

Order intake for the quarter amounted to SEK 1,011 million (935). Order intake for comparable units decreased 4 per cent. The decrease in USD was 22 per cent. Book to bill was 87 per cent. Development in *Nordic* and *North America* was stable, while *Europe* was slightly weaker compared with the strong order intake for the year-earlier period. *East* continued to be affected by the many lockdowns for customers in China and the discontinuation of Russian operations. The restricted travel possibilities to Asia have continued to provide NCAB with significant advantages over many of its competitors as NCAB's local Factory Management team is on site in the region. This enables NCAB to have daily contact with the company's factory partners.

NET SALES

Net sales increased in the quarter by 35 per cent to SEK 1,168.3 million (863.6), which is the highest quarterly sales figure to date. In USD, the increase was 10 per cent. Net sales in comparable units increased 23 per cent while net sales in USD decreased 2 per cent. All segments reported growth, except *East* with strongest growth for *Nordic*. In the *East segment*, Russia has been excluded since April. In China, net sales decreased as many customers were in lockdown.

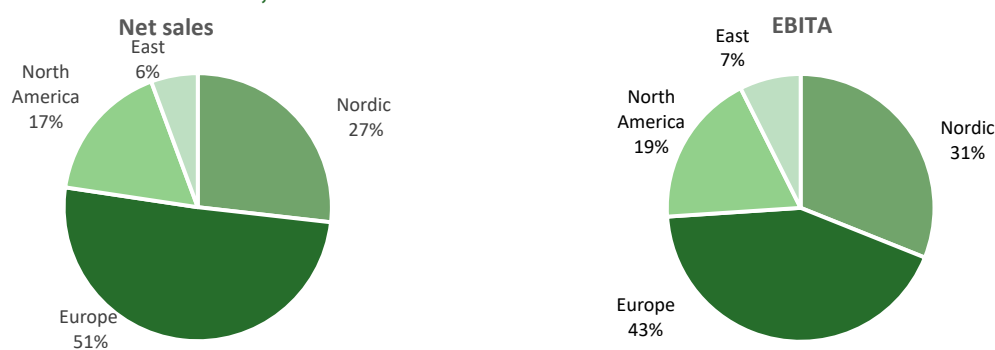
EARNINGS

Earnings continued to strengthen during the quarter and EBITA increased to SEK 183.5 million (123.2) and EBITA margin grew to a new quarterly record of 15.7 per cent (14.3). The improvement in earnings stems from the economies of scale and integration of acquired companies. The gross margin developed positively compared with the preceding quarter and year-on-year. The sharp currency fluctuations and strong USD also had a positive impact on earnings. Most of the Group's invoicing is in USD as is almost all PCB purchasing, which had a positive impact on gross profit, while in parallel the Group's operating expenses in addition to USD are primarily in EUR, SEK and NOK. The currency effects are estimated to have had a positive impact on EBITA of approximately SEK 10 million during the quarter. EBITA increased in all segments except *East*. Operating profit for the quarter increased 45 per cent to SEK 172.3 million (118.6).

Net financial items amounted to SEK 10.0 million (0.9), interest expenses increased to SEK -6.5 million (-3.1), mainly due to increased borrowing while foreign exchange gains rose to SEK 17.7 million (4.4). Tax amounted to SEK -43.8 million (-28.3). The average tax rate was 24.0 per cent (23.7). Profit after tax for the period totaled SEK 138.5 million (91.2). Earnings per share* were SEK 0.74 (0.49), before and after dilution.

*After 10:1 split

BREAKDOWN BY SEGMENT, JULY–SEPTEMBER 2022



JANUARY–SEPTEMBER 2022

ORDER INTAKE

Order intake rose 8 per cent during the first three quarters of the year to SEK 3,218 million (2,972) but decreased 7 per cent in USD. Order intake for comparable units decreased 19 per cent in USD. The decrease was mainly due to an abnormally high order intake in 2021 linked to longer lead times. These normalised during the quarter. Adjusted to a normalised order intake in 2021, order intake in USD for comparable companies is assessed to have been in line with the year-earlier period.

NET SALES

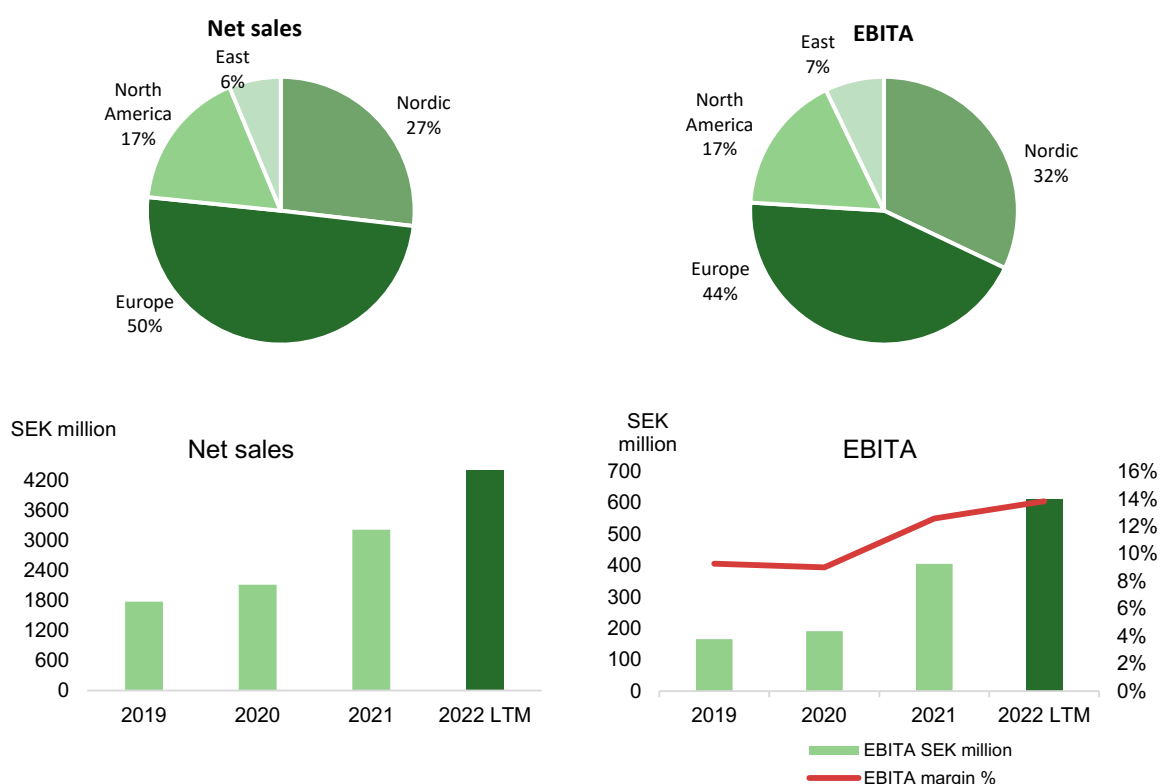
Net sales increased in the first three quarters by 53 per cent to SEK 3,431.6 million (2,242.9), with growth in USD at 31 per cent. Net sales in comparable units increased 37 per cent and 16 per cent in USD. *Nordic*, *Europe* and *North America* demonstrated very strong growth both with and without acquisitions, while the *East* segment noted a reduction in net sales resulting from the divestment of the Russian operations and lockdowns in China.

EARNINGS

EBITA was SEK 489.9 million (285.1) and EBITA margin rose to 14.3 per cent (12.7). SEK 8.1 million was charged to EBITA relating to acquisition costs for the acquisition of META Leiterplatten and Kestrel International Circuits as well as the final payment for Prevent. Excluding acquisition costs, EBITA amounted to SEK 498.0 million, representing an EBITA margin of 14.5 per cent (12.4 excl transaction cost and the foregiven PPP-loan). EBITA improved in all segments with the exception of *East*. Increased economies of scale and earnings improvements in the acquired companies contributed to the improvement in earnings. The strong USD also had a positive year-on-year impact on earnings and the EBITA margin. The large price hikes from factories in 2021 had no negative impact on earnings. Operating profit increased to SEK 417.1 million (273.5). The divestment of Russian operations in April burdened operating profit in an amount of SEK 43.2 million. Adjusted for this, operating profit was SEK 460.3 million (273.5), corresponding to an operating margin of 13.4 per cent (12.2).

Net financial items amounted to SEK 26.0 million (-5.8). The improvement was mainly due to foreign exchange gains. Interest cost increased to SEK -16.5 million (-8.2). Tax amounted to SEK -97.3 million (-58.1). The average tax rate rose to 22.0 per cent (21.7). Profit after tax for the period totalled SEK 345.8 million (209.6). Earnings per share amounted to SEK 1.85 (1.12).

BREAKDOWN BY SEGMENT, JANUARY–SEPTEMBER 2022



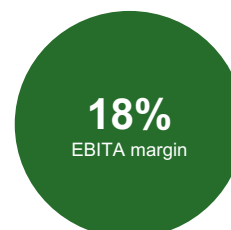
PERFORMANCE BY SEGMENT

NORDIC

Sweden, Norway, Denmark, Finland and all sales from Elmatica, which was acquired in October 2021. Approximately 60 per cent of Elmatica's net sales are from customers outside *Nordic*. The margin in this segment is high due to a high technology content and generally lower volumes per order.

Third quarter 2022

Order intake increased 68 per cent to SEK 282 million (168). Growth was strong in the majority of companies while order intake developed well in Elmatica. In USD, order intake for the segment increased 39 per cent. Order intake in comparable units increased 14 per cent, while in USD it decreased 7 per cent. Book to bill was 90 per cent, affected by shorter lead times.



Growth in the quarter remained strong and net sales increased 84 per cent to SEK 313.1 million (170.5). In USD, the increase was 49 per cent. For comparable units, growth was 21 per cent, but in USD a decrease of 3 per cent was reported. Denmark and Norway were the companies that grew most, supported by sales of PCBs to electric car chargers.

The segment continued to demonstrate stable, high profitability. During the quarter, EBITA rose to SEK 56.7 million (31.7) and the EBITA margin amounted to 18.1 per cent (18.6).

January to September 2022

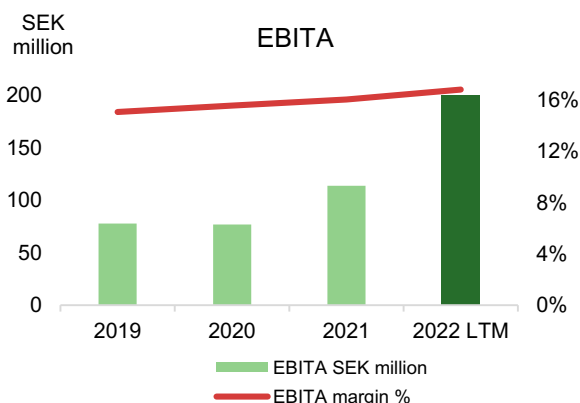
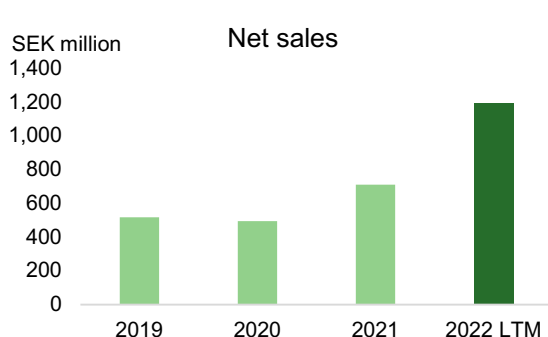
Order intake increased 60 per cent to SEK 910 million during the period, driven by the acquisition of Elmatica. For comparable companies, order intake decreased 2 per cent. The decrease in USD was 13 per cent. The decline was explained by an abnormally high order intake in 2021. Net sales for the period amounted to SEK 920.7 million. For comparable companies, net sales rose 36 per cent and in USD 17 per cent.

All companies reported improved EBITA margins, which together with increased net sales yielded significantly higher earnings than in 2021. The integration of Elmatica required certain organisational changes that initially involved non-recurring costs. For the first three quarters, EBITA amounted to SEK 159.5 million (73.2), corresponding to an EBITA margin of 17.3 per cent (16.6).

NORDIC

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2022	2021	%	2022	2021	%	LTM	2021
Net sales	313.1	170.5	83.6	920.7	441.1	108.7	1,190.1	710.5
EBITA	56.7	31.7	78.9	159.5	73.2	117.9	200.5	114.2
EBITA margin, %	18.1	18.6		17.3	16.6		16.8	16.1



EUROPE

France, Germany, Spain, Poland, Italy, UK, Netherlands and North Macedonia. In the *Europe* segment, the strategic focus is on continued growth. All companies have a relatively high growth potential. The acquisition of PreventPCB in Italy in February 2021, two German acquisitions, sas – electronics in June 2021 and META Leiterplatten in January as well as Kestrel International Circuits in the UK in June 2022, strengthened the *Europe* segment.

Third quarter 2022

Order intake amounted to SEK 500 million (505). However, order intake decreased 20 per cent in USD, and the decrease in order intake for comparable units was 29 per cent in USD, though this was compared with an abnormally strong order intake in the third quarter of 2021, which was driven by increasing lead times. The decrease was mainly noted in the UK. Book to bill for the segment was 85 per cent.

40%
Sales growth

Net sales in the third quarter increased 40 per cent to SEK 590.8 million (421.9). In USD, net sales rose 14 per cent and for comparable units net sales rose 2 per cent in USD. Germany and Benelux accounted for most of this growth. NCAB's position has been strengthened in the larger countries in the segment, which has created economies of scale. The integration of Kestrel International in the UK, that was acquired at the end of June, has gone well and the synergies are becoming apparent in both income and cost side. For example by lower purchase prices and improved payment conditions from NCAB's factory partners.

Earnings continued to improve through increased net sales and margin improvements. The strength of the USD against the EUR also contributed to the margin improvements. EBITA amounted to SEK 78.3 million (55.2), corresponding to an EBITA margin of 13.2 per cent (13.1). The gross margin improved in most of the segment's companies.

January to September 2022

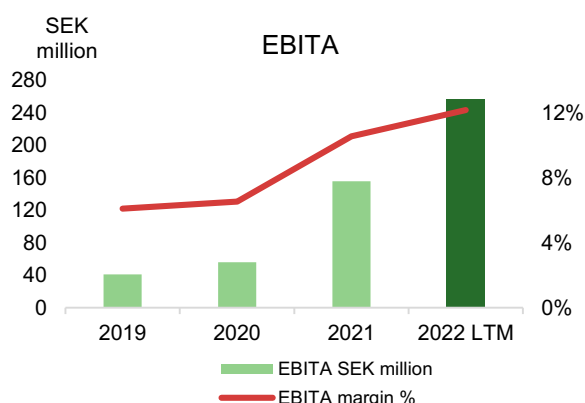
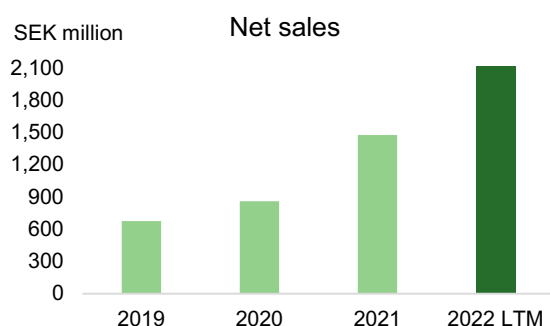
Order intake for the period was on a par with the year-earlier period and amounted to SEK 1,546 million (1,540). In USD, order intake decreased 14 per cent and for comparable units order intake decreased 17 per cent in USD. Net sales increased in the first three quarters by 60 per cent to SEK 1,708.8 million (1,069.4). For comparable companies in USD, the increase was 32 per cent.

Synergies from completed acquisitions and economies of scale from organic growth have together increased earnings and raised the EBITA margin. For the first three quarters, EBITA increased to SEK 218.5 million (117.0), corresponding to an EBITA margin of 12.8 per cent (10.9).

EUROPE

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2022	2021	%	2022	2021	%	LTM	2021
Net sales	590.8	421.9	40.0	1,708.8	1,069.4	59.8	2,115.3	1,476.0
EBITA	78.3	55.2	41.7	218.5	117.0	86.8	257.7	156.2
EBITA margin, %	13.2	13.1		12.8	10.9		12.2	10.6

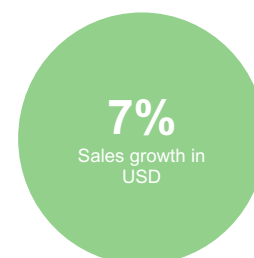


NORTH AMERICA

NCAB has five offices in the USA that cover the country from east to west. In September 2021, RedBoard Circuits in Arizona was acquired.

Third quarter 2022

Many customers continued to report a good level of activity, though there were signs of a slight slowdown at the end of the quarter. During the quarter, order intake increased 10 per cent to SEK 176 million (160). In USD, order intake decreased 11 per cent. For comparable companies, the decrease was 16 per cent in USD. In *North America*, order intake was also abnormally high in 2021 due to changed lead times. Book to bill was 89 per cent during the quarter.



Net sales for the segment increased 32 per cent to SEK 198.5 million (150.5). In USD, the increase was 7 per cent and for comparable units net sales rose 3 per cent in USD.

Earnings continued to improve and EBITA increased to SEK 34.0 million (16.4), with an EBITA margin of 17.1 per cent (10.9). Gross margin increased, but the stronger earnings are primarily due to greater efficiency and synergies from the acquisition of Bare Board Group in 2020.

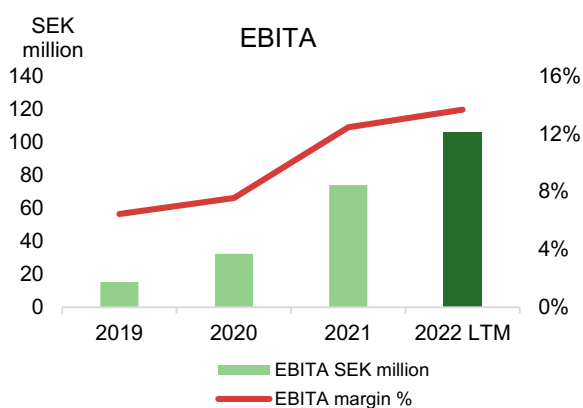
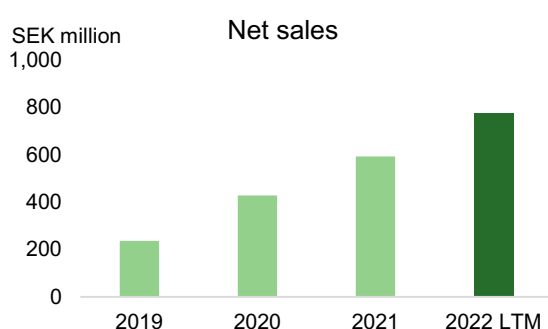
January to September 2022

Order intake increased 17 per cent to SEK 564 million (481) during the period. In USD, order intake was on a par year-on-year, though comparable companies noted a decrease of 6 per cent in USD. Net sales increased in the first three quarters by 44 per cent to SEK 587.3 million (406.8). In USD, the increase was 24 per cent and for comparable companies 17 per cent.

Increased gross margins and profitability in the acquired companies together with a strong market position improved earnings in the segment. EBITA increased to SEK 84.1 million (52.1) during the period. 2021 included earnings from a one-off effect of SEK 11.0 million from the forgiven PPP loans. Excluding the effect of the PPP loans in 2021, the EBITA margin rose from 10.1 per cent to 14.3 per cent.

NORTH AMERICA

SEK million	Jul-Sep			Jan-Sep			Full-year	
	2022	2021	%	2022	2021	%	LTM	2021
Net sales	198.5	150.5	31.9	587.3	406.8	44.4	774.5	594.0
EBITA	34.0	16.4	107.9	84.1	52.1	61.3	106.0	74.0
EBITA margin, %	17.1	10.9		14.3	12.8		13.7	12.5



EAST

China and Malaysia. In China, NCAB has sales offices in Shenzhen, Beijing, Suzhou and Wuhan. Operations in Malaysia started in 2019. The *East* segment had long-standing operations in Russia. In conjunction with the invasion of Ukraine, NCAB decided to halt all deliveries to customers in Russia. Operations were divested to the local management on 8 April. The divestment resulted in a non-cash loss of SEK 43.2 million. NCAB made the assessment that the Russian operations no longer had any value in the short or medium term.

Third quarter 2022

In the third quarter, NCAB's customers in China once again experienced many lockdowns, which had a negative impact on order intake and net sales. Order intake for the quarter amounted to SEK 53 million (102). The decrease was largely explained by the discontinuation of operations in Russia, though order intake also fell in China. For comparable companies, order intake decreased 14 per cent and 32 per cent in USD. Book to bill for the segment was 81 per cent.



Net sales for the quarter amounted to SEK 65.9 million (120.6). For comparable companies, the decrease was 18 per cent and 34 per cent in USD.

Profitability has improved, despite a decrease in sales, and transactions that took place during the quarter were finalised with good margins, because of strong customer relationship and high technology content. EBITA for the quarter amounted to SEK 13.5 million (20.1). This was equivalent to an increase in the EBITA margin of 20.5 per cent (16.7). Adjusted for Russia, EBITA of SEK 13.5 million compares with SEK 16.4 million in 2021, representing an EBITA margin of 20.5 per cent (20.5).

January to September 2022

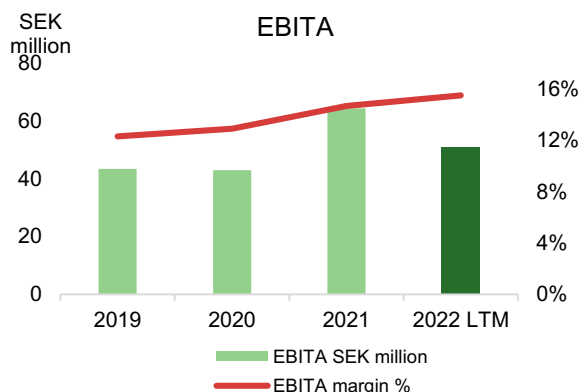
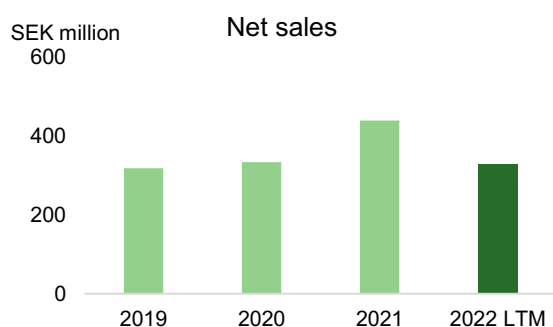
The segment was affected by the divestment of the Russian operations and lower activity in China due to local lockdowns. Order intake for the period amounted to SEK 198 million (381). For comparable companies, order intake decreased 25 per cent and 36 per cent in USD. Net sales decreased to SEK 214.8 million (325.5), which means a decrease for comparable companies of 2 per cent and in USD a decrease of 16 per cent.

EBITA for the period amounted to SEK 35.6 million (49.1), corresponding to an EBITA margin of 16.5 per cent (15.1). Excluding Russia, EBITA was SEK 34.9 million for the first three quarters of 2021. The divestment of NCAB's operations in Russia entailed a non-cash impairment of SEK 43.2 million that did not impact EBITA.

EAST

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2022	2021	%	2022	2021	%	LTM	2021
Net sales	65.9	120.6	-45.3	214.8	325.5	-34.0	328.3	439.0
EBITA	13.5	20.1	-32.8	35.6	49.1	-27.6	51.0	64.5
EBITA margin, %	20.5	16.7		16.5	15.1		15.5	14.7



FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

In 2021, tied-up working capital increased due to longer lead times and logistics problems. The current situation with decreased lead times and better functioning logistics means working capital has decreased. Together with increased earnings, this has improved cash flow. Cash flow from operating activities in the quarter was SEK 212.2 million (0.2). Tied-up working capital for the Group on 30 September corresponded to 10.0 per cent (11.1) of net sales over the past 12 months. Cash flow from operating activities for the first three quarters of the year was SEK 384.7 million (28.5). NCAB has credit insurance for most of the trade receivables outstanding. Cash flow from investing activities was SEK -3.8 million (-18.9) during the quarter. For the first three quarters of the year, cash flow from investing activities was SEK -201.6 million (-237.1). Non-acquisition-related investments amounted to SEK -21.2 million (-4.2) for the first three quarters.

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 644.7 million (357.1). On 30 September, the equity/assets ratio was 35.5 per cent (43.1) and equity was SEK 1,135.6 million (854.5). At the end of the period, the Group had available liquidity, including undrawn acquisition credits and overdraft facilities, of SEK 950 million (320).

On 30 September 2022, NCAB had loans including the utilised overdraft facility totalling SEK 848.5 million. NCAB has a loan of SEK 550 million and two acquisition credits totalling SEK 750 million (of which SEK 290 million is drawn). In addition, there is an overdraft facility of SEK 215 million. The credit of SEK 550 million is free of instalments and expires in 2026. The other credits are free of instalments until the end of June 2024. At the balance sheet date of 30 September 2022, 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 an 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 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 2021 Annual Report for a more detailed description of the Group's risk exposure and risk management. The outbreak of the coronavirus pandemic brought risks to the fore, such as *reduced demand* when many markets introduced restrictions, *capacity* in connection with the closure of NCAB's suppliers in China and the *dependence on China*, as described in the Annual Report.

EFFECTS OF CONFLICT BETWEEN RUSSIA AND UKRAINE

Following Russia's invasion of Ukraine, NCAB chose to halt all deliveries to customers in Russia from 28 February. After considering future opportunities and risks, NCAB decided to discontinue its operations in the country. NCAB believed that the Russian subsidiary had no value and therefore sold the company to the local management for RUB 1 on 8 April. The divestment resulted in loss of SEK 43.2 million, but with no impact on cash flow. The sold company will henceforth not be able to use NCAB's brand nor benefit from the support of NCAB's Factory Management team in China or other parts of NCAB. The assessment is that no obligations remain for NCAB to the Russian operations. The Russian operations accounted for about 5 per cent of net sales and EBITA in 2021.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > During the quarter, a new loan facility was signed with Nordea for an additional SEK 300 million to strengthen future acquisition opportunities.
- > The second part of the dividend of SEK 0.60 per share, corresponding to SEK 0.30 per share, was disbursed in October (in 2021, SEK 0.50* per share was distributed as an ordinary dividend and SEK 1.00* as an extra dividend).

*) Calculated after 10:1 split

RELATED-PARTY TRANSACTIONS

With the exception of the sale of the Russian company to the Russian management, transactions with related parties took place to the same limited extent as previously and in accordance with the same principles as are described in the latest annual report. After the divestment of NCAB Russia, as of 8 April, there are no transactions with related parties.

ORGANISATION

On 30 September 2022, the number of employees was 578 (500), of whom 260 (228) were women and 318 (272) were men. The average number of employees in the organisation during the period was 576 (494), of whom 256 (224) were women and 320 (270) were men.

PARENT COMPANY

The Parent Company's net sales for the third quarter were SEK 23.6 million (17.4). Sales consist exclusively of internal billing. Loss after financial items was SEK -7.1 million (-3.2) for the quarter. Net sales for the year amounted to SEK 74.4 million (53.2) and profit after financial items was SEK 68.2 million (11.4). The improvement was primarily due to increased dividends from subsidiaries. The divestment of the Russian operations entailed impairment of shares in subsidiaries of SEK 9.9 million, which burdened earnings in the first quarter.

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.

Sundbyberg, 7 November 2022

Christian Salamon
Chairman of the Board

Jan-Olof Dahlén
Director

Per Hesselmark
Director

Magdalena Persson
Director

Hans Ramel
Director

Gunilla Rudebjer
Director

Hans Ståhl
Director

Peter Kruk
President and CEO



Auditor's report

NCAB Group AB (publ) corp. reg. no. 556733-0161

Introduction

We have reviewed the condensed interim financial information (interim report) of NCAB Group AB (publ) as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm 8 November 2022

Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant
Auditor in charge

CONTACT

For further information, please contact:
Anders Forsén, CFO +46 (0)8 4030 0051
Gunilla Öhman, IR Manager, +46 (0)70 763 81 25

This interim report has been reviewed by the company's auditor.

This is 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 8 November 2022 at 7:20 a.m.

NCAB Group AB (publ)

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Löfströms Allé 5, SE-172 66 Sundbyberg, Sweden
www.ncabgroup.com

NCAB Group is publishing the interim report for the first three quarters of 2022, January–September, on Tuesday 8 November at 7:20 a.m. A web-cast telephone conference will be held at 10:00 a.m. on the same date, when President and CEO Peter Kruk and CFO Anders Forsén will present the report. The presentation will be followed by a Q&A session. The presentation will be held in English. To participate in the conference call, call the following numbers: from Sweden: +46 8 505 163 86, UK: +44 203 198 4884, US: +1 412 317 6300, PIN: 9289783#. The presentation and conference can also be followed from the following link: <https://ir.financialhearings.com/ncab-group-q3-2022>.

FINANCIAL CALENDAR

Year-end report	17 February 2023
Interim report first quarter	26 April 2023
Annual General Meeting	9 May 2023
Interim report second quarter	21 July 2023
Interim report third quarter	7 November 2023

About NCAB Group

NCAB is a worldwide leading supplier of printed circuit boards (PCBs), listed on NASDAQ Stockholm. NCAB offers PCBs for demanding customers, on time with zero defects, produced sustainably at the lowest total cost. NCAB was founded in 1993. Since its foundation, the operations have been characterised by an entrepreneurial and cost-efficient culture and have showed strong growth and good profitability over time. Today, NCAB has a local presence in 15 countries in Europe, Asia and North America. Revenues in 2021 amounted to SEK 3,220 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	Jul-Sep		Jan-Sep		LTM	Jan-Dec 2021
	2022	2021	2022	2021		
Operating revenue						
Net sales	1,168.3	863.6	3,431.6	2,242.9	4,408.2	3,219.5
Other operating income	-3.2	0.6	11.3	12.7	12.0	13.4
Total	1,165.2	864.1	3,442.8	2,255.6	4,420.2	3,232.9
Raw materials and consumables	-789.5	-598.1	-2,357.1	-1,567.4	-3,035.1	-2,245.4
Other external expenses	-50.2	-39.5	-160.3	-110.7	-197.7	-148.1
Staff costs	-131.1	-95.7	-401.4	-272.5	-529.7	-400.8
Dep. and amort of fixed assets	-22.2	-9.9	-56.0	-26.6	-70.8	-41.4
Divestment of NCAB Russia	-	-	-43.2	-	-43.2	-
Other operating expenses	0.2	-2.3	-7.9	-5.0	-12.8	-10.0
Total operating expenses	-992.8	-745.5	-3,025.8	-1,982.1	-3,889.4	-2,845.8
Operating profit	172.3	118.6	417.1	273.5	530.8	387.2
Net financial income/expense	10.0	0.9	26.0	-5.8	8.8	-23.1
Profit before tax	182.3	119.5	443.1	267.7	539.5	364.1
Income tax	-43.8	-28.3	-97.3	-58.1	-118.0	-78.9
Profit for the period	138.5	91.2	345.8	209.6	421.5	285.3
Profit attributable to:						
Shareholders of the Parent Company	138.5	90.9	345.7	209.4	421.2	284.9
Non-controlling interests	0.0	0.1	0.2	0.2	0.3	0.3
Average number of shares before dilution	186,971,240	186,971,240	186,938,504	186,971,240	186,933,585	186,944,900
Average number of shares after dilution	187,216,795	186,971,240	187,241,697	186,971,240	187,252,664	187,133,712
Earnings per share before dilution	0.74	0.49	1.85	1.12	2.25	1.52
Earnings per share after dilution	0.74	0.49	1.85	1.12	2.25	1.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jul-Sep		Jan-Sep		LTM	Jan-Dec 2021
	2022	2021	2022	2021		
Profit for the period	138.5	91.2	345.8	209.6	421.5	285.3
Other comprehensive income, items that can subsequently be reclassified to profit or loss:						
Foreign exchange differences	67.6	17.4	132.7	39.7	162.5	69.5
	-	-	-8.2	-	-8.2	-
Total comprehensive income	206.1	108.6	470.3	141.0	575.7	354.7
Profit attributable to:						
Shareholders of the Parent Company	206.1	108.5	470.1	140.8	575.4	354.4
Non-controlling interests	0.0	0.1	0.2	0.2	0.3	0.3

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	30 Sep 2022	30 Sep 2021	31 Dec 2021
Non-current assets			
Goodwill	1,065.8	607.1	923.9
Other intangible assets	164.2	77.5	153.2
Leasehold improvement costs	4.3	1.9	4.3
Right-of-use Office and Cars	76.5	28.0	34.4
Plant and equipment	12.2	6.6	7.5
Financial assets	6.1	6.8	8.2
Deferred tax assets	20.7	6.9	7.7
Total non-current assets	1,349.8	734.7	1,139.1
Current assets			
Inventories	510.7	376.1	519.6
Trade receivables	990.7	709.3	789.6
Other current receivables	24.8	14.1	51.0
Prepaid expenses and accrued income	28.2	26.9	25.0
Cash and cash equivalents	290.5	120.6	136.7
Total current assets	1,844.9	1,247.1	1,521.9
TOTAL ASSETS	3,194.6	1,981.8	2,661.0
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Parent Company			
Share capital	1.9	1.9	1.9
Additional paid-in capital	478.1	478.1	478.1
Reserves	137.5	-16.7	13.1
Retained earnings	517.8	390.8	280.3
Non-controlling interests	0.2	0.3	0.4
Total equity	1,135.6	854.5	773.8
Non-current liabilities			
Borrowings	833.4	256.3	644.0
Leased liabilities	52.7	19.6	24.5
Deferred tax	63.0	30.0	55.5
Total non-current liabilities	949.1	305.8	724.0
Current liabilities			
Current liabilities	15.2	51.8	190.3
Current right-of-use liabilities	27.7	10.6	12.4
Trade payables	609.5	534.3	618.7
Current tax liabilities	129.8	53.6	57.8
Other current liabilities	164.6	53.1	168.6
Accrued expenses and deferred income	163.2	118.1	115.3
Total current liabilities	1,109.9	821.4	1,163.1
TOTAL EQUITY AND LIABILITIES	3,194.6	1,981.8	2,661.0

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 2021	1.9	478.1	-56.4	276.1	699.7	0.2	699.9
Profit for the period				209.4	209.4	0.2	209.6
Other comprehensive income for the period	-	-	39.7	-	39.7	-	39.7
Total comprehensive income	-	-	39.7	209.4	249.0	0.2	249.3
Dividend				-93.5	-93.5	-0.1	-93.6
Cost for Warrants				1.3	1.3		1.3
Own shares				-2.4	-2.4		-2.4
Total transactions with shareholders, recognised directly in equity	-	-	-	-94.6	-94.6	-0.1	-94.7
30 Sep 2021	1.9	478.1	-16.7	390.8	854.2	0.3	854.5

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 2022	1.9	478.1	13.1	280.3	773.4	0.4	773.8
Profit for the period				345.7	345.7	0.2	345.8
Other comprehensive income for the period	-	-	124.4	-	124.4	-	124.4
income	-	-	124.4	345.7	470.1	0.2	470.3
Dividend	-	-	-	-112.2	-112.2	-0.3	-112.5
Own shares	-	-	-	0.7	0.7	-	0.7
Cost for Warrants	-	-	-	3.3	3.3	-	3.3
Total transactions with shareholders, recognised directly in equity	-	-	-	-108.2	-108.2	-0.3	-108.5
30 Sep 2022	1.9	478.1	137.5	517.8	1,135.4	0.2	1,135.6

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2022	2021	2022	2021	LTM	2021
Cash flow from operating activities						
Profit before net financial income/expense	172.3	118.6	417.1	273.5	530.8	387.2
Adjustment for non-cash items	-11.5	24.9	35.6	22.6	84.7	71.8
Interest received	0.1	0.0	0.3	0.1	0.3	0.1
Interest paid	-5.8	-3.1	-16.5	-8.1	-23.3	-15.0
Income taxes paid	-2.4	-10.7	-35.0	-25.0	-45.2	-35.2
Cash flow from operating activities before changes in working capital	152.8	129.7	401.4	263.0	547.3	408.8
Change in inventories	12.4	-124.2	38.5	-181.4	-104.5	-324.4
Change in current receivables	-13.8	-83.0	-145.6	-335.6	-134.5	-324.6
Change in current operating liabilities	60.9	77.7	90.3	282.6	96.2	288.4
Total changes in working capital	59.5	-129.5	-16.7	-234.5	-142.8	-360.5
Cash flow from operating activities	212.2	0.2	384.7	28.5	404.4	48.3
Cash flow from investing activities						
Investments in property, plant and equipment	-4.0	-0.9	-10.0	-1.9	-11.4	-3.3
Investments in intangible assets	-4.4	-	-13.4	-0.4	-14.4	-1.4
Investments in subsidiaries	-	-16.7	-180.4	-232.9	-515.4	-567.9
Investments in financial assets	4.6	-1.4	2.2	-1.9	0.7	-3.3
Cash flow from investing activities	-3.8	-18.9	-201.6	-237.1	-540.5	-575.9
Cash flow from financing activities						
Change in overdraft facility	-112.7	-	-173.6	-	15.5	189.0
Borrowings	-	-	190.0	-	840.0	650.0
Transaction cost, loans	-	-	-	-	-6.2	-6.2
Repayment of loans	-	-9.1	-	-27.4	-308.0	-335.4
Repayment of leased liabilities	-10.9	-3.8	-21.1	-10.7	-26.7	-16.3
Dividend	-	-	-56.1	-93.5	-243.1	-280.5
Cash flow from financing activities	-123.6	-13.0	-60.8	-131.5	271.5	200.8
Decrease/increase in cash and cash equivalents						
Cash flow for the period	84.9	-31.7	122.2	-340.1	135.4	-326.9
Foreign exchange difference in cash and cash equivalents	16.9	6.1	31.6	11.6	34.5	14.6
Cash and cash equivalents at beginning of period	188.7	146.2	136.7	449.0	120.6	449.0
Cash and cash equivalents at end of period	290.5	120.6	290.5	120.6	290.5	136.7

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Jul-Sep		Jan-Sep		Jan-Dec
	2022	2021	2022	2021	2021
Operating revenue					
Net sales	23.6	17.4	74.4	53.2	97.9
Total	23.6	17.4	74.4	53.2	97.9
Other external expenses	-10.8	-11.8	-41.6	-31.9	-57.4
Staff costs	-14.2	-12.5	-42.6	-33.1	-46.9
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.1	-0.1	-0.4	-0.4	-0.5
Write down	-	-	-9.9	-	-
Total operating expenses	-25.1	-24.4	-94.5	-65.5	-104.8
Operating loss	-1.4	-7.0	-20.1	-12.3	-6.9
Income from investments in Group companies	-	-	90.4	19.5	42.7
Other interest income and similar income	0.2	6.6	14.3	11.6	8.4
Interest expense and similar charges	-5.8	-2.7	-16.4	-7.4	-16.4
Net financial income/expense	-5.6	3.8	88.3	23.7	34.7
Profit before tax	-7.1	-3.2	68.2	11.4	27.7
Appropriations	-	-	-	-	13.5
Tax on profit for the period	-0.3	-0.1	-0.4	-0.5	-0.4
Profit for the period	-7.4	-3.3	67.8	10.9	40.8

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.

PARENT COMPANY BALANCE SHEET

SEK million

ASSETS	30 Sep 2022	30 Sep 2021	31 Dec 2021
Non-current assets			
Capitalised development costs	10.8	0.7	0.5
Plant and equipment	0.1	0.0	0.0
Non-current financial assets	911.8	522.0	850.0
Non-current financial assets from Group companies	318.4	-	-
Total non-current assets	1,241.0	522.7	850.5
Current assets			
Trade receivables	-	-	-
Receivables from Group companies	178.0	422.9	474.0
Other current receivables	3.2	0.8	2.9
Prepaid expenses and accrued income	4.4	3.5	3.0
Cash and cash equivalents	0.1	-	0.1
Total current assets	185.7	427.2	480.0
TOTAL ASSETS	1,426.7	949.8	1,330.6
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (186,971,240 shares)	1.9	1.9	1.9
Non-restricted equity			
Share premium account	478.1	478.1	478.1
Retained earnings	-353.4	-95.1	-282.1
Profit/ loss for the period	67.8	10.9	40.8
Total equity	194.4	395.8	238.7
Untaxed reserves	3.8	8.8	3.8
Non-current liabilities			
Liabilities to credit institutions	833.4	256.3	644.0
Total non-current liabilities	833.4	256.3	644.0
Current liabilities			
Liabilities to credit institutions	14.7	50.9	189.5
Trade payables	4.8	2.5	2.9
Liabilities to Group companies	284.8	214.2	225.3
Current tax liabilities	-	-	-
Other current liabilities	72.3	4.4	4.0
Accrued expenses and deferred income	18.4	17.0	22.3
Total current liabilities	395.1	289.0	444.0
TOTAL EQUITY AND LIABILITIES	1,426.7	949.8	1,330.6

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 January 2021	1.9	478.1	-1.6	478.4
Loss for the year	-	-	10.9	10.9
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	-	-	10.9	10.9
Dividend, shares			-93.5	-93.5
Total transactions with shareholders, recognised directly in equity	-	-	-93.5	-93.5
30 Sep 2021	1.9	478.1	-84.2	395.8

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 January 2022	1.9	478.1	-241.3	238.7
Loss for the year	-	-	67.8	67.8
Total comprehensive income	-	-	67.8	67.8
Dividend, shares			-112.2	-112.2
Total transactions with shareholders, recognised directly in equity	-	-	-112.2	-112.2
30 Sep 2022	1.9	478.1	-285.6	194.4

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 2021 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 2021, which is available on NCAB Group's website.

None of the new IFRS standards, amended standards and interpretations that are applicable as of 1 January 2022 have had any material impact on the financial statements of the Group or the Parent Company. No new or amended standards have been applied prospectively.

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 1–29 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 2021 Annual Report.

Note 2 Information on financial assets and liabilities

For more information on financial assets and liabilities, see the 2021 Annual Report, Note 2. All of the Group's financial assets and liabilities are measured at amortised cost. There are no financial assets and liabilities which are measured at fair value. The carrying amounts of the Group's financial assets and liabilities are deemed to approximate their fair values. All financial assets are recognised in the category "Financial assets measured at amortised cost". All financial liabilities are recognised in the category "Other financial liabilities".

Note 3 Pledged assets and contingent liabilities

As of December 2021, the Group no longer has any pledged assets or contingent liabilities.

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

Europe

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

North America

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

East

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

Revenue

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

Sales and earnings of segments, July–September 2022

Quarter	Nordic		Europe		North America		East		Central functions		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	313.1	170.5	590.8	421.9	198.5	150.5	65.9	120.6	-	-	1,168.3	863.6
EBITA	56.7	31.7	78.3	55.2	34.0	16.4	13.5	20.1	1.0	-0.2	183.5	123.2
EBITA margin, %	18.1	18.6	13.2	13.1	17.1	10.9	20.5	16.7			15.7	14.3
Amortis. intangible assets											-11.1	-4.6
Write down Russia											-	-
Operating profit											172.3	118.6
Operating margin, %											14.8	13.7
Net financial expense											10.0	0.9
Profit before tax											182.3	119.5
Net working capital	123.7	88.6	398.5	243.4	19.6	23.5	36.8	64.2	-91.4	-52.3	487.2	367.4

Sales and earnings of segments, January–September 2022

SEK million	Nordic		Europe		North America		East		Central functions		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	921	441	1,709	1,069	587	407	215	326	-	-	3,432	2,243
EBITA	159.5	73.2	218.5	117.0	84.1	52.1	35.6	49.1	-7.8	-6.4	489.9	285.1
EBITA margin, %	17.3	16.6	12.8	10.9	14.3	12.8	16.5	15.1			14.3	12.7
Amortis. intangible assets											-30	-12
Write down Russia											-43	-
Operating profit											417	273
Operating margin, %											12.2	12.2
Net financial expense											26	-6
Profit before tax											443	268
Net working capital	124	89	399	243	20	23	37	64	-91	-52	487	367
Fixed assets	25	6	38	12	7	9	2	1	21	9	93	36
Intangible assets	444	61	431	346	335	268	9	9	11	1	1,230	685

Sales and earnings of segments, LTM

LTM	Nordic		Europe		North America		East		Central functions		Group	
	2022 LTM	2021	2022 LTM	2021	2022 LTM	2021	2022 LTM	2021	2022 LTM	2021	2022 LTM	2021
Net sales	1,190	711	2,115	1,476	774	594	328	439	-	-	4,408	3,220
EBITA	200.5	114.2	257.7	156.2	106.0	74.0	51.0	64.5	-4.3	-2.8	610.9	406.1
EBITA margin, %	16.8	16.1	12.2	10.6	13.7	12.5	15.5	14.7			13.9	12.6
Amortis. intangible assets											-37	-19
Write down Russia											-43	-
Operating profit											531	387
Operating margin, %											12.0	12.0
Net financial expense											9	-23
Profit before tax											540	364
Net working capital	124	80	399	307	20	44	37	75	-91	-81	487	425
Fixed assets	25	9	38	16	7	8	2	1	21	12	93	46
Intangible assets	444	448	431	344	335	275	9	9	11	1	1,230	1,077

Note 5

Quarterly summary

	Q3 22	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20
Order intake, SEK million	1,011.0	1,035.7	1,171.3	1,067.1	935.2	1,057.8	978.9	681.4
Order intake, USD million	94.1	104.9	125.3	120.6	107.3	126.2	116.5	77.9
Net sales, SEK million	1,168.3	1,122.0	1,141.3	976.6	863.6	762.2	617.1	514.9
SEK annual growth, %	35.3	47.2	84.9	89.7	60.9	31.3	27.7	21.9
Net sales, USD million	109.8	114.0	122.1	111.3	99.8	90.9	73.5	59.5
USD annual growth, %	10.0	25.4	66.2	87.1	65.5	51.5	46.9	32.0
Gross margin, %	32.2	31.3	30.2	30.6	30.8	30.1	29.4	31.4
EBITA, SEK million	183.5	160.2	146.3	121.0	123.2	103.8	58.4	52.2
EBITA margin, %	15.7	14.3	12.8	12.4	14.3	13.6	9.5	10.1
Operating profit/loss, SEK million	172.3	150.9	93.8	113.7	118.6	99.7	55.4	50.1
Total assets, SEK million	3,194.6	3,033.6	2,732.6	2,661.0	1,981.8	1,765.0	1,663.4	1,483.0
Cash flow from operating activities, SEK million	212.2	148.2	24.2	19.8	0.2	30.3	-2.0	47.0
Equity/assets ratio, %	35.5	32.4	32.0	29.1	43.1	42.3	46.7	47.2
Number of employees	578	574	603	562	512	500	488	474
Average exchange rate, SEK/USD	10.55	9.83	9.33	8.86	8.65	8.41	8.39	8.62
Average exchange rate, SEK/EUR	10.63	10.47	10.48	10.13	10.19	10.14	10.11	10.27

Note 6 Acquisitions

META Leiterplatten

On 2 January 2022, 100 per cent of the shares were acquired in META Leiterplatten in Germany. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. Goodwill of SEK 9.1 million arose in conjunction with the acquisition. META's net sales for 2021 amounted to approximately SEK 85 million and EBITA to about SEK 4.5 million. The purchase consideration for the shares amounted to SEK 18.6 million. META has 17 employees and operations in Germany. Acquisitions costs related to the acquisition amounted to approximately SEK 0.8 million and were expensed as central costs.

Kestrel International Circuits

On 24 June 2022, 100 per cent of the shares in Kestrel International Circuits in the UK was acquired. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. In so doing, goodwill of SEK 44.5 million arose. Kestrel's net sales for 2021 amounted to approximately SEK 125 million and EBITA to about SEK 17 million. The purchase consideration for the shares amounted to SEK 104.1 million. Kestrel has 20 employees in the UK and five in China. Acquisitions costs related to the acquisition amounted to approximately SEK 4.1 million and were expensed as central costs.

Kestrel International and Meta Leiterplatten have together contributed with SEK 112.0 million in net sales and with SEK 5.6 million in EBITA. If both companies would have been consolidated on 1 January 2022, net sales for the January-September period 2022 should have increased by about SEK 55 million to SEK 3,487 million and EBITA should have increased with SEK 7.8 million to SEK 497.7 million.

Acquisitions	META 2 January 2022	Kestrel 24 June 2022
Total purchase consideration	18.6	104.1
Acquired assets and assumed liabilities		
Non-current assets	0.9	0.6
Customer relationships	3.5	15.2
Other current assets	13.8	48.4
Cash and cash equivalents	2.2	14.7
Other operating liabilities	-9.8	-16.4
Deferred tax	-1.1	-2.9
Total net assets	9.5	59.6
Goodwill	9.1	44.5

Amounts reported in the table above are preliminary values.

Previous acquisitions:

PreventPCB

Because of a favourable earnings trend in the acquired company, the additional purchase consideration was the maximum amount, EUR 2.4 million, corresponding to SEK 24.8 million, which was SEK 3.2 million higher than the original estimate.

Elmatica

The additional purchase consideration for Elmatica was determined at SEK 63.1 million, which is SEK 9.7 million lower than the provision made on the acquisition date. The final payment and adjustment to profit and loss will be accounted for in the fourth quarter.

Note 7 Alternative performance measures

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

Gross profit

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2022	2021	2022	2021	LTM	2021
Net sales	1,168.3	863.6	3,431.6	2,242.9	4,408.2	3,219.5
Other operating income	0.4	0.9	0.9	12.7	1.6	13.4
Cost of goods sold	-789.5	-598.1	-2,357.1	-1,567.4	-3,035.1	-2,245.4
Translation differences	-3.6	-0.3	10.3	-	10.3	-
Total gross profit	375.6	266.0	1,085.8	688.2	1,385.0	987.5
Gross margin, %	32.2	30.8	31.6	30.7	31.4	30.7
Gross margin excl PPP, %	32.2	30.8	31.6	30.2	31.4	30.3

EBITA

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2022	2021	2022	2021	LTM	2021
Operating profit	172.3	118.6	417.1	273.5	530.8	387.2
Amortisation and impairment of intangible assets	11.1	4.6	29.6	11.6	36.9	18.9
Divestment Russia	-	-	43.2	-	43.2	-
EBITA	183.5	123.2	489.9	285.1	610.9	406.1
EBITA margin, %	15.7	14.3	14.3	12.7	13.9	12.6
EBITA margin excl PPP, %	15.7	14.3	14.3	12.2	13.9	12.3

EBITDA

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2022	2021	2022	2021	LTM	2021
Operating profit	172.3	118.6	417.1	273.5	530.8	387.2
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	22.2	9.9	56.0	26.6	70.8	41.4
Divestment Russia	-	-	43.2	-	43.2	-
EBITDA	194.5	128.5	516.2	300.1	644.8	428.6
EBITDA margin, %	16.6	14.9	15.0	13.4	14.6	13.3
EBITDA margin excl PPP, %	16.6	14.9	15.0	12.9	14.6	13.0

Return on equity

SEK million	Sep 2022	Sep 2021	Dec 2021
Profit for the period — LTM	421.5	244.8	285.3
Equity (average)	995.0	790.7	736.9
Return on equity, %	42.4	31.0	38.7

Net working capital and capital employed

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
Inventories	510.7	376.1	519.6
Trade receivables	990.7	709.3	789.6
Other current receivables	24.8	14.1	51.0
Prepaid expenses and accrued income	28.2	26.9	25.0
Trade payables	-609.5	-534.3	-618.7
Current tax liabilities	-129.8	-53.6	-57.8
Other current liabilities	-164.6	-53.1	-168.6
Accrued expenses and deferred income	-163.2	-118.1	-115.3
Net working capital	487.2	367.4	424.7
Non-current assets	1,349.8	734.7	1,139.1
Prepaid expenses and accrued income	290.5	120.6	136.7
Deferred tax	-63.0	-30.0	-55.5
Capital employed	2,064.5	1,192.7	1,645.0

Return on capital employed

SEK million	Sep 2022	Sep 2021	Dec 2021
Operating profit/loss — LTM	530.8	323.6	387.2
Capital employed (average)	1,628.6	1,148.4	1,354.3
Return on capital employed, %	32.6	28.2	28.6

Equity/assets ratio

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
Equity	1,135.6	854.5	773.8
Untaxed reserves	-	-	-
Total	1,135.6	854.5	773.8
Total assets	3,194.6	1,981.8	2,661.0
Equity/assets ratio, %	35.5	43.1	29.1

Net debt

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
Interest-bearing liabilities	928.9	338.2	871.2
Cash and cash equivalents	-290.5	-120.6	-136.7
Total net debt	638.4	217.6	734.5
EBITDA LTM	644.8	357.1	428.6
Net debt / EBITDA	1.0	0.6	1.7

Net debt excl. IFRS 16 adjustment

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
Interest-bearing liabilities excl IFRS 16	848.5	308.0	834.2
Cash and cash equivalents	-290.5	-120.6	-136.7
Total net debt excl IFRS16	558.0	187.4	697.5
EBITDA LTM excl IFRS 16	618.1	342.9	412.4
Net debt excl IFRS 16/ EBITDA excl IFRS 16	0.9	0.5	1.7

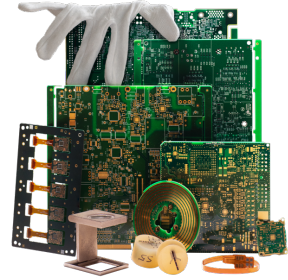
Alternative performance measure	Definition	Purpose
Gross profit	Net sales less raw materials and consumables and for other operating income, which includes translation differences on trade receivables and trade payables	Gross profit provides an indication of the surplus that is needed to cover fixed and semi-fixed costs in the NCAB Group
Gross margin	Gross profit divided by net sales	The gross margin provides an indication of the surplus as a percentage of net sales that is needed to cover fixed and semi-fixed costs in the NCAB Group
EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets.	EBITDA along with EBITA provide an overall picture of operating earnings
Adjusted EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets adjusted for non-recurring items	Adjusted EBITDA is adjusted for extraordinary items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets	EBITA 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
Capital employed	Equity and interest-bearing liabilities	Capital from external parties
Return on capital employed	Profit/loss for the past 12 months divided by average capital employed	Return on capital employed is used to analyse the company's profitability, based on how much equity is used
Equity/assets ratio	Equity and untaxed reserves net of deferred tax, divided by total assets	NCAB Group considers that this is a useful measure for showing what portion of total assets is financed by equity. It is used by management to monitor the Group's long-term financial position
Net debt	Interest-bearing liabilities less cash and cash equivalents	Net debt is a measure which shows the company's total indebtedness
Net debt excl. IFRS 16 adjustment	Interest-bearing liabilities excluding liabilities for right-of-use assets less cash and cash equivalents	Net debt is a measure which shows the company's total indebtedness and has been adjusted for IFRS 16. Used in covenant calculations to the bank.
EBITDA excl. IFRS	EBITDA adjusted for lease expenses pertaining to assets classified as right-of-use assets	EBITDA along with EBITA provide an overall picture of operating earnings Used in covenant calculations to the bank.
Book to bill	Order intake for the period divided by net sales for the period	This provides a picture of how the order backlog changes over the period regardless of the effects of acquisitions or currency

ABOUT NCAB

A leading supplier of PCBs

NCAB is one of the world's leading suppliers of printed circuit boards (PCBs) with some 3,150 customers worldwide. 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

On 27 April 2022, NCAB set new financial objectives in the medium term.

- > Net sales of SEK 8 billion in 2026, achieved by approximately equal part organic and acquired growth.
- > EBITA of SEK 1 billion in 2026.
- > Net debt less than 2x EBITDA (unchanged from before).
- > Dividend based on available cash flow amounting to approximately 50% of net profit (unchanged from before).

3,150
CUSTOMERS



15
COUNTRIES WITH
LOCAL PRESENCE



29
MANUFACTURERS



578
SPECIALISTS



307
MILLION PCBs
MANUFACTURED PER YEAR

