

Interim report January–June 2022

APRIL–JUNE 2022

- > Net sales increased by 47% to SEK 1,122.0 million (762.2). In USD, net sales increased 25%. For comparable units, net sales increased by 35%, and in USD 15%.
- > Order intake decreased 2% to SEK 1,035.7 million (1,057.8). The decrease in USD was 17%. For comparable units, the decrease in order intake was 14% in SEK, and 27% in USD. Book to bill was 92%. Order intake in the second quarter 2021 was abnormally high due to longer lead times. Excl. the elevated order intake, the second quarter's order intake in 2022 is estimated to have increased with 20% in SEK.
- > EBITA increased 54% to SEK 160.2 million (103.8), representing an EBITA margin of 14.3% (13.6). In 2021, EBITA was positively impacted in an amount of SEK 11.0 million in PPP loans forgiven.
- > EBITA was negatively impacted by acquisition costs of SEK 4.9 million. EBITA excluding acquisition costs was SEK 165.0 million, corresponding to a margin of 14.7% (12.3).
- > Cash flow from operating activities was SEK 148.2 million (30.3).
- > Operating profit was SEK 150.9 million (99.7).
- > Profit after tax was SEK 141.1 million (77.9).
- > Earnings per share* before and after dilution was SEK 0.75 (0.42).

JANUARY–JUNE 2022

- > Net sales increased by 64% to SEK 2,263.3 million (1,379.3). In USD, net sales increased 44%. For comparable units, net sales increased by 46%, and in USD 28%.
- > Order intake increased 8% to SEK 2,207.0 million (2,036.7). In USD, order intake decreased 5%. For comparable units, the decrease for order intake was 6% in SEK, and 18% in USD. Book to bill was 98%.
- > EBITA increased to SEK 306.4 million (162.1), representing an EBITA margin of 13.5% (11.8). 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 314.5 million, representing an EBITA margin of 13.9% (11.2).
- > Cash flow from operating activities was SEK 172.4 million (28.3).
- > Operating profit was SEK 244.7 million (155.1).
- > Profit after tax was SEK 207.3 million (118.7).
- > Earnings per share *) was SEK 1.11 (0.63).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > The AGM voted in favour of a dividend of SEK 0.60 per share, 50% of which to be paid in May and 50% in October (in 2021, SEK 0.50* per share was paid as an ordinary dividend and SEK 1.00* as an extra dividend).
- > A new loan facility was signed with Nordea after the end of the quarter for an additional SEK 300 million to strengthen future acquisition opportunities.
- > On 8 April, NCAB divested its operations in Russia to the local Russian management for RUB 1. The divestment resulted in a loss of SEK 43.2 million, which was provisioned for in the first quarter of 2022.
- > On 24 June, 100% of the shares in Kestrel International Circuits in the UK was acquired, thereby strengthening NCAB's position in the UK market.

*) Calculated after 10:1 split

Key performance indicators

	Apr-Jun			Jan-Jun			Full-year	
	2022	2021	%	2022	2021	%	LTM	2021
Order intake, SEK million	1,035.7	1,057.8	-2	2,207.0	2,036.7	8	4,209.3	4,039.0
Order intake, USD million	104.9	126.2	-17	230.2	242.7	-5	458.2	470.7
Net sales, SEK million	1,122.0	762.2	47	2,263.3	1,379.3	64	4,103.4	3,219.5
Net sales, USD million	114.0	90.9	25	236.1	164.4	44	447.2	375.5
Gross margin, %	31.3	31.6		30.8	30.6		30.7	30.7
EBITA, SEK million	160.2	103.8	54	306.4	162.1	89	550.4	406.1
EBITA margin, %	14.3	13.6		13.5	11.8		13.4	12.6
Operating profit, SEK million	150.9	99.7	51	244.7	155.1	58	476.8	387.2
Operating margin, %	13.4	13.1		10.8	11.2		11.6	12.0
Profit after tax, SEK million	141.1	77.9	81	207.3	118.7	75	373.9	285.3
Earnings per share* before dilution, SEK	0.75	0.42	81	1.11	0.63	75	2.00	1.52
Earnings per share* after dilution, SEK	0.75	0.42	81	1.11	0.63	75	2.00	1.52
Cash flow from operating activities, SEK million	148.2	30.3	389	172.4	28.3	509	192.4	48.3
Return on capital employed, %							30.8	28.6
Return on equity, %							43.2	38.7
USD/SEK - average	9.83	8.41		9.59	8.40		9.17	8.58
EUR/SEK - average	10.47	10.14		10.48	10.13		10.32	10.14

MESSAGE FROM THE CEO

Continued strong order intake and sales with higher margins

During the second quarter, our good performance continued, and we are pleased to note strong net sales and very good cash flow. This is despite continued problems with component shortages that many of our customers are experiencing. We were able to convert the solid order book into sales with good gross margins and generated further increases in EBITA margin. As supply chains improved, we were also able to retain working capital levels, which led to very good cash flow in the quarter.

Our organic growth was high in all regions except for East. There, we noted lower net sales resulting from the divestment of the Russian operations and because some Chinese customers were encompassed by lockdowns. However, our Chinese factory partners have operated without interruption throughout the quarter, and we continued to offer good service to our customers. We are pleased to have acquired Kestrel International Circuits. Alongside NCAB, Kestrel has been the leading quality supplier in the UK with its experienced team. The acquisition of Kestrel will further strengthen our position in the UK and Europe.

Our growth in *Nordic* was strong, primarily due to the acquisition of Elmatica. The integration is progressing well, orders have a positive trend with new aerospace/defence contracts, and we are also beginning to see synergies materialise. In addition to Elmatica, developments were robust in most countries despite component shortages for some of our customers. Order intake in relation to net sales (book to bill) was 102 per cent and EBITA margin reached the high level of 20 per cent.

Europe demonstrated a continued solid performance with rising net sales and improved margins. Net sales growth was particularly impressive in Germany, the UK and the Netherlands. Orders declined compared with 2021 specifically in these countries as a result of the significant order increase in the second quarter of 2021 due to the longer lead times experienced at that time. However, overall book to bill was 88 per cent and EBITA margin for Europe increased to 12 per cent.

North America continued to demonstrate strong growth and sustained positive book to bill. EBITA margin rose to 15 per cent, which was a major improvement on prior years. This reflects the fact that we have now achieved a sufficient size and position in the US market and that NCAB's model with value-based pricing has been introduced in acquired companies.

In *East*, figures now reflect our operations in Asia and the Pacific, and exclude our operations in Russia, which were divested on 8 April. Our customers' businesses in the *East* segment were impacted by the zero-COVID policy in China with lockdowns in major regions. Despite this, net sales were stable with a very good EBITA margin of 19 per cent.

We have a continued good pipeline of possible acquisitions we are considering and are in discussions with. Acquisitions in recent years have helped to improve our ability to manage the acquired companies and effectively integrate them into our working methods. This know-how, our strong balance sheet and cash generation makes us well prepared for a continued high pace of acquisitions.

Our niche in the high-mix low-volume (HMLV) PCB market has experienced healthy growth and we are convinced that we are gradually gaining market share for a number of reasons. Our high quality and level of technology, delivery capacity and sustainability focus are all such factors, which are also supported by our presence in Asia close to factories. Our most recent major acquisition in Europe also further strengthened our brand and supported our organic growth.

Lastly, I was delighted that we during the second quarter could arrange our first global staff conference for our employees since 2019. A large part of NCAB's strength lies with our employees and the relationships they build with customers and factory partners. The interaction and positive energy between old and new employees in our organisation and the exchange of knowledge and ideas was marvelous to see. I feel very convinced of our organisation's capacity to handle future opportunities and challenges and to provide our customers with the support they need.

Peter Kruk
President and CEO, NCAB Group AB



“ We are pleased to see strong net sales and very good cash flow. ”

Q2 2022

47%

Sales growth

1,122.0

Net sales, SEK million

160.2

EBITA, SEK

14.3%

EBITA margin

APRIL–JUNE 2022

ORDER INTAKE

The market continues to look positive for NCAB and customer activity is healthy despite the world situation and continuing component shortages for the customers. Lead times for PCB production and shipping have fallen, which has resulted in more normal lead times for new orders. The percentage of ocean freight remains higher than before the pandemic, which is having an effect on total lead times and working capital. During the first two quarters of 2021, order intake was abnormally high due to the rising lead times from order to delivery, while order intake in 2022 is based on shorter, more normal lead times. Order intake for the quarter amounted to SEK 1,036 million. Order intake for comparable units decreased 14 per cent. The decrease in USD was 27 per cent. Book to bill was 92 per cent. Order intake in the second quarter of 2021 is estimated to have been elevated by approximately SEK 200 million due to longer lead times at the time as the order intake is lower 2022 due to normalization of lead times. Developments were broadly similar in *Nordic* and *Europe*, while *North America* noted stronger growth than other segments. *East* reported a weaker performance due to the many lockdowns for customers in China and the divestment of Russia. Positive, though, is to note that PCB production at NCAB's factory partners was only marginally affected by the lockdowns. The restricted travel possibilities to Asia have continued to provide NCAB with significant advantages over its competitors as NCAB's local Factory Management team is on site in the region. This has meant NCAB can have daily contact with the company's factory partners.

NET SALES

Net sales increased in the quarter by 47 per cent to SEK 1,122.0 million (762.2). In USD, the increase was 25 per cent. Net sales in comparable units increased 35 per cent and by 15 per cent in USD. All segments reported growth, except *East*. Since April, Russia has been excluded from net sales and China also reported lower net sales year-on-year as many customers were encompassed by lockdowns.

EARNINGS

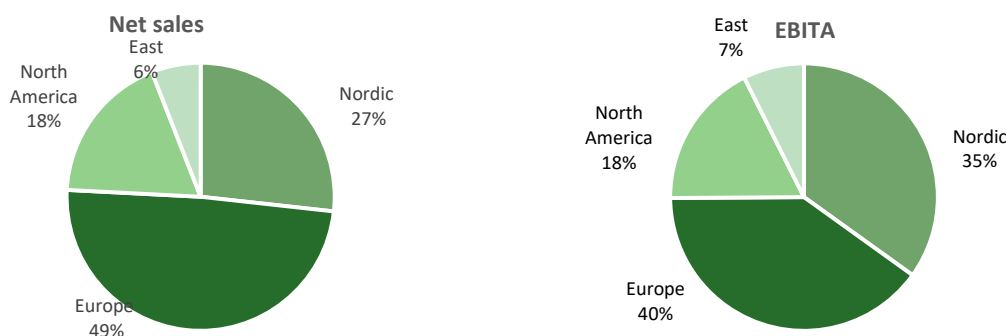
Earnings strengthened further during the quarter and EBITA was SEK 160.2 million (103.8), EBITA margin rose to 14.3 per cent (13.6). SEK 4.9 million was charged to EBITA in acquisition costs. NCAB can see the positive earnings impact from economies of scale and integration of acquired companies. NCAB has also successfully maintained and in some cases increased its gross margin in the acquired companies. The sharp currency fluctuations during the quarter also had a positive impact on earnings. Most of the Group's invoicing is in USD as is almost all PCB purchasing. The stronger USD therefore 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*, but adjusted for Russia, *East* also improved EBITA during the second quarter. The second quarter of 2021 included a positive one-off effect of SEK 11.0 million of the forgiven PPP loans in the USA. Operating profit for the quarter was SEK 150.9 million (99.7).

On 24 June, 100 per cent of the shares in Kestrel International Circuits in the UK was acquired, which significantly strengthened NCAB's position in the UK market.

Net financial items amounted to SEK 22.2 million (-2.0), where the improvement was due to foreign exchange gains of SEK 28.6 million (0.8). Tax amounted to SEK -31.9 million (-19.8). The average tax rate was 18.4 per cent (20.3). Profit after tax for the period totalled SEK 141.1 million (77.9). Earnings per share* were SEK 0.75 (0.42), before and after dilution.

*After 10:split

BREAKDOWN BY SEGMENT, APRIL–JUNE 2022



JANUARY–JUNE 2022

ORDER INTAKE

Order intake rose 8 per cent during the first half of the year to SEK 2,207 million (2,037) but decreased 5 per cent in USD. Order intake for comparable units decreased 18 per cent in USD. The decrease is due to an abnormally high order intake in 2021 linked to longer lead times. These are now more or less normalised. Adjusted to a normalised order intake in 2021, order intake for comparable companies is also assessed to have been higher in USD for the first half of 2022. The acquired companies had stronger order intake than expected.

NET SALES

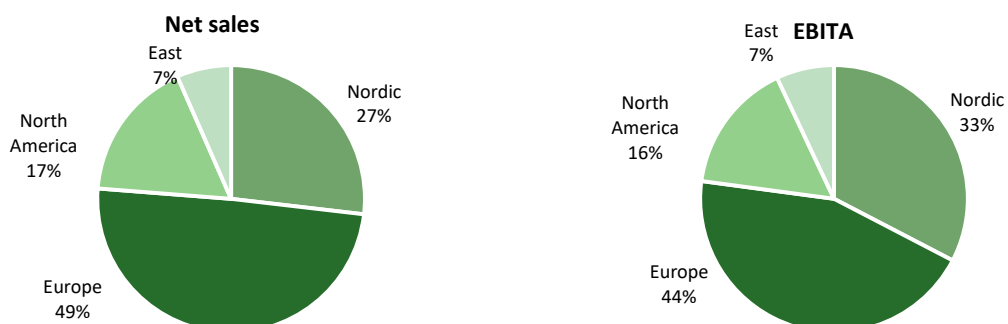
Net sales increased in the first half of the year by 64 per cent to SEK 2,263.3 million (1,379.3), with growth in USD at about 44 per cent. Net sales in comparable units increased 46 per cent and by 28 per cent in USD. *Nordic*, *Europe* and *North America* demonstrated very strong growth, both including and excluding acquisitions. However, the *East* segment noted a reduction in net sales resulting from the divestment of the Russian operations and lockdowns in China.

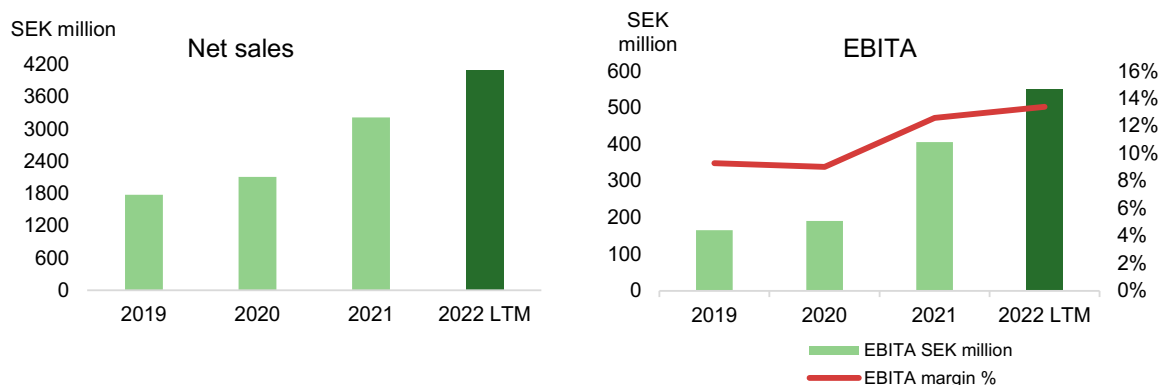
EARNINGS

EBITA was SEK 306.4 million (162.1) and EBITA margin rose to 13.5 per cent (11.8). 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 314.5 million, representing an EBITA margin of 13.9 per cent (11.2). The acquired companies performed well and displayed growth, without significantly contributing to higher central costs, which improved the margin. There was a significant improvement in earnings in all segments except *East*, but adjusted for Russia, *East* also improved EBITA. Operating profit increased to SEK 244.7 million (155.1). 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 287.9 million (155.1), corresponding to an operating margin of 12.7 per cent (11.2).

Net financial items amounted to SEK 16.0 million (-6.6). The improvement was due to foreign exchange gains primarily in cash and cash equivalents. Tax amounted to SEK -53.5 million (-29.8). The average tax rate rose to 20.5 per cent (20.1). Profit after tax for the period totalled SEK 207.3 million (118.7). Earnings per share was SEK 1.11 (0.63).

BREAKDOWN BY SEGMENT, JANUARY–JUNE 2022





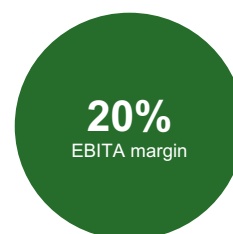
PERFORMANCE BY SEGMENT

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.

Second quarter 2022

Order intake increased 53 per cent to SEK 307 million (200). Growth was strong in Denmark and in former Elmatica, which was acquired in October 2021. Other countries noted lower order intake, mainly resulting from the increase in lead times in 2021, which created abnormally high order intake at that time. For comparable companies in USD, order intake decreased 26 per cent. Book to bill was 102 per cent.



Net sales for the quarter continued to grow steadily and amounted to SEK 300.1 million (143.7), an increase of 109 per cent. For comparable units, growth was 29 per cent. In USD, net sales for comparable units grew 10 per cent. All companies reported favourable growth and the integration of Elmatica progressed according to plan. PCBs for electric car chargers previously played a key part in growth in *Nordic*, but deliveries have been delayed due to component shortages during the quarter for components other than PCBs.

The segment continued to demonstrate stable, high profitability. During the quarter, EBITA rose to SEK 60.0 million (23.1) and EBITA margin increased to 19.9 per cent (16.1). Following initial restructuring costs in Elmatica, all companies in the segment now demonstrated good profitability.

January to June 2022

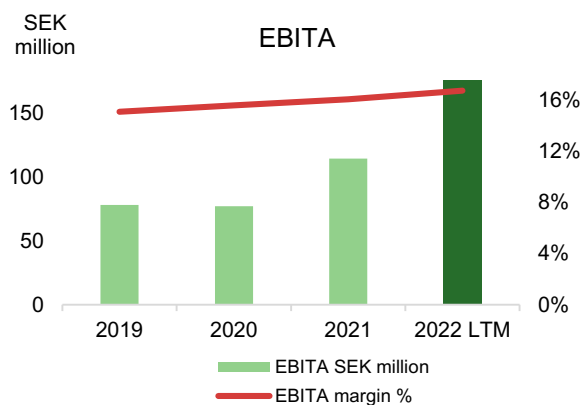
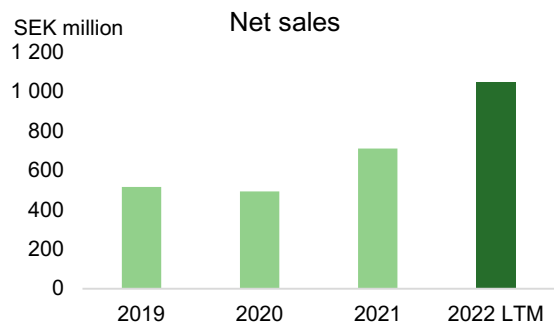
Order intake increased 56 per cent to SEK 628 million during the first half of the year, driven by the acquisition of Elmatica. For comparable companies, order intake decreased 3 per cent. The decrease in USD was 15 per cent. Net sales for the first half of the year amounted to SEK 607.6 million, which meant a continued increase in the order backlog despite the strong order intake in 2021.

A significant profitability increase was reported in all of the segment's companies thanks to an increased gross margin and, to some extent, positive currency effects. The integration of Elmatica required certain organisational changes that initially involved some non-recurring costs. For the first half of the year, EBITA amounted to SEK 102.9 million (41.6), corresponding to an EBITA margin of 16.9 per cent (15.4).

NORDIC

SEK million

	Apr-Jun			Jan-Jun			Full-year	
	2022	2021	%	2022	2021	%	LTM	2021
Net sales	300.1	143.7	108.7	607.6	270.6	124.5	1,047.5	710.5
EBITA	59.7	23.1	158.4	102.9	41.6	147.6	175.5	114.2
EBITA margin, %	19.9	16.1		16.9	15.4		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 low market share and 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.

Second quarter 2022

Order intake for the quarter totalled SEK 486 million (549). In USD, order intake decreased 26 per cent and the decrease in order intake for comparable units was 30 per cent in USD, though this was compared with an abnormally strong order intake in the second quarter of 2021, which was driven by increasing lead times and upcoming price increases. The decrease was mainly noted in the Netherlands and the UK, but despite this the order book in these countries grew. Book to bill for the segment was 88 per cent.

53%

Sales growth

Net sales in the second quarter increased 53 per cent to SEK 550.6 million (360.5). In USD, net sales rose 30 per cent and for comparable units net sales rose 22 per cent in USD. All companies in the segment increased net sales year-on-year. The integration of META is proceeding as planned and is now integrated with NCAB Germany. NCAB's position has been strengthened in the larger countries in the segment, which has created economies of scale and swifter processes to address new customers. At the end of the quarter, 100 per cent of the shares in Kestrel in the UK was acquired, which is expected to contribute at least SEK 125 million in annual net sales to the segment with an EBITA margin that is in line with the segment. SEK 4.1 million was charged to central costs relating to acquisition costs.

Increased net sales and margin improvements, as well as synergies from the acquired companies together with some currency effects, resulted in strong earnings. EBITA increased to SEK 68.4 million (38.2), with an EBITA margin improvement to 12.4 per cent (10.6). The gross margin improved in most of the segment's companies.

January to June 2022

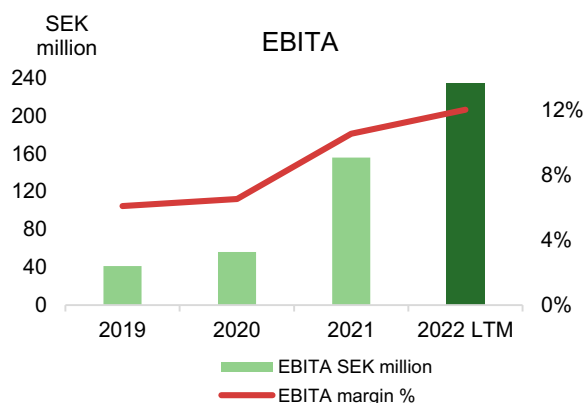
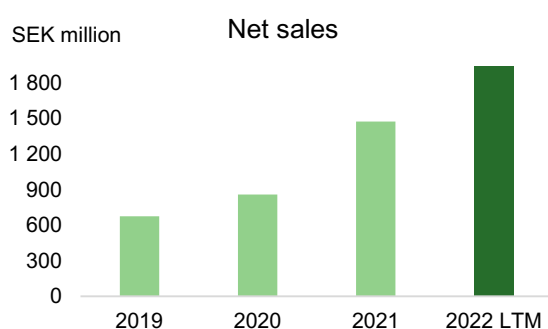
Order intake for the first six months increased 2 per cent to SEK 1,053 million (1,035). In USD, order intake decreased 11 per cent and for comparable units order intake decreased by 16 per cent in USD. Net sales increased in the first half of the year by 73 per cent to SEK 1,118.0 million (647.5). For comparable companies in USD, the increase was 43 per cent.

Synergies from economies of scale from organic growth and from acquisitions yielded faster ramp up of new customers and improving profitability. EBITA for the first half of the year increased to SEK 140.3 million (61.8).

EUROPE

SEK million

	Apr-Jun			Jan-Jun			Full-year	
	2022	2021	%	2022	2021	%	LTM	2021
Net sales	550.6	360.5	52.7	1,118.0	647.5	72.7	1,946.4	1,476.0
EBITA	68.4	38.2	78.9	140.3	61.8	127.1	234.7	156.2
EBITA margin, %	12.4	10.6		12.5	9.5		12.1	10.6



NORTH AMERICA

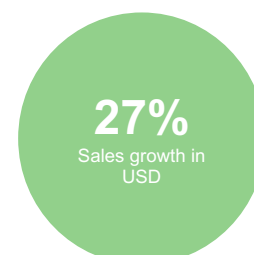
NCAB has five offices in the USA that cover the country from east to west. In September 2021, RedBoard Circuits in Arizona was acquired.

Second quarter 2022

Many customers reported a good level of activity. During the quarter, order intake increased 11 per cent to SEK 189 million (170). In USD, order intake decreased 6 per cent.

For comparable companies, the decrease was 13 per cent in USD. In *North America*, order intake was also abnormally high in 2021 due to changed lead times. Book to bill was 92 per cent.

Net sales for the segment increased 48 per cent to SEK 204.7 million (138.2). In USD, the increase was 27 per cent and for comparable units net sales rose 19 per cent in USD. The improvement is from many customers, both new and existing.



Earnings continued to improve and EBITA increased to SEK 30.3 million (26.2), with an EBITA margin of 14.8 per cent (18.9). During the second quarter of 2021, NCAB's PPP loans were forgiven in an amount corresponding to SEK 11.0 million. The real result therefore doubled between the years and the adjusted EBITA margin rose from 11.0 per cent to 14.8 per cent. An increase in gross margin and synergies from the acquisitions strengthened profitability.

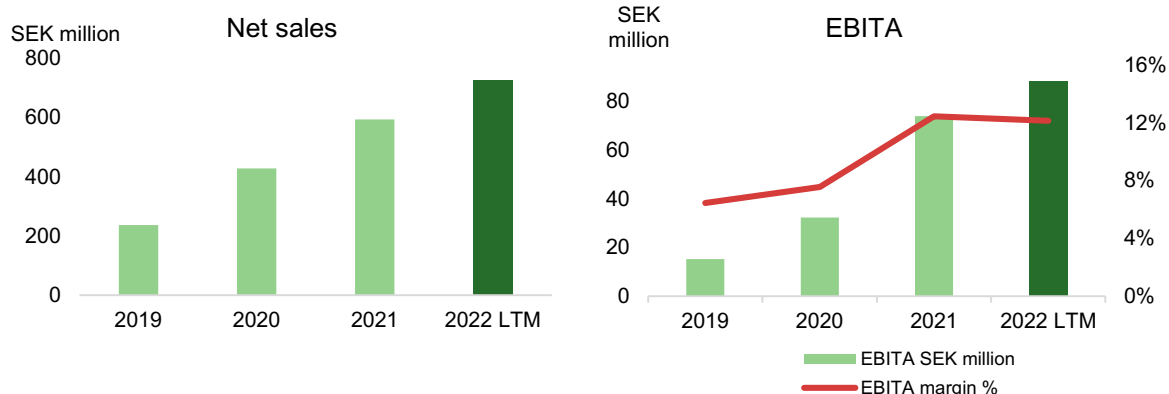
January to June 2022

Order intake increased 21 per cent to SEK 388 million (320) during the first half of the year. In USD, the increase was 6 per cent, though comparable companies noted a decrease of 2 per cent in USD. Net sales increased in the first half of the year by 52 per cent to SEK 388.8 million (256.3). In USD, the increase was 33 per cent and for comparable companies 25 per cent.

Increased gross margins and profitability in the acquired companies together with a strong market position improved earnings in the segment. For the first half of the year, EBITA totalled SEK 50.1 million (35.8), 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, EBITA margin rose from 9.7 per cent to 12.9 per cent.

NORTH AMERICA

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2022	2021	%	2022	2021	%	LTM	2021
Net sales	204.7	138.2	48.1	388.8	256.3	51.7	726.5	594.0
EBITA	30.3	26.2	15.8	50.1	35.8	40.0	88.3	74.0
EBITA margin, %	14.8	18.9		12.9	14.0		12.2	12.5

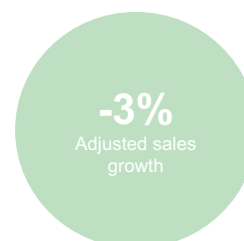


EAST

China and Malaysia. In China, NCAB has sales offices in Shenzhen, Beijing, Suzhou and Wuhan. Operations in Malaysia started in 2019. The *East* segment has 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 impairment of SEK 43.2 million. NCAB believed there was no longer any value in the Russia operations in the short or medium term.

Second quarter 2022

The second quarter was marked by many lockdowns encompassing NCAB's customers, mainly in the Shanghai area. Order intake for the quarter totalled SEK 60 million (138). The decrease mainly reflects the fact that Russia is no longer part of the Group, but China also reported a decline in order intake due to lockdowns for many customers. For comparable companies, order intake decreased 28 per cent in SEK and 39 per cent in USD. Book to bill for the segment was 90 per cent.



Net sales for the quarter amounted to SEK 66.6 million (119.7). For comparable companies, the decrease was 3 per cent in SEK. The decrease in USD was 18 per cent. Underlying demand among NCAB's customers is perceived as remaining favourable.

Profitability has improved 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 12.6 million (18.7) even though Russia is no longer a part of the segment. This was equivalent to an increase in EBITA margin of 18.9 per cent (15.6). Adjusted for Russia, EBITA of SEK 12.6 million compares with SEK 12.0 million in 2021, representing an EBITA margin of 18.9 per cent (17.5).

January to June 2022

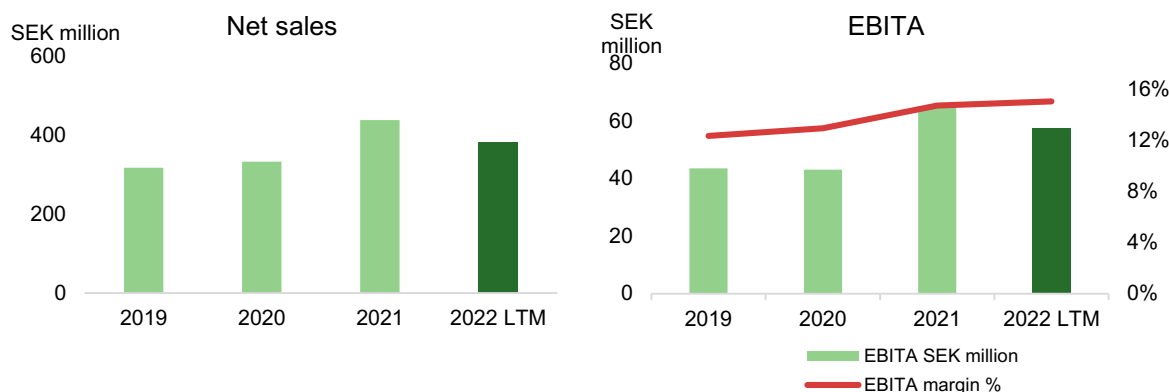
The segment was strongly affected by the divestment of the Russian operations and the local lockdowns in China. Order intake in the first half of the year amounted to SEK 145 million (279). For comparable companies, the decrease was 32 per cent in SEK. The decrease in USD was 40 per cent. Net sales decreased to SEK 148.9 million (204.9), which nevertheless means an increase in net sales for comparable companies of 6 per cent in SEK, although in USD a decrease of 8 per cent was reported.

Despite the divestment of Russian operations, EBITA for the first half of the year totalled SEK 22.0 million (29.0), corresponding to an EBITA margin of 14.8 per cent (14.1). Excluding Russia, EBITA for the first half of 2021 amounted to SEK 18.5 million. The divestment of NCAB Russia resulted in a loss of SEK 43,2 million, which had no impact on EBITA for the segment.

EAST

SEK million

	Apr-Jun			Jan-Jun			Full-year	
	2022	2021	%	2022	2021	%	LTM	2021
Net sales	66.6	119.7	-44.4	148.9	204.9	-27.3	383.0	439.0
EBITA	12.6	18.7	-32.4	22.0	29.0	-24.0	57.6	64.5
EBITA margin, %	18.9	15.6		14.8	14.1		15.0	14.7



FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the quarter was SEK 148.2 million (30.3). Inventory remained higher than normal, but as lead times improved tied-up working capital has now stabilised and is gradually falling. Working capital for the Group on 30 June corresponded to 10.7 per cent (8.0) of net sales over the past 12 months. Cash flow from operating activities in the first half of the year was SEK 172.4 million (28.3). NCAB has credit insurance for most of the trade receivables outstanding. Cash flow from investing activities was SEK -105.4 million (-21.6) during the quarter, driven by the acquisition of Kestrel. For the first half of the year, cash flow from investing activities was SEK 197.9 million (218.1). Non-acquisition-related investments for the first half of the year amounted to SEK -17.5 million (-1.9).

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 842.3 million (188.5). On 30 June, the equity/assets ratio was 32.5 per cent (42.3) and equity was SEK 984.3 million (773.8). At the end of the period, the Group had available liquidity of SEK 735 million (358), which includes undrawn overdraft facilities and the new credit facility of SEK 300 million that was signed immediately after the end of the quarter.

On 30 June 2022, NCAB had loans including utilised overdraft facility totalling SEK 963.6 million. NCAB has a loan of SEK 550 million and an acquisition credit of SEK 450 million (of which SEK 290 million is drawn). In addition, there is an overdraft facility of SEK 215 million and a new yet-to-be-drawn credit facility of SEK 300 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 June 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 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 terminate 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 cash flow impacts. The loss was provisioned for in the first quarter. 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. Thereafter, 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

- > The AGM voted in favour of a dividend of SEK 0.60 per share, 50% of which to be paid in May and 50% in October (in 2021, SEK 0.50* per share was paid as an ordinary dividend and SEK 1.00* as an extra dividend).
- > A new loan facility was signed with Nordea after the end of the quarter for an additional SEK 300 million to strengthen future acquisition opportunities.
- > On 8 April, NCAB divested its operations in Russia to the local Russian management for RUB 1. The divestment resulted in a loss of SEK 43.2 million, which was provisioned for in the first quarter of 2022.
- > On 24 June, 100% of the shares in Kestrel International Circuits in the UK, was acquired and NCAB strengthened its position in the UK market.

*) 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 June 2022, the number of employees was 574 (500), of whom 253 (228) were women and 321 (272) were men. The average number of employees in the organisation during the period was 589 (494), of whom 260 (224) were women and 328 (270) were men.

PARENT COMPANY

The Parent Company's net sales for the second quarter were SEK 26.6 million (16.9). Sales consist exclusively of internal billing. Profit after financial items was SEK 90.8 million (13.2) for the quarter, driven by dividends from subsidiaries. Net sales for the year amounted to SEK 50.8 million (35.8) and profit after financial items was SEK 75.3 million (14.6). The divestment of the Russian operations entailed loss of SEK 9.9 million, which was provisioned for 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, 20 July 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

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 21 July 2022, at 7:30 a.m.

NCAB Group AB (publ)

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NCAB Group is publishing the interim report for the first half of 2022, January–June, on Thursday 21 July at 7:30 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: SE: +46850558355, UK: +443333009261, US: +1 6319131422 US-PIN: 17297320#. The presentation and conference can also be followed from the following link: <https://tv.streamfabriken.com/ncab-group-q2-2022>.

FINANCIAL CALENDAR

Interim report third quarter	8 November 2022
Year-end report	17 February 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	Apr-Jun		Jan-Jun		LTM	Jan-Dec 2021
	2022	2021	2022	2021		
Operating revenue						
Net sales	1,122.0	762.2	2,263.3	1,379.3	4,103.4	3,219.5
Other operating income	14.0	11.0	14.4	12.4	15.5	13.4
Total	1,136.0	773.3	2,277.7	1,391.7	4,118.9	3,232.9
Raw materials and consumables	-770.5	-532.3	-1,567.6	-969.2	-2,843.8	-2,245.4
Other external expenses	-57.7	-39.3	-110.1	-71.2	-187.0	-148.1
Staff costs	-135.7	-92.4	-270.3	-176.8	-494.3	-400.8
Dep. and amort of fixed assets	-18.1	-9.1	-33.8	-16.7	-58.5	-41.4
Write down of NCAB Russia	-	-	-43.2	-	-43.2	-
Other operating expenses	-3.2	-0.4	-8.1	-2.7	-15.3	-10.0
Total operating expenses	-985.1	-673.5	-2,033.0	-1,236.6	-3,642.2	-2,845.8
Operating profit	150.9	99.7	244.7	155.1	476.8	387.2
Net financial income/expense	22.2	-2.0	16.0	-6.6	-0.4	-23.1
Profit before tax	173.0	97.7	260.8	148.5	476.4	364.1
Income tax	-31.9	-19.8	-53.5	-29.8	-102.5	-78.9
Profit for the period	141.1	77.9	207.3	118.7	373.9	285.3
Profit attributable to:						
Shareholders of the Parent Company	141.1	77.8	207.2	118.5	373.6	284.9
Non-controlling interests	0.1	0.1	0.1	0.2	0.3	0.3
Average number of shares before dilution	186,924,708	186,971,240	186,921,865	18,697,124	186,920,415	186,944,900
Average number of shares after dilution	187,291,959	186,971,240	187,257,563	18,697,124	187,245,947	187,133,712
Earnings per share before dilution	0.75	0.42	1.11	0.63	2.00	1.52
Earnings per share after dilution	0.75	0.42	1.11	0.63	2.00	1.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr-Jun		Jan-Jun		LTM	Jan-Dec 2021
	2022	2021	2022	2021		
Profit for the period	141.1	77.9	207.3	118.7	373.9	285.3
Other comprehensive income, items that can subsequently be reclassified to profit or loss:						
Foreign exchange differences	32.2	-14.4	65.1	22.3	112.2	69.5
	-8.2	-	-8.2	-	-8.2	-
Total comprehensive income	165.1	63.5	264.1	141.0	477.9	354.7
Profit attributable to:						
Shareholders of the Parent Company	165.1	63.4	264.0	140.8	477.6	354.4
Non-controlling interests	0.1	0.1	0.1	0.2	0.3	0.3

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	30 Jun 2022	30 Jun 2021	31 Dec 2021
Non-current assets			
Goodwill	1,027.1	585.7	923.9
Other intangible assets	166.7	75.8	153.2
Leasehold improvement costs	4.5	1.9	4.3
Right-of-use Office and Cars	64.1	29.1	34.4
Plant and equipment	12.7	6.1	7.5
Financial assets	5.7	5.4	8.2
Deferred tax assets	11.2	6.8	7.7
Total non-current assets	1,292.0	710.7	1,139.1
Current assets			
Inventories	523.1	252.0	519.6
Trade receivables	977.0	613.1	789.6
Other current receivables	21.9	18.8	51.0
Prepaid expenses and accrued income	30.8	24.1	25.0
Cash and cash equivalents	188.7	146.3	136.7
Total current assets	1,741.6	1,054.2	1,521.9
TOTAL ASSETS	3,033.6	1,765.0	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	69.9	-127.6	13.1
Retained earnings	434.1	394.6	280.3
Non-controlling interests	0.2	0.3	0.4
Total equity	984.3	747.3	773.8
Non-current liabilities			
Borrowings	834.5	265.8	644.0
Leased liabilities	44.4	20.0	24.5
Deferred tax	55.8	32.7	55.5
Total non-current liabilities	934.6	318.5	724.0
Current liabilities			
Current liabilities	129.1	38.2	190.3
Current right-of-use liabilities	23.0	10.8	12.4
Trade payables	647.1	472.1	618.7
Current tax liabilities	86.1	31.5	57.8
Other current liabilities	62.4	52.9	168.6
Accrued expenses and deferred income	167.0	93.8	115.3
Total current liabilities	1,114.7	699.2	1,163.1
TOTAL EQUITY AND LIABILITIES	3,033.6	1,765.0	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				118.5	118.5	0.2	118.7
Other comprehensive income for the period	-	-	22.3	-	22.3	-	22.3
income	-	-	22.3	118.5	140.8	0.2	141.0
Dividend			-93.5	-	-93.5	-0.1	-93.6
Total transactions with shareholders, recognised directly in equity	-	-	-93.5	-	-93.5	-0.1	-93.6
30 Jun 2021	1.9	478.1	-127.6	394.6	747.0	0.3	747.3

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				207.2	207.2	0.1	207.3
Other comprehensive income for the period	-	-	56.8	-	56.8	-	56.8
income	-	-	56.8	207.2	264.0	0.1	264.1
Dividend	-	-	-	-56.1	-56.1	-0.3	-56.4
Own shares	-	-	-	0.6	0.6	-	0.6
Cost for Warrants	-	-	-	2.1	2.1	-	2.1
Total transactions with shareholders, recognised directly in equity	-	-	-	-53.4	-53.4	-0.3	-53.7
30 Jun 2022	1.9	478.1	69.9	434.1	984.1	0.2	984.3

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2022	2021	2022	2021	LTM	2021
Cash flow from operating activities						
Profit before net financial income/expense	150.9	99.7	244.7	155.1	476.8	387.2
Adjustment for non-cash items	42.4	-3.6	47.1	-2.6	121.4	71.8
Interest received	-0.0	0.0	0.2	0.0	0.2	0.1
Interest paid	-5.7	-4.0	-10.7	-5.0	-20.7	-15.0
Income taxes paid	-22.5	-3.7	-32.6	-14.3	-53.5	-35.2
Cash flow from operating activities before changes in working capital	165.0	88.4	248.6	133.3	524.2	408.8
Change in inventories	-33.8	-66.1	26.1	-57.2	-241.1	-324.4
Change in current receivables	-58.6	-126.2	-131.7	-252.6	-203.7	-324.6
Change in current operating liabilities	75.6	134.2	29.5	204.8	113.1	288.4
Total changes in working capital	-16.8	-58.1	-76.2	-105.0	-331.8	-360.5
Cash flow from operating activities	148.2	30.3	172.4	28.3	192.4	48.3
Cash flow from investing activities						
Investments in property, plant and equipment	-0.4	-0.5	-6.1	-1.0	-8.4	-3.3
Investments in intangible assets	-6.6	-0.3	-9.0	-0.4	-10.0	-1.4
Investments in subsidiaries	-98.4	-20.5	-180.4	-216.2	-532.1	-567.9
Investments in financial assets	-	-0.4	-2.4	-0.5	-5.2	-3.3
Cash flow from investing activities	-105.4	-21.6	-197.9	-218.1	-555.7	-575.9
Cash flow from financing activities						
Change in overdraft facility	-24.3	-	-60.9	-	128.1	189.0
Borrowings	90.0	-	190.0	-	840.0	650.0
Transaction cost, loans	-	-	-	-	-6.2	-6.2
Repayment of loans	-	-9.1	-	-18.3	-317.2	-335.4
Repayment of leased liabilities	-5.2	-3.4	-10.2	-6.8	-19.7	-16.3
Dividend	-56.1	-93.5	-56.1	-93.5	-243.1	-280.5
Cash flow from financing activities	4.3	-106.0	62.8	-118.6	382.1	200.8
Decrease/increase in cash and cash equivalents						
Cash flow for the period	47.1	-97.3	37.3	-308.3	18.8	-326.9
Foreign exchange difference in cash and cash equivalents	14.6	-2.1	14.7	5.6	23.7	14.6
Cash and cash equivalents at beginning of period	127.0	245.7	136.7	449.0	146.2	449.0
Cash and cash equivalents at end of period	188.7	146.2	188.7	146.2	188.7	136.7

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Operating revenue					
Net sales	26.6	16.9	50.8	35.8	97.9
Total	26.6	16.9	50.8	35.8	97.9
Other external expenses	-15.1	-9.9	-30.8	-20.2	-57.4
Staff costs	-16.8	-11.1	-28.4	-20.6	-46.9
Depreciation of property, plant and equipment, and amortisation of intangible assets	-	-	-0.3	-0.3	-0.5
Write down	-	-	-9.9	-	-
Other operating expenses	-	-	-	-	-
Total operating expenses	-32.0	-21.2	-69.4	-41.1	-104.8
Operating loss	-5.5	-4.3	-18.6	-5.3	-6.9
Income from investments in Group companies	93.1	19.2	90.4	19.5	42.7
Other interest income and similar income	9.4	1.1	14.1	5.1	8.4
Interest expense and similar charges	-6.3	-2.7	-10.6	-4.7	-16.4
Net financial income/expense	96.3	17.5	93.9	19.9	34.7
Profit before tax	90.8	13.2	75.3	14.6	27.7
Appropriations	-	-	-	-	13.5
Tax on profit for the period	-0.1	0.1	-0.1	-0.4	-0.4
Profit for the period	90.8	13.3	75.2	14.2	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 Jun 2022	30 Jun 2021	31 Dec 2021
Non-current assets			
Capitalised development costs	6.8	0.8	0.5
Plant and equipment	0.1	0.0	0.0
Non-current financial assets	1,241.4	521.9	850.0
Total non-current assets	1,248.2	522.6	850.5
Current assets			
Trade receivables	-	-	-
Receivables from Group companies	211.8	395.2	474.0
Other current receivables	1.5	1.6	2.9
Prepaid expenses and accrued income	5.4	6.0	3.0
Cash and cash equivalents	0.1	12.7	0.1
Total current assets	218.8	415.5	480.0
TOTAL ASSETS	1,467.1	938.1	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	-297.4	-95.1	-282.1
Profit/ loss for the period	75.2	14.2	40.8
Total equity	257.9	399.0	238.7
Untaxed reserves	3.8	8.8	3.8
Non-current liabilities			
Liabilities to credit institutions	834.5	265.4	644.0
Total non-current liabilities	834.5	265.4	644.0
Current liabilities			
Liabilities to credit institutions	128.6	36.5	189.5
Trade payables	6.4	5.2	2.9
Liabilities to Group companies	220.1	211.2	225.3
Current tax liabilities	-	-	-
Other current liabilities	3.1	3.7	4.0
Accrued expenses and deferred income	12.7	8.2	22.3
Total current liabilities	370.9	264.9	444.0
TOTAL EQUITY AND LIABILITIES	1,467.1	938.1	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	-	-	14.2	14.2
Total comprehensive income	-	-	14.2	14.2
Issue of new ordinary shares	-	-	-	-
Transaction cost	-	-	-	-
Total transactions with shareholders, recognised directly in equity	-	-	-93.5	-93.5
30 Jun 2021	1.9	478.1	-81.0	399.0

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	-	-	75.2	75.2
Total comprehensive income	-	-	75.2	75.2
Dividend, shares	-	-	-56.1	-56.1
Total transactions with shareholders, recognised directly in equity	-	-	-56.1	-56.1
30 Jun 2022	1.9	478.1	-222.1	257.9

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

Significant estimates and judgements

For information on significant estimates and judgements made by management in preparing the consolidated financial statements, see Note 2 of the 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, April–June 2022

Quarter	Nordic		Europe		North America		East		Central functions		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
SEK million												
Net sales	300.1	143.7	550.6	360.5	204.7	138.2	66.6	119.7	-	-	1,122.0	762.2
EBITA	59.7	23.1	68.4	38.2	30.3	26.2	12.6	18.7	-10.9	-2.4	160.2	103.8
EBITA margin, %	19.9	16.1	12.4	10.6	14.8	18.9	18.9	15.6			14.3	13.6
Amortis. intangible assets											-9.3	-4.0
Write down Russia											-	-
Operating profit											150.9	99.8
Operating margin, %											13.4	13.1
Net financial expense											22.2	-2.0
Profit before tax											173.0	97.8
Net working capital	104.5	52.7	371.8	150.9	51.8	24.2	53.8	42.8	8.4	-13.0	590.4	257.7

Sales and earnings of segments, January–June 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	608	271	1,118	648	389	256	149	205	-	-	2,263	1,379
EBITA	102.9	41.6	140.3	61.8	50.1	35.8	22.0	29.0	-8.9	-5.9	306.4	162.1
EBITA margin, %	16.9	15.4	12.5	9.5	12.9	14.0	14.8	14.1			13.5	11.8
Amortis. intangible assets											-18	-7
Write down Russia											-43	-
Operating profit											245	155
Operating margin, %											10.8	11.2
Net financial expense											16	-7
Profit before tax											261	148
Net working capital	104	53	372	151	52	24	54	43	8	-13	590	258
Fixed assets	23	5	31	12	8	9	2	1	18	9	81	37
Intangible assets	443	61	427	347	309	244	8	8	7	1	1,194	661

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	1,047	711	1,946	1,476	727	594	383	439	-0	-	4,103	3,220
EBITA	175.5	114.2	234.7	156.2	88.3	74.0	57.6	64.5	-5.8	-2.8	550.4	406.1
EBITA margin, %	16.8	16.1	12.1	10.6	12.2	12.5	15.0	14.7			13.4	12.6
Amortis. intangible assets											-30	-19
Write down Russia											-43	-
Operating profit											477	387
Operating margin, %											11.6	12.0
Net financial expense											-0	-23
Profit before tax											476	364
Net working capital	104	80	372	307	52	44	54	75	8	-81	590	425
Fixed assets	23	9	31	16	8	8	2	1	18	12	81	46
Intangible assets	443	448	427	344	309	275	8	9	7	1	1,194	1,077

Note 5

Quarterly summary

	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20
Order intake, SEK million	1,035.7	1,171.3	1,067.1	935.2	1,057.8	978.9	681.4	512.3
Order intake, USD million	104.9	125.3	120.6	107.3	126.2	116.5	77.9	57.8
Net sales, SEK million	1,122.0	1,141.3	976.6	863.6	762.2	617.1	514.9	536.7
SEK annual growth, %	47.2	84.9	89.7	60.9	31.3	27.7	21.9	22.0
Net sales, USD million	114.0	122.1	111.3	99.8	90.9	73.5	59.5	60.3
USD annual growth, %	25.4	66.2	87.1	65.5	51.5	46.9	32.0	33.5
Gross margin, %	31.3	30.2	30.6	30.8	30.1	29.4	31.4	29.3
EBITA, SEK million	160.2	146.3	121.0	123.2	103.8	58.4	52.2	50.1
EBITA margin, %	14.3	12.8	12.4	14.3	13.6	9.5	10.1	9.3
Operating profit/loss, SEK million	150.9	93.8	113.7	118.6	99.7	55.4	50.1	47.2
Total assets, SEK million	3,033.6	2,732.6	2,661.0	1,981.8	1,765.0	1,663.4	1,483.0	1,558.3
Cash flow from operating activities, SEK million	148.2	24.2	19.8	0.2	30.3	-2.0	47.0	67.9
Equity/assets ratio, %	32.4	32.0	29.1	43.1	42.3	46.7	47.2	46.7
Number of employees	574	603	562	512	500	488	474	469
Average exchange rate, SEK/USD	9.83	9.33	8.86	8.65	8.41	8.39	8.62	8.87
Average exchange rate, SEK/EUR	10.47	10.48	10.13	10.19	10.14	10.11	10.27	10.36

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. Acquisition 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. Acquisition costs related to the acquisition amounted to approximately SEK 4.1 million and were expensed as central costs.

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.

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

An additional purchase consideration of SEK 59.4 million has been paid for the acquisition of Elmatica. The final amount is yet to be determined.

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	Apr-Jun		Jan-Jun		Jan-Dec	
	2022	2021	2022	2021	LTM	2021
Net sales	1,122.0	762.2	2,263.3	1,379.3	4,103.4	3,219.5
Other operating income	0.1	11.4	0.5	11.8	2.2	13.4
Cost of goods sold	-770.5	-532.3	-1,567.6	-969.2	-2,843.8	-2,245.4
Translation differences	-	-0.6	-	0.3	-0.3	-
Total gross profit	351.6	240.7	696.2	422.2	1,261.5	987.5
Gross margin, %	31.3	31.6	30.8	30.6	30.7	30.7
Gross margin excl PPP, %	31.3	30.1	30.8	29.8	30.7	30.3

EBITA

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2022	2021	2022	2021	LTM	2021
Operating profit	150.9	99.7	244.7	155.1	476.8	387.2
Amortisation and impairment of intangible assets	9.3	4.0	61.7	7.0	73.6	18.9
EBITA	160.2	103.8	306.4	162.1	550.4	406.1
EBITA margin, %	14.3	13.6	13.5	11.8	13.4	12.6
EBITA margin excl PPP, %	14.3	12.2	13.5	11.0	13.4	12.3

EBITDA

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2022	2021	2022	2021	LTM	2021
Operating profit	150.9	99.7	244.7	155.1	476.8	387.2
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	18.1	9.1	33.8	16.7	58.5	41.4
EBITDA	169.0	108.8	278.5	171.8	535.3	428.6
EBITDA margin, %	15.1	14.3	12.3	12.5	13.0	13.3
EBITDA margin excl PPP, %	15.1	12.8	12.3	11.7	13.0	13.0

Return on equity

SEK million	Jun 2022	Jun 2021	Dec 2021
Profit for the period — LTM	373.9	185.4	285.3
Equity (average)	865.8	709.8	736.9
Return on equity, %	43.2	26.1	38.7

Net working capital and capital employed

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Inventories	523.1	252.0	519.6
Trade receivables	977.0	613.1	789.6
Other current receivables	21.9	18.8	51.0
Prepaid expenses and accrued income	30.8	24.1	25.0
Trade payables	-647.1	-472.1	-618.7
Current tax liabilities	-86.1	-31.5	-57.8
Other current liabilities	-62.4	-52.9	-168.6
Accrued expenses and deferred income	-167.0	-93.8	-115.3
Net working capital	590.4	257.7	424.7
Non-current assets	1,292.0	710.7	1,139.1
Prepaid expenses and accrued income	188.7	146.3	136.7
Deferred tax	-55.8	-32.7	-55.5
Capital employed	2,015.3	1,082.0	1,645.0

Return on capital employed

SEK million	Jun 2022	Jun 2021	Dec 2021
Operating profit/loss — LTM	476.8	252.4	387.2
Capital employed (average)	1,548.7	1,062.2	1,354.3
Return on capital employed, %	30.8	23.8	28.6

Equity/assets ratio

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Equity	984.3	747.3	773.8
Untaxed reserves	-	-	-
Total	984.3	747.3	773.8
Total assets	3,033.6	1,765.0	2,661.0
Equity/assets ratio, %	32.4	42.3	29.1

Net debt

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Interest-bearing liabilities	1,031.0	334.8	871.2
Cash and cash equivalents	-188.7	-146.3	-136.7
Total net debt	842.3	188.5	734.5
EBITDA LTM	535.3	283.9	428.6
Net debt / EBITDA	1.6	0.7	1.7

Net debt excl. IFRS 16 adjustment

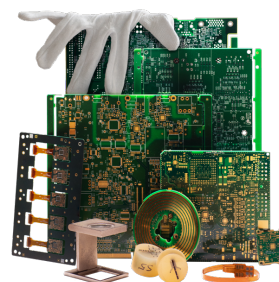
SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Interest-bearing liabilities excl IFRS 16	963.6	304.0	834.2
Cash and cash equivalents	-188.7	-146.3	-136.7
Total net debt excl IFRS16	774.9	157.7	697.5
EBITDA LTM excl IFRS 16	513.3	270.1	412.4
Net debt excl IFRS 16/ EBITDA excl IFRS 16	1.5	0.6	1.7

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 of April, the Board of NCAB set new financial targets. The medium-term objectives are:

- > 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).

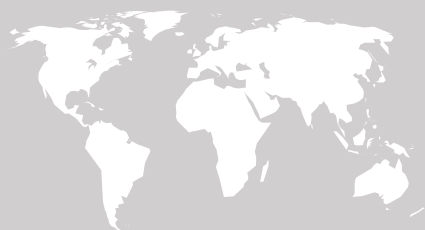
3,150
CUSTOMERS



15
COUNTRIES WITH
LOCAL PRESENCE



29
MANUFACTURERS



574
SPECIALISTS



307
MILLION PCBs
MANUFACTURED PER YEAR



