

# Year-end Report 2020

## OCTOBER–DECEMBER 2020

- > Net sales increased by 22% to SEK 514.9 million (422.4). The increase is mainly a result of the acquisitions of Flatfield and Bare Board Group. In USD, net sales increased 32%. Excluding acquisitions, net sales decreased 6%, but increased 5% in USD.
- > Order intake increased 42% to SEK 681.4 million (479.7). In USD, the increase was 57%. Order intake has gradually improved during the quarter, partly due to orders with longer delivery times linked to announced price increases. The effect of this is estimated at between 10% and 20% of order intake for the quarter.
- > EBITA increased to SEK 52.2 million (41.2), representing an EBITA margin of 10.1% (9.7).
- > Operating profit was SEK 50.1 million (40.7). Operating margin was 9.7% (9.6).
- > Profit after tax was SEK 35.2 million (31.7).
- > Earnings per share was SEK 1.88 (1.88).

## JANUARY–DECEMBER 2020

- > Net sales increased by 19% to SEK 2,115.2 million (1,781.2). This increase is from acquisitions. Growth in USD was 22%. Excluding the acquisitions, sales decreased 3% in SEK and 1% in USD.
- > Order intake increased 23% to SEK 2,243.4 million (1,818.3). In USD, order intake increased 27%.
- > EBITA increased to SEK 190.7 million (165.4), representing an EBITA margin of 9.0% (9.3). SEK 14.9 million was charged to EBITA relating to transaction costs for acquisitions. Excluding transaction costs, EBITA amounted to SEK 205.6 million, corresponding to an EBITA margin of 9.7%.
- > Operating profit was SEK 182.3 million (161.7). Operating margin was 8.6% (9.1).
- > Profit after tax was SEK 127.5 million (128.4).
- > Earnings per share was SEK 7.03 (7.61).
- > The Board of Directors proposes a dividend of SEK 5.00 (-) per share for the 2020 financial year.

## SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > Peter Kruk assumed the role of President and CEO on 1 October 2020.
- > On 22 February, PreventPCB in Italy was acquired.

## Key performance indicators

	Oct-Dec			Jan-Dec		
	2020	2019	%	2020	2019	%
Order intake, SEK million	681.4	479.7	42.1	2,243.4	1,818.3	23.4
Order intake, USD million	77.9	49.7	56.6	243.8	192.2	26.8
Net sales, SEK million	514.9	422.4	21.9	2,115.2	1,781.2	18.8
Net sales, USD million	59.5	45.1	32.0	229.8	189.1	21.6
Gross margin, %	31.4	32.4		30.3	31.7	
EBITA, SEK million	52.2	41.2	26.9	190.7	165.4	15.3
EBITA margin, %	10.1	9.7		9.0	9.3	
Operating profit, SEK million	50.1	40.7	23.0	182.3	161.7	12.8
Operating margin, %	9.7	9.6		8.6	9.1	
Profit after tax, SEK million	35.2	31.7	11.0	127.5	128.4	-0.7
Earnings per share, SEK	1.88	1.88	0.0	7.03	7.61	-7.7
Cash flow from operating activities, SEK million	47.0	44.9	4.8	194.3	153.0	27.0
Return on capital employed, %				23.7	41.6	
Return on equity, %				24.3	39.8	
USD/SEK - average	8.62	9.62		9.20	9.46	
EUR/SEK - average	10.27	10.65		10.49	10.59	

## MESSAGE FROM THE CEO

### Strong end to 2020 and positive trend moving into 2021

We leave 2020 behind us with a positive trend for order intake and increased activity among our customers. This augurs well for 2021. We are also continuing to invest in growing our market shares through further additions to our sales organisation, primarily in Germany and North America. Our portfolio grew in 2020 with many new customers and projects. This is partly due to acquisitions, but our ability to provide excellent service to customers during these difficult times has also secured us new business. The acquisition of PreventPCB will make us the leading supplier in Italy.

Order intake rose sharply, by 42 per cent during the fourth quarter and 57 per cent in USD. A large share of this is attributable to our acquisitions, although organic growth also accounted for a 27 per cent increase in USD. It is gratifying to see a recovery in many of our markets. There is for instance a rapid growth in solutions for electric car chargers. One contributing factor to our strong order intake is the decision by customers to bring orders forward to avoid the announced price increases from our suppliers. These price increases are the result of higher raw material prices and foreign exchange effects. We do not expect this to have an impact on NCAB's margins.

Travel restrictions and restraints have kept costs lower, though we have now begun to recruit personnel for future growth.

In *Nordic*, order intake and margins have picked up again in the fourth quarter. The strong growth in Norway is particularly pleasing and is largely the result of various projects linked to electric car chargers. *Europe* has had a highly positive quarter. The automotive industry, which was weak earlier in the year, has now begun to accelerate and our German operations have continued their positive trend with many new customers and projects. The acquisition of Flatfield has now been integrated into NCAB and after the end of the quarter we completed the acquisition of Prevent PCB in Italy. The fact that *North America* reported another positive quarter is pleasing. We can see exciting opportunities to improve margins in the acquired company Bare Board Group. Sales in *East* were slightly weaker during the fourth quarter while margins remained at a high level. Order intake increased in China while Russia is still suffering from lockdowns.

NCAB has major opportunities for continued growth. Organic growth, with more new customers and projects, is something we will continue to strive for. We can also see further opportunities in market consolidation through acquisitions. The integration of last year's acquisitions, Flatfield and Bare Board Group, has been successfully completed. Our balance sheet is strong and we are actively working with our pipeline of attractive acquisition candidates.

**Peter Kruk**  
CEO and President, NCAB Group AB

”

We are continuing to invest in growth!

“



## Q4 2020

**22%**

Sales growth

**514.9**

Net sales, SEK million

**52.2**

EBITA, SEK million

**10.1%**

EBITA margin

## ABOUT NCAB

# A leading supplier of PCBs

NCAB is one of the world's leading suppliers of printed circuit boards with some 2,600 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.

**2,600**  
CUSTOMERS



**17**  
COUNTRIES WITH  
LOCAL PRESENCE



**27**  
MANUFACTURERS



**45**  
MARKETS

**474**  
SPECIALISTS



**178**  
MILLION PCBs  
MANUFACTURED PER YEAR



## GROUP PERFORMANCE

### THE FOURTH QUARTER OCTOBER–DECEMBER 2020

#### ORDER INTAKE

Order intake rose sharply by 42 per cent during the quarter or 57 per cent in USD. For comparable units, order intake rose 14 per cent during the quarter or 27 per cent in USD. Order intake continued to grow month-on-month during the quarter. This is largely due to the strong recovery in most of NCAB's markets and also as customers brought forward orders to avoid announced price increases. We estimate that this effect corresponds to about 10–20 per cent of order intake for the quarter. During the quarter, the weaker USD had an adverse impact on order intake and net sales compared with the year-earlier period. Most of NCAB's sales and purchasing is in USD.

#### NET SALES

Net sales increased in the quarter by 22 per cent to 514.9 million (422.4), and in USD by 32 per cent. Excluding acquired sales from Flatfield and Bare Board Group, net sales were 6 per cent lower year-on-year, while in USD growth was 5 per cent. In the final quarter, net sales were also adversely impacted by the coronavirus pandemic, albeit to a lesser extent. However, the effects have varied greatly between different countries and customer segments. The negative effects were primarily noted in *Nordic* and *East* while net sales recovered faster in *Europe* and *North America*.

#### EARNINGS

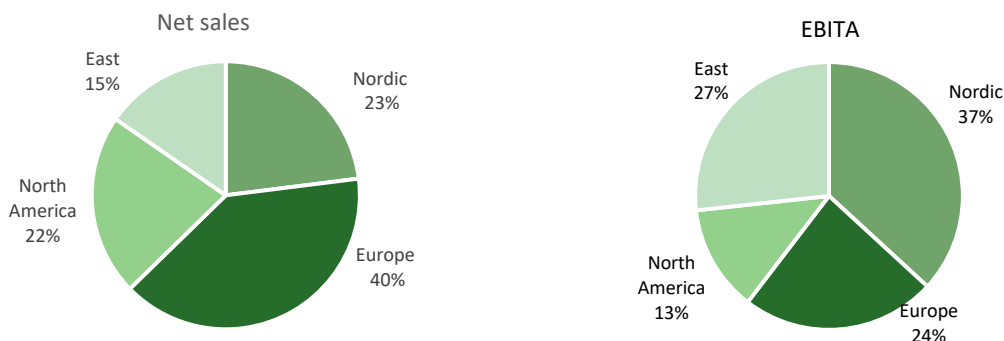
EBITA was SEK 52.2 million (41.2) and EBITA margin rose to 10.1 per cent (9.7). The rapid cost adjustments relating to, for example, travel, trade fairs and recruitment, that were initiated in the second quarter, led to a reduction in operating expenses for comparable units and remained low in the final quarter. All segments noted an improvement in earnings compared with the final quarter of 2019. Operating profit for the Group increased to SEK 50.1 million (40.7).

Net financial items amounted to SEK -5.4 million (-4.0), with negative foreign exchange differences of SEK -0.3 million (-3.2). Tax amounted to SEK -9.5 million (-5.1). Profit after tax for the period totalled SEK 35.2 million (31.7). Earnings per share was SEK 1.88 (1.88).

#### EFFECTS OF THE CORONAVIRUS PANDEMIC

Order intake and net sales were negatively impacted by the coronavirus pandemic, though with substantial variation between countries and customer segments. Limited government grants were received in Italy during the quarter. The increase in new coronavirus cases and lockdowns in the Netherlands, Germany and France had a negative impact on net sales in December, but customers returned to full production in the new year. NCAB is carefully monitoring developments to be able to quickly adapt activities and costs.

#### BREAKDOWN BY SEGMENT, OCTOBER–DECEMBER 2020



## JANUARY–DECEMBER 2020

### ORDER INTAKE

Order intake rose 23 per cent during the year or 27 per cent in USD. For comparable units, order intake rose 2 per cent, while the increase in USD was 5 per cent. Order intake was unusually strong in the first quarter and weakened thereafter during the second and beginning of the third quarter. However, strong development was once again noted in the fourth quarter in most of NCAB's markets.

### NET SALES

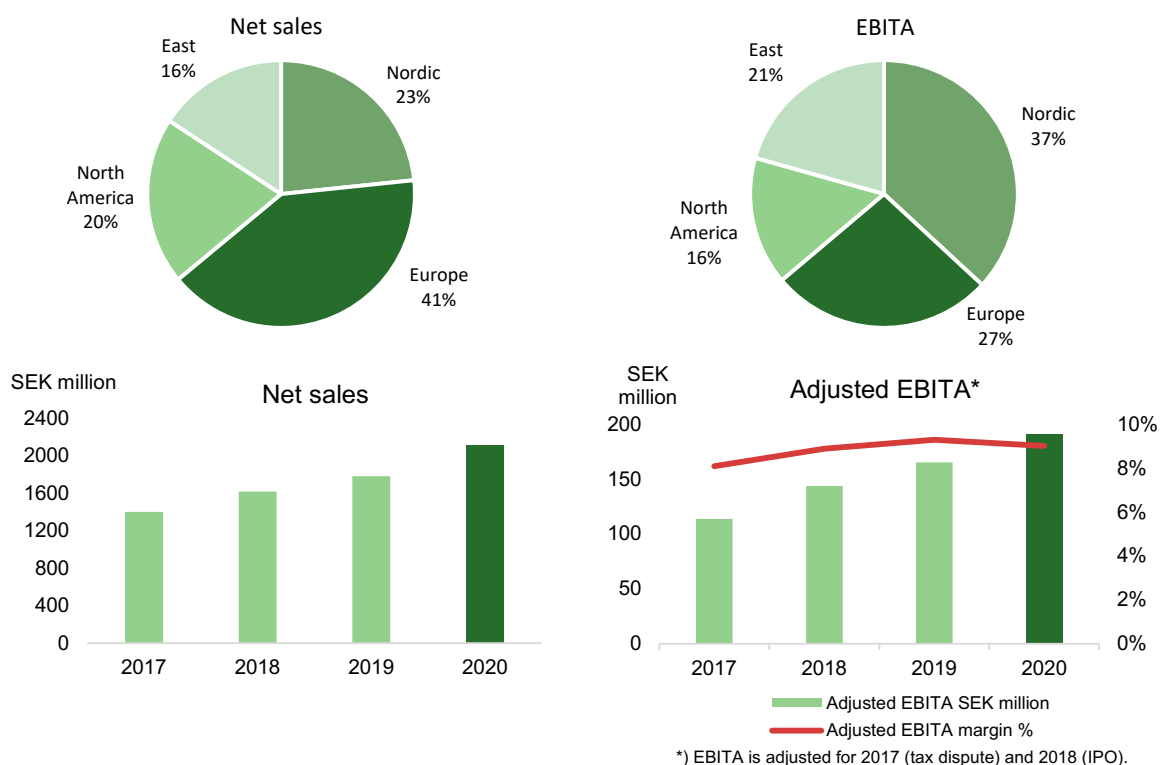
Net sales increased by 19 per cent during the year, to SEK 2,115.2 million (1,781.2), with growth in USD of 22 per cent. Net sales for comparable units decreased 3 per cent, but only 1 per cent in USD. *North America* grew, while net sales in other segments were slightly lower than the 2019 level, despite the negative impact of the coronavirus pandemic mainly on the second and third quarters. The acquisitions of Flatfield and Bare Board Group have both proceeded according to plan and the work to integrate these companies has gone well despite most of it being carried out remotely. During the year, the acquired companies contributed a combined SEK 395 million to net sales.

### EARNINGS

EBITA was SEK 190.7 million (165.4) and EBITA margin decreased to 9.0 per cent (9.3). SEK 14.9 million was charged to EBITA relating to transaction costs for the acquisitions. Excluding transaction costs, EBITA amounted to SEK 205.6 million, representing an EBITA margin of 9.7 per cent. Operating expenses have been adapted to current market conditions and were lower year-on-year for comparable companies. Government grants totalling about SEK 5.0 million have been received in the most severely affected markets, mainly in southern Europe. EBITA for the *Europe* and *North America* segments increased compared with 2019 while *Nordic* and *East* ended in line with the preceding year. Operating profit increased to SEK 182.3 million (161.7).

Net financial items amounted to SEK -19.4 million (-0.9), where the decline was due to negative foreign exchange differences of SEK -5.6 million (3.4), and also higher interest expenses for new loans raised in conjunction with both of the year's acquisitions. Tax amounted to SEK -35.4 million (-32.5). The average tax rate was 21.8 per cent (20.2). Profit after tax for the period totalled SEK 127.5 million (128.4). Earnings per share was SEK 7.03 (7.61).

### BREAKDOWN BY SEGMENT, JANUARY–DECEMBER 2020



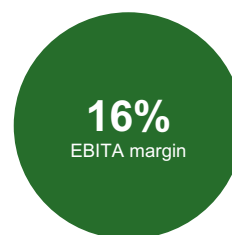
## PERFORMANCE BY SEGMENT

### NORDIC

Sweden, Norway, Denmark, Finland and Estonia. The margin in this segment is high 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.

#### Fourth quarter 2020

The Nordic market recovered well during the quarter with a high level of activity and growing optimism among most of NCAB's Nordic customers. Strongest growth was noted in Norway where order intake rose sharply, in part linked to electric car chargers. Order intake in the fourth quarter increased 21 per cent to SEK 167 million (138). In USD, order intake was 36 per cent higher year-on-year.



Net sales increased compared with the preceding quarter, but fell by 5 per cent year-on-year due to a weaker USD/SEK exchange rate. In USD, net sales were 5 per cent higher year-on-year. Norway reported growth, while other countries were weaker than in the preceding year. Net sales amounted to SEK 118.5 million (125.1). The segment's gross margin remained stable and low costs helped to increase EBITA to SEK 19.1 million (15.8), resulting in an EBITA margin of 16.1 per cent (12.6). NCAB has not applied for nor received government grants in the *Nordic* segment.

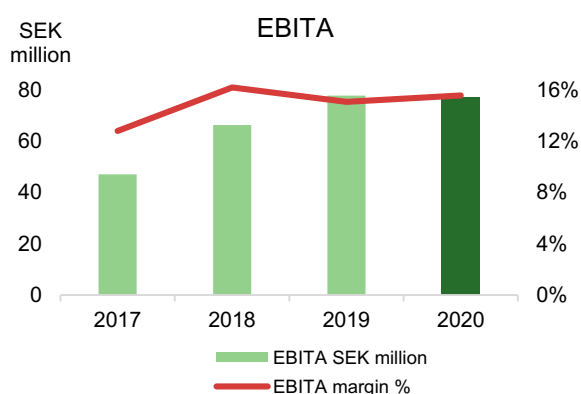
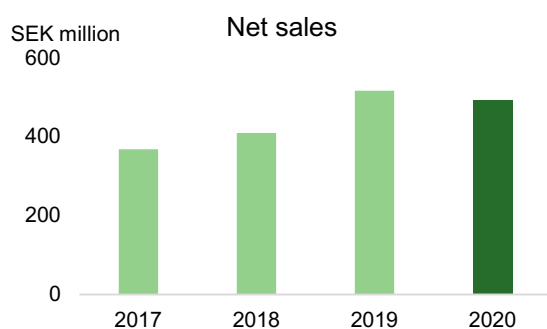
#### January to December 2020

The order intake increased 5 per cent to SEK 537 million while net sales decreased 4 per cent to SEK 493.9 million (516.6). Net sales were negatively impacted by the coronavirus pandemic, particularly in the third and fourth quarters. Order intake rose in Norway and Denmark, while Denmark is the only country also showing higher net sales. Swift adjustment to the current situation has led to lower costs and EBITA was, despite lower net sales, on par with the preceding year at SEK 77.0 million (77.9) with an improved EBITA margin of 15.6 per cent (15.1).

### NORDIC

#### SEK million

	Oct-Dec			Jan-Dec		
	2020	2019	%	2020	2019	%
Net sales	118.5	125.1	-5.3	493.9	516.6	-4.4
EBITA	19.1	15.8	20.9	77.0	77.9	-1.2
EBITA margin, %	16.1	12.6		15.6	15.1	



## EUROPE

France, Germany, Spain, Poland, Italy, UK, Netherlands 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 will strengthen NCAB in both Benelux and Germany. In February 2021 Prevent PCB in Italy was acquired.

38%

Sales growth

### Fourth quarter 2020

The *Europe* market improved considerably and order intake increased 59 per cent to SEK 283 million (178). In USD, the improvement was 77 per cent. The increase is partly from the acquisition in the Netherlands, but comparable companies also grew 36 per cent in USD. In addition to the Netherlands, growth was also strong in Germany and the UK, while southern Europe was in line with the preceding year. Increased order intake in Germany and the UK was partly driven by orders brought forward to avoid upcoming price increases.

Net sales for the fourth quarter increased 38 per cent to SEK 204.3 million (148.4).

Excluding the acquisition in the Netherlands, net sales amounted to SEK 139.7 million, a decrease of 6 per cent. In USD, net sales increased 53 per cent and by 5 per cent in comparable units. Italy reported growth for the quarter, while net sales for other companies were at a similar level to the preceding year.

Gross margin was in line with previous quarters, though costs rose slightly compared with previous quarters as all staff have now returned to work after some furlough. The quarter was also charged with certain non-recurring costs connected to the merger of Flatfield's and NCAB's operations in Benelux. Despite this, EBITA increased to SEK 12.2 million (8.8), while the EBITA margin was in line with the preceding year at 6.0 per cent (6.0).

### January to December 2020

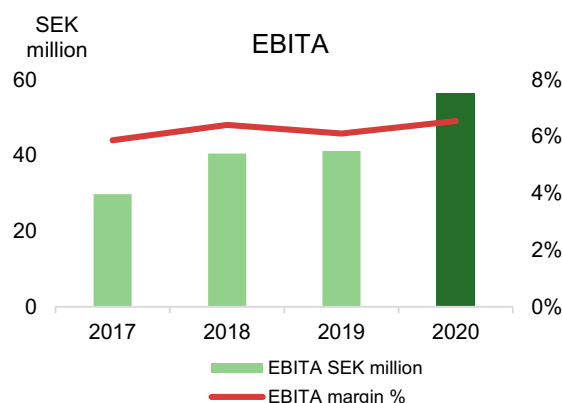
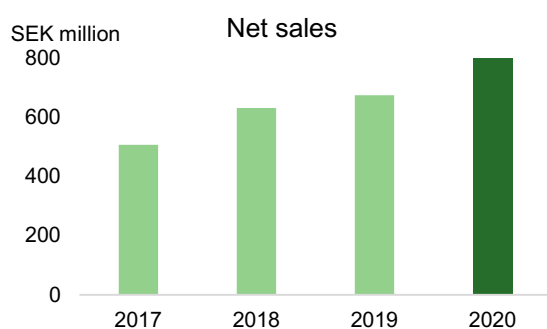
Order intake increased 32 per cent to SEK 931 million (703) and net sales rose 27 per cent. Excluding the acquisition in the Netherlands, order intake decreased 1 per cent and net sales 8 per cent. Most of the decline was attributable to the UK, Spain and while Germany increased its net sales. The swift adjustment of cost levels and the positive contribution from the acquisition in the Netherlands increased EBITA to SEK 56.3 million (41.2). EBITA margin also rose to 6.6 per cent (6.1).

NCAB's market presence and bargaining position towards suppliers have been strengthened by the acquisition of Flatfield. Flatfield's employees in China have been integrated into NCAB's Factory Management team. Customer reactions have been positive and, despite the travel restrictions, integration work has progressed well.

## EUROPE

### SEK million

	Oct-Dec			Jan-Dec		
	2020	2019	%	2020	2019	%
Net sales	204.3	148.4	37.7	859.5	675.0	27.3
EBITA	12.2	8.8	38.2	56.3	41.2	36.6
EBITA margin, %	6.0	6.0		6.6	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 the acquisition of Bare Board Group (BBG) with offices in Florida took place in April. The acquisitions of Altus PCB and BBG have doubled net sales in the USA.

### Fourth quarter 2020

Order intake increased 93 per cent to SEK 132 million (68). In USD, the order intake increased 115 per cent, of which almost half was derived from the acquisition of BBG. In the final quarter, the market was somewhat cautious due to the presidential election, but order intake improved towards the end of the quarter.

Net sales for the segment increased 91 per cent to SEK 113.0 million (59.0). In USD, the increase was 102 per cent. Import tariffs on PCBs are recognised in net sales as of 2020. Net sales excluding acquisitions and import tariffs was in line with the previous year when measured in USD.



The gross margin remained favourable in our original operations, but declined due to the lower gross margin in BBG. The effects of general cost savings and synergies from the acquisition of Altus PCB and positive profit in the acquired companies have contributed to an increase in EBITA. Potential exists moving forward to increase gross margin in the acquired BBG. EBITA increased to SEK 6.8 million (5.5), while the EBITA margin fell to 6.0 per cent (9.4).

### January to December 2020

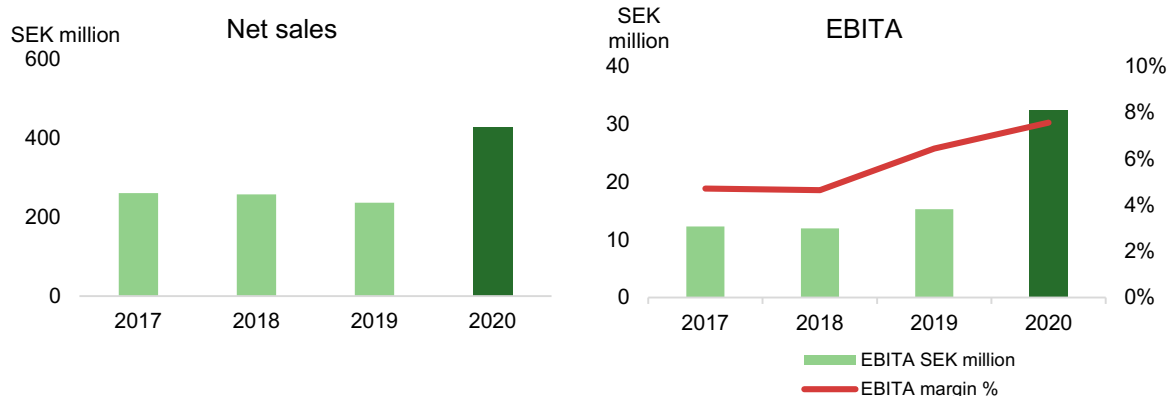
Order intake increased for the year by 76 per cent to SEK 428 million (243) and net sales rose 81 per cent to SEK 428.2 million (236.9). Excluding the acquisitions and the import tariffs, order intake increased 8 per cent while net sales were in line with the previous year. Efficiency enhancements in costs and synergies from the acquisitions boosted EBITA to SEK 32.5 million (15.3), resulting in an improvement in EBITA margin to 7.6 per cent (6.5), despite the lower EBITA margin in BBG.

The acquisition of BBG has strengthened NCAB's position in the USA. BBG's main suppliers are based in Taiwan, which expands NCAB's supplier base. Moreover, no import tariffs are charged on PCBs from Taiwan to the USA.

## NORTH AMERICA

### SEK million

	Oct-Dec			Jan-Dec		
	2020	2019	%	2020	2019	%
Net sales	113.0	59.0	91.4	428.2	236.9	80.8
EBITA	6.7	5.5	21.0	32.4	15.3	111.9
EBITA margin, %	5.9	9.4		7.6	6.5	





## EAST

China, Russia and Malaysia. The *East* segment has had a well established business in Russia for some time. In China, NCAB sells to European, American and local Chinese customers. In China, NCAB has sales offices in Shenzhen, Beijing, Shanghai and Wuhan. In Russia, NCAB is established with sales offices in St. Petersburg, Moscow and Novosibirsk.

### Fourth quarter 2020

Order intake recovered in the final quarter and amounted to SEK 95 million (95). In USD, the increase was 12 per cent. Following a weak start to the year, China ended 2020 with a very positive order intake trend, while Russia continued to be adversely impacted by the coronavirus pandemic. Some Chinese customers continued to suffer from production disruption due to import restrictions on key components from the USA but in parallel sales grew to many customers that deliver 5G equipment.

**-12%**  
Change in sales

Net sales for the fourth quarter decreased 12 per cent to SEK 79.0 million (89.7) due to the weaker USD and lower order intake compared with previous quarters. In USD, net sales in the final quarter were unchanged year-on-year.

An improvement in gross margin and cost adjustments led to improved EBITA of SEK 13.9 million (12.1) and EBITA margin rose to 17.5 per cent.

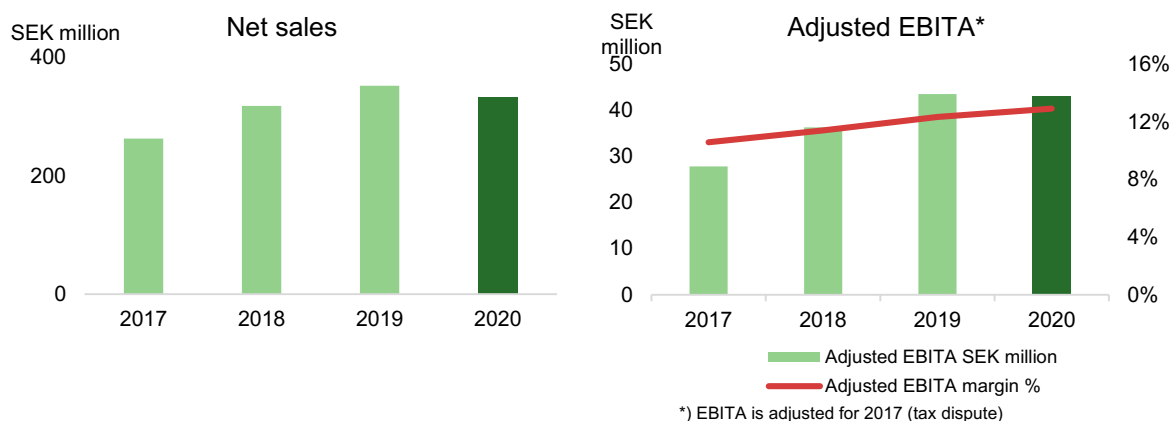
### January to December 2020

Order intake decreased 4 per cent to SEK 345 million (360) following a year affected by lockdowns in both China and Russia, but where the trade war between China and the USA also had a negative impact on many customers. Net sales decreased 5 per cent to SEK 333.6 million (352.6). EBITA was slightly below the level reported in the year-earlier period at SEK 43.1 million (43.5). Profitability improved in China, while Russia noted fluctuations resulting from a volatile currency in the first half of the year.

## EAST

### SEK million

	Oct-Dec			Jan-Dec		
	2020	2019	%	2020	2019	%
Net sales	79.0	89.7	-11.9	333.6	352.6	-5.4
EBITA	13.9	12.1	14.9	43.1	43.5	-0.9
EBITA margin, %	17.5	13.4		12.9	12.3	



## FINANCIAL POSITION

### CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the quarter was SEK 47.0 million (44.9). Cash flow from operating activities for the full-year 2020 was SEK 194.3 million (153.0). The increase is due to earnings improvements and rationalisation of working capital requirements in the acquired companies, mainly from the acquisition in the Netherlands. During the year, there was a strong focus on monitoring customer payments on a continuous basis, which resulted in fewer past due trade receivables and lower bad debt losses. NCAB has credit insurance that covers most of the trade receivables outstanding. Cash flow from investing activities was SEK -2.0 million (-41.8) during the quarter. Of investments in the previous year, SEK 36.9 million was linked to acquisitions. Cash flow for the year from investing activities was SEK -167.8 million (-94.1). Non-acquisition-related investments for the year amounted to SEK -3.7 million (-7.4).

### LIQUIDITY AND FINANCIAL POSITION

Net cash at the end of the quarter was SEK 8.3 million (-45.1). In conjunction with the acquisition of Bare Board Group in April, 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 31 December, the equity/assets ratio was 47.2 per cent (39.9) and equity was SEK 699.9 million (348.1). The substantial exchange-rate changes at the end of 2020 entailed translation differences on equity of SEK -52.3 million (-1.0). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 661.3 million (196.2).

At 31 December 2020, NCAB had loans totalling SEK 322.6 million, split between four loans. Two of the loans are being repaid in quarterly instalments of SEK 9.1 million and mature in 2023 and 2025 respectively. The two remaining loans – SEK 50.0 million and SEK 132.5 million – are free of instalments, and mature in 2023 and 2025 respectively. In addition to the loans, there is an overdraft facility of SEK 212 million. At the balance sheet date of 31 December 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 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 THE CORONAVIRUS PANDEMIC

NCAB received government grants of SEK 0.4 million from Italy during the quarter. During 2020, a total of SEK 5.0 million has been received in the form of government grants. In conjunction with the outbreak of the coronavirus pandemic, authorities in the USA provided support in the form of Paycheck Protection Program loans, which were to be remitted if used correctly. NCAB applied for and received loans totalling USD 1.2 million. An application to have these loans remitted has been filed and the response will likely be received during the first half of 2021. These loans have not affected earnings for 2020.

## SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

Peter Kruk assumed the role of President and CEO on 1 October 2020.

The Board of Directors proposes a dividend of SEK 5.00 (-) for 2020 financial year, corresponding to SEK 93.5 million.

The acquisition of PreventPCB was completed in February 2021. PreventPCB will contribute with approximately SEK 210 millions in revenue with an EBITA margin higher than NCAB's average as well as 22 new employees. The purchasing price is Euro 18 million.

## RELATED-PARTY TRANSACTIONS

Transactions with related parties have taken place to the same limited extent as previously and in accordance with the same principles as are described in the latest annual report.

## ORGANISATION

At 31 December 2020, the number of employees was 474 (395), of whom 214 (181) were women and 260 (214) were men. The average number of employees in the organisation during the period was 472 (399), of whom 213 (183) were women and 259 (217) were men.

## PARENT COMPANY

The Parent Company's net sales for the fourth quarter were SEK 17.0 million (12.4). Sales consist exclusively of internal billing. Profit after financial items was SEK 10.9 million (29.6). The weaker earnings were mainly due to increased interest costs and exchange rate expenses. Net sales amounted to SEK 60.0 million (55.9). Profit after financial items was SEK 9.7 million (8.8).

## DECLARATION OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board of Directors and Chief Executive Officer provide their assurance that the year-end report gives a true and fair view of the Group's and the Parent Company's operations, position and results and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Bromma, 22 February 2021

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**Christian Salamon**  
Chairman of the Board

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**Jan-Olof Dahlén**  
Director

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**Per Hesselmark**  
Director

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**Magdalena Persson**  
Director

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**Hans Ramel**  
Director

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**Gunilla Rudebjer**  
Director

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**Hans Ståhl**  
Director

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**Peter Kruk**  
Chief Executive Officer

## CONTACT

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*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. The information was issued for publication through the agency of the contact persons set out above on 23 February 2021, at 7:30 a.m. CET.*

## NCAB Group AB (publ)

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[www.ncabgroup.com](http://www.ncabgroup.com)

NCAB will hold a web-cast telephone conference on 23 February 2021 at 10:00 a.m. CET, when 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 and can be followed on the web or over the phone. To participate in the conference call, call the following numbers: from Sweden: +46850558374, UK: +443333009261 US: +18332498406. The presentation and conference can also be followed from the following link: <https://tv.streamfabriken.com/ncab-group-q4-2020>.

## FINANCIAL CALENDAR

Interim report first quarter	7 May 2021
Annual General Meeting	10 May 2021
Interim report second quarter	22 July 2021
Interim report third quarter	12 November 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 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 17 countries in Europe, Asia and North America and customers in approximately 45 countries worldwide. Revenues in 2020 amounted to SEK 2,115 million. Organic growth and acquisitions are part of NCAB's strategy. For more information about NCAB Group, please visit us at [www.ncabgroup.com](http://www.ncabgroup.com).

# Group

## CONSOLIDATED INCOME STATEMENT

SEK million	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
<b>Operating revenue</b>				
Net sales	514.9	422.4	2,115.2	1,781.2
Other operating income	5.0	4.1	6.3	9.2
<b>Total</b>	<b>519.9</b>	<b>426.5</b>	<b>2,121.5</b>	<b>1,790.3</b>
Raw materials and consumables	-358.0	-289.8	-1,481.3	-1,225.4
Other external expenses	-25.7	-20.4	-106.6	-107.5
Staff costs	-76.4	-65.1	-301.0	-274.7
Depreciation of property, plant and equipment, and amortisation of intangible assets	-6.9	-8.3	-27.5	-18.2
Other operating expenses	-2.8	-2.2	-22.8	-2.8
<b>Total operating expenses</b>	<b>-469.8</b>	<b>-385.8</b>	<b>-1,939.2</b>	<b>-1,628.6</b>
<b>Operating profit</b>	<b>50.1</b>	<b>40.7</b>	<b>182.3</b>	<b>161.7</b>
Net financial income/expense	-5.4	-4.0	-19.4	-0.9
<b>Profit before tax</b>	<b>44.7</b>	<b>36.8</b>	<b>163.0</b>	<b>160.9</b>
Income tax	-9.5	-5.1	-35.4	-32.5
<b>Profit for the period</b>	<b>35.2</b>	<b>31.7</b>	<b>127.5</b>	<b>128.4</b>
<b>Profit attributable to:</b>				
Shareholders of the Parent Company	35.2	31.7	127.4	128.3
Non-controlling interests	-0.0	-	0.1	0.1
Average number of ordinary shares	18,697,124	16,847,124	18,115,840	16,847,124
Earnings per share	1.88	1.88	7.03	7.61

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
<b>Profit for the period</b>	<b>35.2</b>	<b>31.7</b>	<b>127.5</b>	<b>128.4</b>
<b>Other comprehensive income, items that can subsequently be reclassified to profit or loss:</b>				
Foreign exchange differences	-39.0	-7.6	-52.3	-1.0
<b>Total comprehensive income</b>	<b>-3.8</b>	<b>24.1</b>	<b>75.2</b>	<b>127.4</b>
<b>Profit attributable to:</b>				
Shareholders of the Parent Company	-3.8	24.0	75.1	127.3

## CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	31 Dec 2020	31 Dec 2019
<b>Non-current assets</b>		
Goodwill	382.3	206.3
Other intangible assets	43.2	16.8
Leasehold improvement costs	2.1	2.8
Right-of-use Office and Cars	30.0	33.5
Plant and equipment	4.5	4.1
Financial assets	4.9	4.0
Deferred tax assets	7.4	7.7
<b>Total non-current assets</b>	<b>474.4</b>	<b>275.2</b>
<b>Current assets</b>		
Inventories	183.1	148.8
Trade receivables	342.9	320.0
Other current receivables	14.5	17.9
Prepaid expenses and accrued income	19.1	29.0
Cash and cash equivalents	449.0	82.2
<b>Total current assets</b>	<b>1,008.6</b>	<b>598.0</b>
<b>TOTAL ASSETS</b>	<b>1,483.0</b>	<b>873.1</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the Parent Company</b>		
Share capital	1.9	1.7
Additional paid-in capital	478.1	201.6
Reserves	-56.4	-4.1
Retained earnings	276.1	148.7
Non-controlling interests	0.2	0.2
<b>Total equity</b>	<b>699.9</b>	<b>348.1</b>
<b>Non-current liabilities</b>		
Borrowings	294.5	75.0
Leased liabilities	21.1	22.7
Deferred tax	22.8	8.1
<b>Total non-current liabilities</b>	<b>338.4</b>	<b>105.8</b>
<b>Current liabilities</b>		
Current liabilities	38.2	17.9
Current right-of-use liabilities	10.0	11.4
Trade payables	270.3	252.5
Current tax liabilities	16.3	29.4
Other current liabilities	44.6	26.9
Accrued expenses and deferred income	65.3	81.2
<b>Total current liabilities</b>	<b>444.7</b>	<b>419.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,483.0</b>	<b>873.1</b>

## 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				128.3	128.3	0.1	128.4
Other comprehensive income for the period	-	-	-1.0	-	-1.0	-	-1.0
<b>Total comprehensive income</b>	-	-	<b>-1.0</b>	<b>128.3</b>	<b>127.3</b>	<b>0.1</b>	<b>127.4</b>
Dividend				-75.8	-75.8	-0.1	-75.9
<b>Total transactions with shareholders, recognised directly in equity</b>	-	-	-	<b>-75.8</b>	<b>-75.8</b>	<b>-0.1</b>	<b>-75.9</b>
<b>31 Dec 2019</b>	<b>1.7</b>	<b>201.6</b>	<b>-4.1</b>	<b>148.7</b>	<b>347.9</b>	<b>0.2</b>	<b>348.1</b>

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				127.4	127.4	0.1	127.5
Other comprehensive income for the period	-	-	-52.3	-	-52.3	-	-52.3
<b>Total comprehensive income</b>	-	-	<b>-52.3</b>	<b>127.4</b>	<b>75.1</b>	<b>0.1</b>	<b>75.2</b>
Issue of new shares	0.2	286.6	-	-	286.8	-	286.8
Costs for issue of shares	-	-10.0	-	-	-10.0	-	-10.0
<b>Total transactions with shareholders, recognised directly in equity</b>	<b>0.2</b>	<b>276.5</b>	-	-	<b>276.7</b>	<b>-0.1</b>	<b>276.6</b>
<b>31 Dec 2020</b>	<b>1.9</b>	<b>478.1</b>	<b>-56.4</b>	<b>276.1</b>	<b>699.7</b>	<b>0.2</b>	<b>699.9</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
<b>Cash flow from operating activities</b>				
Profit before net financial income/expense	50.1	40.7	182.3	161.7
Adjustment for non-cash items	6.1	-1.8	25.0	13.9
Interest received	0.0	0.7	0.1	1.2
Interest paid	-3.4	-1.1	-12.3	-5.4
Income taxes paid	-23.4	3.8	-44.0	-17.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>29.4</b>	<b>42.3</b>	<b>151.1</b>	<b>154.2</b>
Change in inventories	-6.6	-28.5	12.2	-25.6
Change in current receivables	43.4	47.4	80.1	8.1
Change in current operating liabilities	-19.2	-16.4	-49.0	16.5
<b>Total changes in working capital</b>	<b>17.6</b>	<b>2.5</b>	<b>43.2</b>	<b>-1.1</b>
<b>Cash flow from operating activities</b>	<b>47.0</b>	<b>44.9</b>	<b>194.3</b>	<b>153.0</b>
<b>Cash flow from investing activities</b>				
Investments in property, plant and equipment	-	-2.9	-0.8	-4.3
Investments in intangible assets	-0.6	-2.1	-1.3	-2.5
Investments in subsidiaries	-	-36.9	-164.1	-86.7
Investments in financial assets	-1.4	0.1	-1.7	-0.6
<b>Cash flow from investing activities</b>	<b>-2.0</b>	<b>-41.8</b>	<b>-167.8</b>	<b>-94.0</b>
<b>Cash flow from financing activities</b>				
Issue of new shares	-	-	286.8	-
Costs for issue of shares	-	-	-10.0	-
Change in overdraft facility	-	4.9	-7.9	0.4
Borrowings	-	-	265.0	-
Transaction cost, loans	-	-	-1.5	-
Repayment of loans	-9.1	-2.5	-172.7	-10.0
Repayment of leased liabilities	-3.6	-7.2	-14.0	-11.3
Dividend	-	-	-	-75.8
<b>Cash flow from financing activities</b>	<b>-12.7</b>	<b>-4.8</b>	<b>345.6</b>	<b>-96.8</b>
<b>Decrease/increase in cash and cash equivalents</b>				
Cash flow for the period	32.3	-1.7	372.1	-37.8
Foreign exchange difference in cash and cash equivalents	-2.1	1.6	-5.3	6.1
Cash and cash equivalents at beginning of period	418.8	82.4	82.2	113.9
<b>Cash and cash equivalents at end of period</b>	<b>449.0</b>	<b>82.2</b>	<b>449.0</b>	<b>82.2</b>



# Parent Company

## PARENT COMPANY INCOME STATEMENT

SEK million	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
<b>Operating revenue</b>				
Net sales	17.0	12.4	60.0	55.9
<b>Total</b>	<b>17.0</b>	<b>12.4</b>	<b>60.0</b>	<b>55.9</b>
Other external expenses	-7.4	-8.0	-30.6	-33.7
Staff costs	-9.3	-6.6	-29.6	-27.6
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.1	-0.1	-0.5	-0.4
Other operating expenses	-	-	-	-0.6
<b>Total operating expenses</b>	<b>-16.8</b>	<b>-14.7</b>	<b>-60.8</b>	<b>-62.3</b>
<b>Operating loss</b>	<b>0.2</b>	<b>-2.4</b>	<b>-0.9</b>	<b>-6.4</b>
Income from investments in Group companies	20.8	17.9	31.3	22.5
Other interest income and similar income	3.5	1.7	15.6	20.5
Interest expense and similar charges	-13.6	12.4	-36.4	-27.7
<b>Net financial income/expense</b>	<b>10.8</b>	<b>32.0</b>	<b>10.6</b>	<b>15.2</b>
<b>Profit before tax</b>	<b>10.9</b>	<b>29.6</b>	<b>9.7</b>	<b>8.8</b>
Appropriations	31.0	14.0	31.0	14.0
Tax on profit for the period	-0.0	-0.2	-0.1	-0.2
<b>Profit for the period</b>	<b>41.9</b>	<b>43.4</b>	<b>40.6</b>	<b>22.6</b>

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	31 Dec 2020	31 Dec 2019
<b>Non-current assets</b>		
Capitalised development costs	1.0	1.3
Plant and equipment	0.0	0.1
Non-current financial assets	339.6	267.1
<b>Total non-current assets</b>	<b>340.7</b>	<b>268.5</b>
<b>Current assets</b>		
Trade receivables	-	2.2
Receivables from Group companies	354.2	131.1
Other current receivables	1.4	0.4
Prepaid expenses and accrued income	4.7	4.1
Cash and cash equivalents	294.9	6.8
<b>Total current assets</b>	<b>655.2</b>	<b>144.6</b>
<b>TOTAL ASSETS</b>	<b>995.9</b>	<b>413.2</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital (18,697,124 shares)	1.9	1.7
<b>Non-restricted equity</b>		
Share premium account	478.1	201.6
Retained earnings	-42.2	-64.8
Profit/ loss for the period	40.6	22.6
<b>Total equity</b>	<b>478.4</b>	<b>161.1</b>
Untaxed reserves	8.8	8.8
<b>Non-current liabilities</b>		
Liabilities to credit institutions	283.6	75.0
<b>Total non-current liabilities</b>	<b>283.6</b>	<b>75.0</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	36.5	10.0
Trade payables	3.1	3.2
Liabilities to Group companies	173.4	145.6
Other current liabilities	2.7	2.1
Accrued expenses and deferred income	9.3	7.4
<b>Total current liabilities</b>	<b>225.1</b>	<b>168.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>995.9</b>	<b>413.2</b>

## 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	-	-	22.6	22.6
<b>Total comprehensive income</b>	-	-	<b>22.6</b>	<b>22.6</b>
Dividend, shares			-75.8	-75.8
<b>Total transactions with shareholders, recognised directly in equity</b>		-	<b>-75.8</b>	<b>-75.8</b>
<b>31 Dec 2019</b>	<b>1.7</b>	<b>201.6</b>	<b>-42.2</b>	<b>161.1</b>

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	-	-	40.6	40.6
<b>Total comprehensive income</b>	-	-	<b>40.6</b>	<b>40.6</b>
Issue of new ordinary shares	0.2	286.6	-	286.8
Transaction cost	-	-10.0	-	-10.0
<b>Total transactions with shareholders, recognised directly in equity</b>	<b>0.2</b>	<b>276.5</b>	-	<b>276.7</b>
<b>31 Dec 2020</b>	<b>1.9</b>	<b>478.1</b>	<b>-1.6</b>	<b>478.4</b>

# 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 1–26 is an integral part of this financial report.

### Significant estimates and judgements

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

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

## Note 4 Segments

### Description of segments and principal activities

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

#### Nordic

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

## Europe

Provides a broad range of PCBs from NCAB Group's companies in the UK, Poland, France, Italy, Germany, 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, 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. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

## Revenue

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

## Sales and earnings of segments, October–December 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	118.5	125.1	204.3	148.4	113.0	59.0	79.0	89.7	0.0	0.1	514.9	422.4
<b>EBITA</b>	<b>19.1</b>	<b>15.8</b>	<b>12.2</b>	<b>8.8</b>	<b>6.7</b>	<b>5.5</b>	<b>13.9</b>	<b>12.1</b>	<b>0.3</b>	<b>-1.1</b>	<b>52.2</b>	<b>41.2</b>
EBITA margin, %	16.1	12.6	6.0	6.0	5.9	9.4	17.5	13.4			10.1	9.7
Amortis. intangible assets											-2.1	-0.4
<b>Operating profit</b>											<b>50.1</b>	<b>40.7</b>
Operating margin, %											9.7	9.6
Net financial expense											-5.4	-4.0
Profit before tax											44.7	36.8
Net working capital	32.9	30.4	101.2	66.2	3.2	2.6	35.6	30.7	-9.9	-4.1	163.0	125.8

## Sales and earnings of segments, January–December 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	493.9	516.6	859.5	675.0	428.2	236.9	333.6	352.6	0.0	0.1	2,115.2	1,781.2
<b>EBITA</b>	<b>77.0</b>	<b>77.9</b>	<b>56.3</b>	<b>41.2</b>	<b>32.4</b>	<b>15.3</b>	<b>43.1</b>	<b>43.5</b>	<b>-18.1</b>	<b>-12.6</b>	<b>190.7</b>	<b>165.4</b>
EBITA margin, %	15.6	15.1	6.6	6.1	7.6	6.5	12.9	12.3			9.0	9.3
Amortis. intangible assets											-8.4	-3.6
<b>Operating profit</b>											<b>182.3</b>	<b>161.7</b>
Operating margin, %											8.6	9.1
Net financial expense											-19.4	-0.9
Profit before tax											163.0	160.9
Net working capital	32.9	30.4	101.2	66.2	3.2	2.6	35.6	30.7	-9.9	-4.1	163.0	125.8
Fixed assets	4.9	5.6	13.1	13.1	8.3	8.9	0.8	1.1	9.7	11.7	36.6	40.5
Intangible assets	61.4	74.7	118.7	0.1	236.2	135.9	8.1	0.5	1.1	11.8	425.5	223.0

### Note 5

#### Quarterly summary

	Q4 20	Q3 20	Q2 20	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Order intake, SEK million	681.4	512.3	486.2	563.4	479.7	446.6	450.0	442.1
Order intake, USD million	77.9	57.8	50.2	58.3	49.9	46.7	47.8	48.0
Net sales, SEK million	514.9	536.7	580.6	483.1	422.4	439.8	473.1	445.9
SEK annual growth, %	21.9	22.0	22.7	8.3	3.9	4.7	13.8	19.1
Net sales, USD million	59.5	60.3	60.0	50.0	45.1	45.2	50.0	48.8
USD annual growth, %	32.0	33.5	20.0	2.5	0.0	-3.3	4.1	5.6
Gross margin, %	31.4	29.3	29.4	31.1	32.4	32.2	30.9	31.5
EBITA, SEK million	52.2	50.1	50.6	37.9	41.2	46.3	37.3	40.6
EBITA margin, %	10.1	9.3	8.7	7.8	9.7	10.5	7.9	9.1
Operating profit/loss, SEK million	50.1	47.2	48.1	37.0	40.7	45.9	35.7	39.4
Total assets, SEK million	1,483.0	1,558.3	1,551.5	1,125.7	873.1	827.9	792.7	808.4
Cash flow from operating activities, SEK million	47.0	67.9	76.9	2.6	44.9	57.8	35.5	14.8
Equity/assets ratio, %	47.2	46.7	43.3	34.6	39.9	39.4	36.0	41.8
Number of employees	474	469	473	452	395	403	398	388
Average exchange rate, SEK/USD	8.62	8.87	9.69	9.67	9.61	9.59	9.44	9.17
Average exchange rate, SEK/EUR	10.27	10.36	10.66	10.66	10.64	10.66	10.62	10.42

## Note 6 Acquisitions

### Flatfield

On 12 March 2020, an agreement was signed to acquire 100 per cent of the shares in IPCS B.V., the Parent Company of Flatfield, based in Tiel, the Netherlands. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. Goodwill of SEK 100.1 million arose in conjunction with the acquisition, of which SEK 42.1 million in Flatfield. Flatfield contributed SEK 239.6 million in net sales and SEK 11.7 million in EBITA in the period between 12 March and 31 December 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. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. Goodwill of SEK 116.1 million arose in conjunction with the acquisition. Bare Board Group contributed SEK 155.1 million in net sales and SEK 8.6 million in EBITA in the period between 24 April and 31 December 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. The acquisition analysis has been updated after the final adjustment of capital employed at the day of the transaction date, purchase price and goodwill was adjusted.

<b>Acquisitions</b>	<b>Flatfield 12 March</b>	<b>BBG 24 April</b>
<b>Total purchase consideration</b>	<b>64,752</b>	<b>109,082</b>
<b>Acquired assets and assumed liabilities</b>		
Non-current assets	9,295	0
Customer relationships	26,711	7,571
Other current assets	86,829	42,439
Cash and cash equivalents	7,818	4,088
Loans	-126,552	-16,940
Other operating liabilities	-33,750	-42,071
Deferred tax	-5,716	-2,120
<b>Total net assets</b>	<b>-35,365</b>	<b>-7,033</b>
Goodwill	100,117	116,115

Amounts reported in the table above are preliminary values.

If Flatfield and Bare Board Group had been consolidated on 1 January 2020, net sales for the period between January and December of 2020 would have increased by SEK 119.5 million to SEK 2,234.7 million and EBITA by SEK 8.0 million to SEK 196.8 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 analyse the Group's financial performance and financial position. Investors should regard this information as complementary rather than as replacing financial reporting in accordance with IFRS.

## Gross profit

SEK million	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Net sales	514.9	422.4	2,115.2	1,781.2
Other operating income	5.0	2.5	6.3	4.9
Cost of goods sold	-358.0	-289.8	-1,481.3	-1,225.4
Translation differences	-	1.6	-	4.3
<b>Total gross profit</b>	<b>161.9</b>	<b>136.8</b>	<b>640.2</b>	<b>564.9</b>
Gross margin, %	31.4	32.4	30.3	31.7

## EBITA

SEK million	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Operating profit	50.1	40.7	182.3	161.7
Amortisation and impairment of intangible assets	2.1	0.4	8.4	3.6
<b>EBITA</b>	<b>52.2</b>	<b>41.2</b>	<b>190.7</b>	<b>165.4</b>
EBITA margin, %	10.1	9.7	9.0	9.3

## EBITDA

SEK million	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Operating profit	50.1	40.7	182.3	161.7
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	6.9	8.3	27.5	18.2
<b>EBITDA</b>	<b>57.0</b>	<b>49.1</b>	<b>209.9</b>	<b>179.9</b>
EBITDA margin, %	11.1	11.6	9.9	10.1

## Return on equity

SEK million	Dec 2020	Dec 2019
Profit for the period — LTM	127.5	128.4
Equity (average)	524.0	322.4
<b>Return on equity, %</b>	<b>24.3</b>	<b>39.8</b>

## Net working capital and capital employed

SEK million	31 Dec 2020	31 Dec 2019
Inventories	183.1	148.8
Trade receivables	342.9	320.0
Other current receivables	14.5	17.9
Prepaid expenses and accrued income	19.1	29.0
Trade payables	-270.3	-252.5
Current tax liabilities	-16.3	-29.4
Other current liabilities	-44.6	-26.9
Accrued expenses and deferred income	-65.3	-81.2
<b>Net working capital</b>	<b>163.0</b>	<b>125.8</b>
Non-current assets	474.4	275.2
Cash and cash equivalents	449.0	82.2
Deferred tax	-22.8	-8.1
<b>Capital employed</b>	<b>1,063.7</b>	<b>475.1</b>



## Return on capital employed

SEK million	Dec 2020	Dec 2019
Operating profit/loss — LTM	182.3	161.7
Capital employed (average)	769.4	437.4
<b>Return on capital employed, %</b>	<b>23.7</b>	<b>37.0</b>

## Equity/assets ratio

SEK million	31 Dec 2020	31 Dec 2019
Equity	699.9	348.1
Untaxed reserves	-	-
<b>Total</b>	<b>699.9</b>	<b>348.1</b>
Total assets	1,483.0	873.1
<b>Equity/assets ratio, %</b>	<b>47.2</b>	<b>39.9</b>

## Net debt

SEK million	31 Dec 2020	31 Dec 2019
Interest-bearing liabilities	363.7	127.0
Cash and cash equivalents	-449.0	-82.2
<b>Total net debt</b>	<b>-85.3</b>	<b>44.8</b>
EBITDA LTM	209.9	179.9
<b>Net debt / EBITDA</b>	<b>-0.4</b>	<b>0.2</b>

## Net debt excl. IFRS 16 adjustment

SEK million	31 Dec 2020	31 Dec 2019
Interest-bearing liabilities excl IFRS 16	332.7	92.9
Cash and cash equivalents	-449.0	-82.2
<b>Total net debt excl IFRS16</b>	<b>-116.4</b>	<b>10.7</b>
EBITDA LTM excl IFRS 16	196.1	168.6
<b>Net debt excl IFRS 16/ EBITDA excl IFRS 16</b>	<b>-0.6</b>	<b>0.1</b>

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.