

Year-end Report 2022

OCTOBER–DECEMBER 2022

- > Net sales increased by 5% to SEK 1,026.1 million (976.6). In USD, net sales decreased 15%. For comparable units, net sales increased 2%, but in USD the decrease was 16%.
- > Order intake decreased 5% to SEK 1,009.2 million (1,067.1). The decrease in USD was 23%. Order intake was abnormally high in 2021 due to the increasing lead times. For comparable units, the decrease for order intake was 7% in SEK, and 24% in USD.
- > EBITA increased 17% to SEK 141.0 million (121.0), representing an EBITA margin of 13.7% (12.4). EBITA includes a positive one-off item of SEK 9.6 million following the final calculation of an additional purchase consideration. Excluding this one-off item, EBITA margin was 12.8% (12.7).
- > Cash flow from operating activities was SEK 189.4 million (19.8).
- > Operating profit was SEK 129.3 million (113.7).
- > Profit after tax was SEK 71.3 million (75.7).
- > Earnings per share before and after dilution was SEK 0.38 (0.40).

JANUARY–DECEMBER 2022

- > Net sales increased 38% to SEK 4,457.7 million (3,219.5). In USD, net sales increased 17%. For comparable units, net sales increased 26%, and in USD 6%.
- > Order intake increased 5% to SEK 4,227.2 million (4,039.0). In USD, order intake decreased 11%. For comparable units, the decrease of order intake was 6% in SEK, and 20% in USD. The decrease was mainly due to long lead times in 2021, which have since returned to normal levels.
- > EBITA increased to SEK 630.9 million (406.1), representing an EBITA margin of 14.2% (12.6). During the year, EBITA was positively impacted, net, by SEK 1.6 million in acquisition costs and final additional purchase considerations. Excluding these items, EBITA amounted to SEK 629.3 million, representing an EBITA margin of 14.1% (12.5, excl transaction cost and PPP loan for 2021).
- > On 8 April, NCAB divested its operations in Russia, which entailed impairment losses of SEK 43.2 million that did not impact EBITA.
- > Cash flow from operating activities was SEK 568.1 million (48.3).
- > Operating profit was SEK 546.4 million (387.2).
- > Profit after tax was SEK 417.1 million (285.3).
- > Earnings per share was SEK 2.23 (1.52).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > Benjamin Klingenberg, MD of NCAB Germany was appointed VP of NCAB Europe and consequently is a new member of Group management as of 1 November. Howard Goff, former VP NCAB Europe was appointed VP Sales.
- > On 24 November, an agreement was signed to acquire 100% of the shares in Bare Board Consultants in Italy. The transaction was closed on 10 January.
- > The Board of Directors proposes a dividend of SEK 1.10 (0.60) per share to be paid in May.

Key performance indicators

	Oct-Dec			Jan-Dec		
	2022	2021	%	2022	2021	%
Order intake, SEK million	1,009.2	1,067.1	-5.4	4,227.2	4,039.0	4.7
Order intake, USD million	93.2	120.6	-22.7	417.5	470.7	-11.3
Net sales, SEK million	1,026.1	976.6	5.1	4,457.7	3,219.5	38.5
Net sales, USD million	94.4	111.3	-15.2	440.3	375.5	17.3
Gross margin, %	34.1	30.6		32.2	30.7	
EBITA, SEK million	141.0	121.0	16.5	630.9	406.1	55.4
EBITA margin, %	13.7	12.4		14.2	12.6	
Operating profit, SEK million	129.3	113.7	13.7	546.4	387.2	41.1
Operating margin, %	12.6	11.6		12.3	12.0	
Profit after tax, SEK million	71.3	75.7	-5.8	417.1	285.3	46.2
Earnings per share* before dilution, SEK	0.38	0.40	-5.7	2.23	1.52	46.4
Earnings per share* after dilution, SEK	0.38	0.40	-5.7	2.23	1.52	46.2
Cash flow from operating activities, SEK million	189.4	19.8		568.1	48.3	1,076.6
Return on capital employed, %				29.0	28.6	
Return on equity, %				42.4	38.7	
USD/SEK - average	10.73	8.86		10.12	8.58	
EUR/SEK - average	10.94	10.13		10.63	10.14	

MESSAGE FROM THE CEO

A stable quarter ended strong year for NCAB

Despite a turbulent macro environment and a global economic slowdown, we are proud to report a stable quarter. Net sales continued to rise, as did margins, and in addition we also had a strong cash flow. This gives us an excellent starting position for 2023.

After seven to eight quarters of very strong growth in the global PCB market, we saw some signs of a restraint during the quarter. Shortening lead times and increased focus on tied up capital among our customers and, in turn, their customers, have had a temporary negative impact on order intake. Supply chain problems in recent years have led to accumulation of inventory at several levels that are now being reduced.

The basic sentiment of our customer base remains positive with stable underlying demand. The majority of our customers are active in industrial applications, and we have very little exposure to consumer products and other more cyclical market segments.

We noted a continuing positive trend for net sales in our *Nordic* and *Europe* segments while *North America* and *East* were weaker. In the USA, the central bank began cooling down the American economy early in 2022 and this began to be reflected in customer demand in the fourth quarter. In *East*, demand remained weak, affected by COVID restrictions.

It is gratifying to see that the EBITA margin increased in all segments, which was made possible through close collaboration with our customers, and a high level of service and technology in deliveries as well as economies of scale resulting from our expansion. Our employees also were successful in reducing our working capital ensuring strong cash flow.

The weak economic development in China in 2022, led to lower utilisation levels in Chinese PCB factories, which together with a strong USD against the CNY resulted in lower prices in new projects. As China once again is opening up, we expect the Chinese economy to restart and utilisation levels to rise in factories.

We remain confident about the future. We have a strong financial position, an excellent result and good cash flow. Most of our customers are positive about their order situation and future growth opportunities. We have a good mix of countries, regions and industries and generally speaking, low market shares. We also have an active pipeline of acquisitions and were pleased to welcome Bare Board Consultants in Italy during the quarter.

Finally, I would like to extend my deep gratitude to our dedicated employees around the world who work tirelessly to deliver high value and good service to our customers.

Peter Kruk
President and CEO, NCAB Group AB



“ Proud of a stable quarter. ”

Q4 2022

5%
Sales growth

1,026.1
Net sales, SEK
million

141.0
EBITA, SEK
million

13.7%
EBITA margin

OCTOBER–DECEMBER 2022

ORDER INTAKE

A slightly weaker market was discernible in the quarter. Lead times for both the production of PCBs and shipping have returned to normal levels, which exerted further pressure on order intake when order placement by our customers was adapted to the shorter delivery times. Following the strong price hike in 2020/2021, a slight downward price adjustment was also noted, primarily due to the lower utilisation rate in the Asian factories. As China opens up, local demand is expected to rise and increase utilisation levels in the factories.

Order intake for the quarter amounted to SEK 1,009 million (1,067). Order intake for comparable units decreased 7 per cent. The decrease in USD was 24 per cent. Book to bill was 98 per cent. Development in *Nordic* and *Europe* was stable, while NCAB noted a weaker trend in *North America* compared with the year-earlier period. *East* continued to be negatively affected by the repeated lockdowns for customers in China.

NET SALES

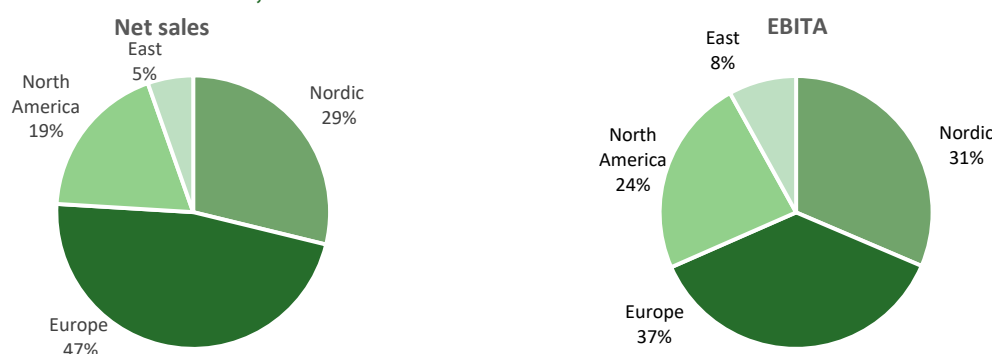
Net sales increased in the quarter by 5 per cent to SEK 1,026.1 million (976.6). In USD, net sales decreased 15 per cent. Net sales in comparable units increased 2 per cent while net sales in USD decreased 16 per cent. The *East* segment reported lower net sales year-on-year while all other segments displayed growth compared with the fourth quarter of 2021. In the *East* segment, Russia has been excluded since April. Customers in China were still affected by the lockdowns.

EARNINGS

The fourth quarter again produced strong figures. EBITA increased to SEK 141.0 million (121.0) and EBITA margin grew to 13.7 per cent (12.4). EBITA margin improved in all segments and EBITA rose in all segments except *East*. Growth has led to efficiency enhancements and economies of scale. The gross margin continued to develop positively, which also contributed to improved profitability. The final additional purchase consideration for the acquisition of Elmatica, which took place in 2021, was lower than expected, which had a positive impact on earnings of SEK 9.6 million. Operating profit for the quarter increased 14 per cent to SEK 129.3 million (113.7).

Net financial items amounted to SEK -22.2 million (-17.3), interest expenses increased to SEK -10.5 million (-5.7) while the weakening USD entailed foreign exchange losses of SEK -13.2 million (-11.6). Tax amounted to SEK -35.8 million (-20.7). The average tax rate was 33.4 per cent (21.5). The increased tax rate was partly the result of periodic tax adjustments from previous quarters but also because a higher share of earnings came from countries with higher tax rates. Profit after tax for the period totalled SEK 71.3 million (75.7). Earnings per share were SEK 0.38 (0.40), before as well as after dilution.

BREAKDOWN BY SEGMENT, OCTOBER–DECEMBER 2022



JANUARY–DECEMBER 2022

ORDER INTAKE

Order intake rose 5 per cent during the year to SEK 4,227.2 (4,039.0) but decreased 11 per cent in USD. Order intake for comparable units decreased 20 per cent in USD. The decrease is primarily attributable to an abnormally high order intake in 2021 linked to lengthening lead times from both disturbances in the production chain and in logistics. Order intake in 2021 was, for these reasons, estimated to have been approximately SEK 500 million higher than normal. As lead times have decreased, the urgency among customers to place orders has fallen, which resulted in lower order intake than normal in 2022. Lead times have now returned to more normal levels.

NET SALES

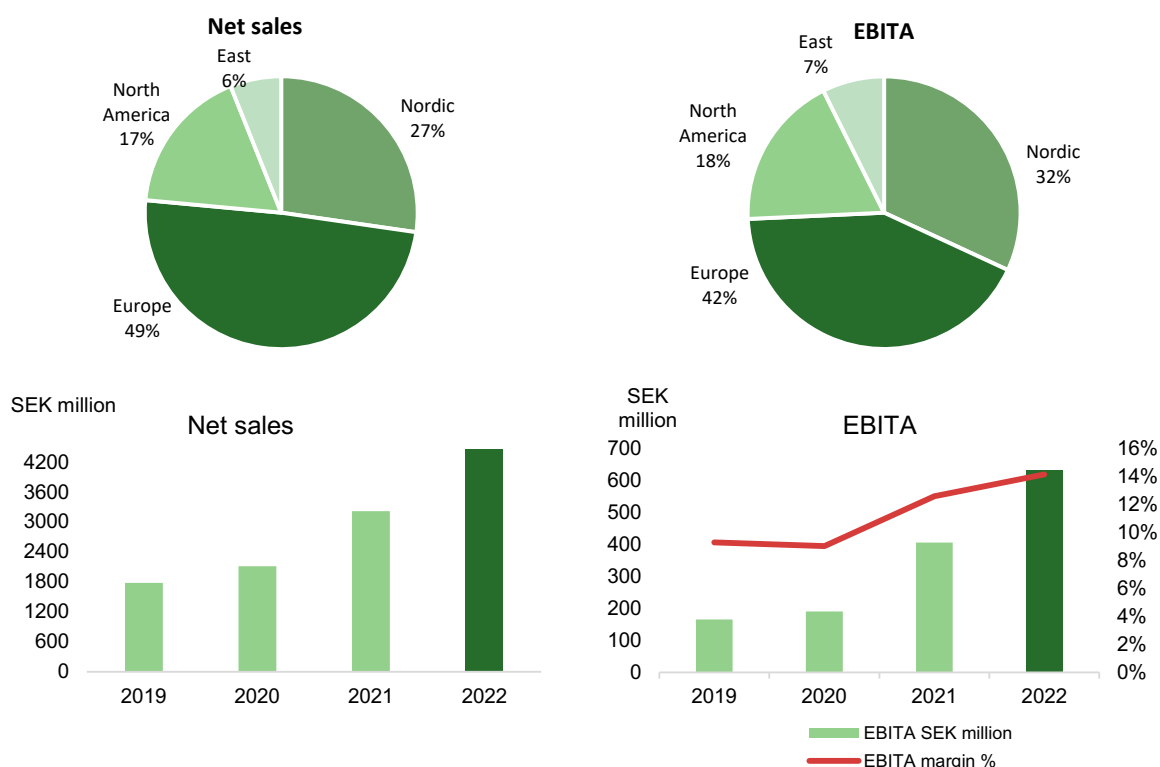
Net sales increased in the year by 38 per cent to SEK 4,457.7 million (3,219.5), with growth in USD at about 17 per cent. Net sales in comparable units increased 26 per cent and 6 per cent in USD. *Nordic*, *Europe* and *North America* demonstrated strong growth, both including and excluding acquisitions. The *East* segment noted a reduction in net sales resulting from the divestment of the Russian operations and because many customers were impacted by lockdowns.

EARNINGS

EBITA was SEK 630.9 million (406.1) and EBITA margin rose to 14.2 per cent (12.6). EBITA improved in all segments with the exception of *East*. Increased economies of scale, earnings improvements in the acquired companies as well as the positive impact of the strong USD against the SEK and EUR contributed to the improvement in earnings. EBITA was positively impacted by acquisition-related costs of SEK 1.6 million for acquisitions during the year and the final payment for Prevent and Elmatica. Operating profit increased to SEK 546.4 million (387.2). 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 589.6 million (387.2), corresponding to an operating margin of 13.2 per cent (12.0)

Net financial items amounted to SEK 3.8 million (-23.1). The improvement was mainly due to foreign exchange gains. Interest expenses increased to SEK -26.9 million (-10.7), while foreign exchange gains amounted to SEK 31.9 million (-8.5). Tax amounted to SEK -133.0 million (-78.9). The average tax rate rose to 24.2 per cent (21.7). Profit after tax for the period totalled SEK 417.1 million (285.3). Earnings per share was SEK 2.23 (1.52) both before and after dilution.

BREAKDOWN BY SEGMENT, JANUARY–DECEMBER 2022



PERFORMANCE BY SEGMENT

NORDIC

Denmark, Finland, Norway, Sweden 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*. As of 2023, net sales from outside *Nordic* will be reported in the *Europe* segment. The margin in this segment is high due to a high technology content and generally lower volumes per order.

Fourth quarter 2022

Order intake was in line with the year-earlier period at SEK 256 million (257). In USD, however, order intake for the segment decreased 20 per cent. Order intake in comparable units increased 4 per cent, while in USD it decreased 23 per cent. Book to bill was 86 per cent, affected by shorter lead times and a slightly more cautious market.



Net sales in the quarter increased 10 per cent to SEK 295.6 million (269.4). However, in USD the decrease was 10 per cent. For comparable units, growth was 4 per cent, but in USD a decrease of 16 per cent was reported. Developments were broadly similar in all countries.

The segment reported sustained high profitability. During the quarter, EBITA rose to SEK 45.2 million (41.0) and the EBITA margin amounted to 15.3 per cent (15.2).

January to December 2022

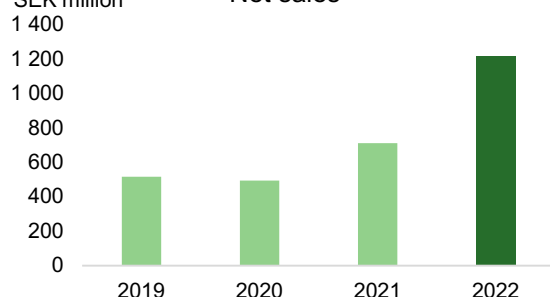
Order intake increased 41 per cent to SEK 1,166 million during the year, driven by acquisitions. For comparable companies, order intake was in line with 2021, but in USD was 16 per cent lower. The decrease was due to the abnormally high order intake in 2021 and adjustment to more normal lead times in 2022. Net sales for the year amounted to SEK 1,216 million. For comparable companies, net sales rose 25 per cent and in USD 5 per cent.

The general improvement in EBITA margin, and increased net sales yielded significantly higher earnings than in 2021. The integration of Elmatica required certain organisational changes that initially involved non-recurring costs. For the year, EBITA amounted to SEK 204.8 million (114.2), corresponding to an EBITA margin of 16.8 per cent (16.1).

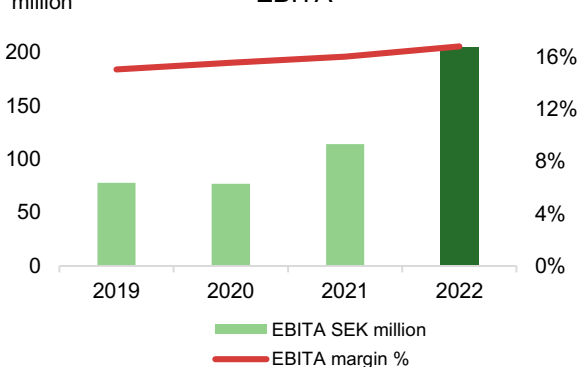
NORDIC SEK million

	Oct-Dec			Jan-Dec		
	2022	2021	%	2022	2021	%
Net sales	295.6	269.4	9.7	1,216.3	710.5	71.2
EBITA	45.2	41.0	10.4	204.8	114.2	79.3
EBITA margin, %	15.3	15.2		16.8	16.1	

SEK million Net sales



SEK million EBITA



EUROPE

France, Germany, Italy, Netherlands, North Macedonia, Poland, Spain, and the United Kingdom All companies in the *Europe* segment have a strategic focus on continued growth. The acquisition of PreventPCB in Italy in February 2021, two German acquisitions, sas – electronics in June 2021 and META Leiterplatten in January 2022, strengthened the *Europe* segment. Kestrel International Circuits in the UK was acquired in June 2022 and Bare Board Consultants in Italy in January 2023.

Fourth quarter 2022

Order intake increased to SEK 536 million (510). In USD, however, order intake decreased 13 per cent. Order intake for comparable units decreased 5 per cent and by 23 per cent in USD, though this was compared with a strong order intake in the fourth quarter of 2021, which was driven by increasing lead times. The decrease was mainly noted in the UK, the Netherlands and Italy. Book to bill for the segment was 111 per cent.

36%
EBITA growth

Net sales for the fourth quarter increased 19 per cent to SEK 483.8 million (406.5). In USD, the increase was 6 per cent but net sales for comparable units decreased 15 per cent. Germany and the UK accounted for most of this growth, partly linked to acquisitions. Distinct economies of scale have been generated in the segment, which enhanced profitability. The integration of Kestrel in the UK, that was acquired at the end of June, has gone well with synergies both in revenues and costs.

Earnings improved because of increased net sales and margin improvements. EBITA amounted to SEK 53.2 million (39.2), corresponding to an EBITA margin of 11.0 per cent (9.6). The gross margin clearly improved in most of the segment's companies.

January to December 2022

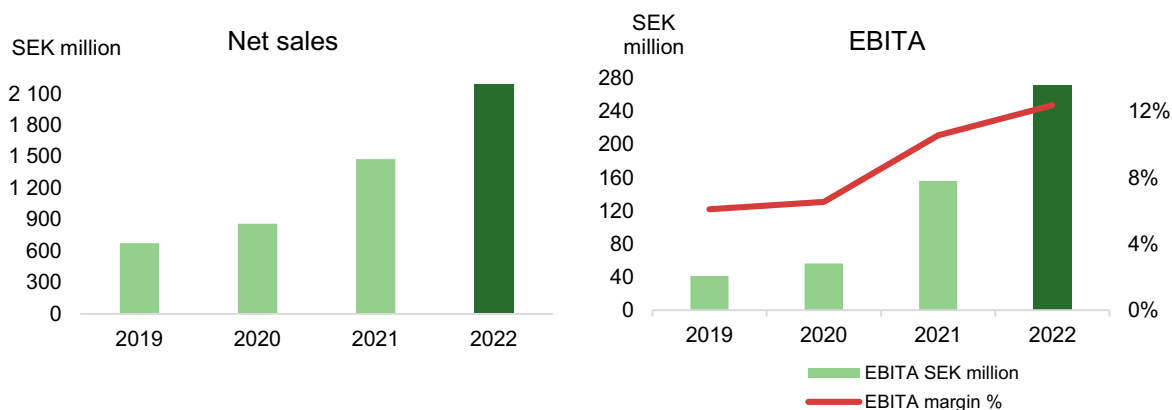
Order intake for the year increased marginally compared with the year-earlier period and amounted to SEK 2,082 million (2,050). In USD, however, order intake decreased 14 per cent and for comparable units the decrease in order intake was 23 per cent in USD. Net sales for the year increased 49 per cent to SEK 2,192.6 million (1,476.0). For comparable companies, growth was 33 per cent and in USD 12 per cent.

Synergies from completed acquisitions and economies of scale from organic growth have together increased earnings and raised the EBITA margin. For the year, EBITA increased to SEK 271.8 million (156.2), corresponding to an EBITA margin of 12.4 per cent (10.6).

EUROPE

SEK million

	Oct-Dec			Jan-Dec		
	2022	2021	%	2022	2021	%
Net sales	483.8	406.5	19.0	2,192.6	1,476.0	48.6
EBITA	53.2	39.2	35.9	271.8	156.2	74.0
EBITA margin, %	11.0	9.6		12.4	10.6	



NORTH AMERICA

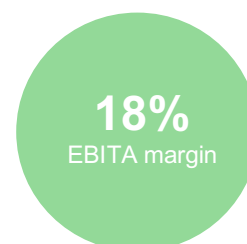
NCAB has five offices in the USA that cover the country from east to west. In September 2021, RedBoard Circuits in Arizona was acquired.

Fourth quarter 2022

Order intake decreased 13 per cent to SEK 166 million (191). In USD, order intake decreased 30 per cent. In *North America*, order intake was also high in 2021 due to changed lead times, but during the quarter a slight slowdown in demand was also seen from a number of customers. Book to bill was 87 per cent during the quarter.

Net sales for the segment increased 2 per cent to SEK 191.5 million (187.2). In USD the decrease was 17 per cent.

Earnings continued to improve and EBITA increased to SEK 33.9 million (21.9) while EBITA margin grew to 17.7 per cent (11.7). The main reason for the earnings impact was higher gross margin linked to a favourable product mix.



January to December 2022

Order intake increased 9 per cent to SEK 730 million (672) during the year. In USD, however, the decrease was 8 per cent compared with 2021, and comparable companies noted a decrease of 13 per cent in USD. Net sales increased in the year by 31 per cent to SEK 778.8 million (594.0). In USD, the increase was 11 per cent and 7 per cent, respectively, for comparable units.

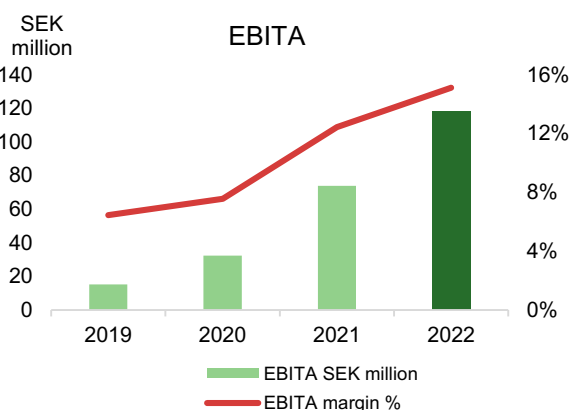
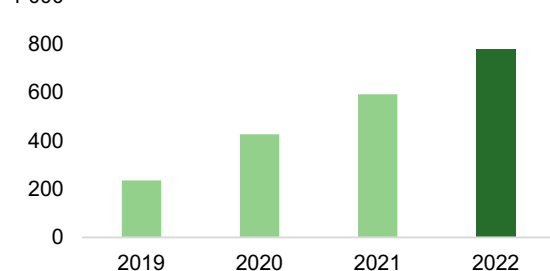
Higher gross margins and increased profitability in the previously acquired companies improved earnings in the segment. EBITA increased to SEK 118.0 million (74.0) during the year. 2021 included earnings from a one-off effect of SEK 11.0 million from the forgiven PPP loans. Excluding the effect of the PPP loans in 2021, the EBITA margin rose from 10.6 per cent to 15.1 per cent.

NORTH AMERICA

SEK million

	Oct-Dec			Jan-Dec		
	2022	2021	%	2022	2021	%
Net sales	191.5	187.2	2.3	778.8	594.0	31.1
EBITA	33.9	21.9	54.6	118.0	74.0	59.3
EBITA margin, %	17.7	11.7		15.1	12.5	

SEK million
Net sales



EAST

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

Fourth quarter 2022

In the fourth quarter, NCAB's customers in China once again experienced lockdowns, which had a negative impact on order intake and net sales. Order intake for the quarter amounted to SEK 51 million (109). The decrease was largely explained by the discontinuation of operations in Russia, though order intake also fell in China. For comparable companies, order intake decreased 13 per cent and 29 per cent in USD. Book to bill for the segment was 92 per cent.

-22%

Adjusted sales growth

Net sales for the quarter amounted to SEK 55.2 million (113.5). Adjusted for the discontinuation of Russian operations, the decrease was 22 per cent and 37 per cent in USD.

Despite the decline in sales, costs were adapted and profitability improved. EBITA for the quarter amounted to SEK 11.6 million (15.4). This corresponded to an EBITA margin of 21.0 per cent (13.6). Adjusted for Russia, EBITA of SEK 11.6 million compares with SEK 10.4 million in 2021, corresponding to growth in EBITA margin from 14.8 per cent to 21.0 per cent.

January to December 2022

The segment was affected by the divestment of the Russian operations and lower activity in China due to local lockdowns. Order intake for the period amounted to SEK 249 million (490). For comparable companies, order intake decreased 23 per cent and 35 per cent in USD. Net sales decreased to SEK 270.0 million (439.0), which means a decrease for comparable companies of 7 per cent and in USD a decrease of 21 per cent.

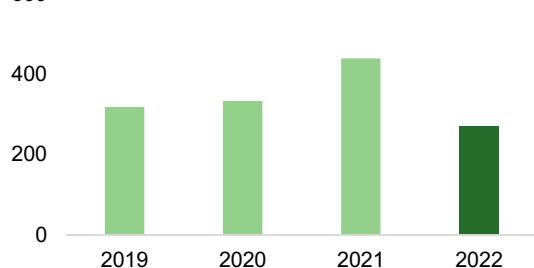
EBITA for the period amounted to SEK 47.1 million (64.5), corresponding to an EBITA margin of 17.5 per cent (14.7). Excluding Russia, EBITA was SEK 45.3 million for the full year of 2021. The divestment of NCAB's operations in Russia entailed a non-cash impairment of SEK 43.2 million that did not impact EBITA.

EAST

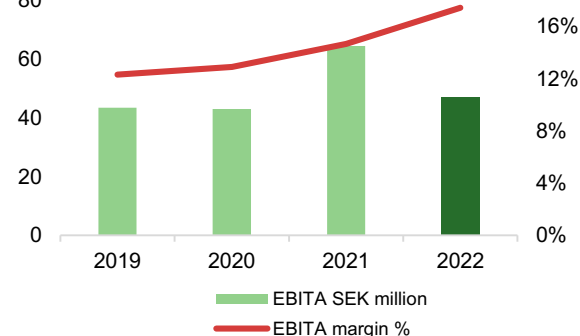
SEK million

	Oct-Dec			Jan-Dec		
	2022	2021	%	2022	2021	%
Net sales	55.2	113.5	-51.4	270.0	439.0	-38.5
EBITA	11.6	15.4	-25.0	47.1	64.5	-26.9
EBITA margin, %	21.0	13.6		17.5	14.7	

SEK million
Net sales



SEK million
EBITA



FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

In 2021, tied up working capital increased due to longer lead times in manufacturing operations and logistics problems. However, in 2022 lead times and logistics have recovered normal, which enabled a reduction in working capital. This reduction took place despite the fact that there was a shift from air to more sea freight, not least from a sustainability perspective. Together with increased earnings, this has improved cash flow significantly. Cash flow from operating activities in the quarter was SEK 189.1 million (19.8). Tied up working capital for the Group on 31 December 2022 corresponded to 8.8 per cent (11.0) of net sales over the past 12 months. Cash flow from operating activities for the full year was SEK 568.1 million (48.3). NCAB has credit insurance for most of the trade receivables outstanding. Cash flow from investing activities was SEK -22.4 million (-338.9) during the quarter. Cash flow for the year from investing activities was SEK -218.4 million (-575.9). Non-acquisition-related investments for the year amounted to SEK -40.0 million (-8.0). The increase is due to investments in new IT platforms.

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 565.6 million (734.5). The equity/assets ratio was at year end, 39.3 per cent (29.1) and equity was SEK 1,195.8 million (773.8). At the end of the period, the Group had available liquidity, including undrawn acquisition credits and overdraft facilities, of SEK 1,033 million (657).

On 31 December 2022, NCAB had loans including the utilised overdraft facility totaling SEK 834.0 million. NCAB had a loan of SEK 550 million and two acquisition credits totalling SEK 750 million (of which SEK 290 million was drawn). In addition, there was an overdraft facility of SEK 215 million. The credit of SEK 550 million is free of instalments and expires in 2026. The other credits are free of instalments until the end of June 2024. At the balance sheet date of 31 December 2022, the company was in compliance with all covenants under the financing agreement.

Other

SIGNIFICANT RISKS AND UNCERTAINTIES

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

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

Regarding 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.

There are also geopolitical risks, for example as a result of the large share of factories used by NCAB being located in China. See NCAB's 2021 Annual Report for a more detailed description of the Group's risk exposure and risk management.

EFFECTS OF CONFLICT BETWEEN RUSSIA AND UKRAINE

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

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > Benjamin Klingenberg, MD of NCAB Germany was appointed VP of NCAB Europe and consequently is a new member of Group management as of 1 November. Howard Goff, former VP NCAB Europe was appointed VP Sales.
- > On 24 November, an agreement was signed to acquire 100% of the shares in Bare Board Consultants in Italy. The transaction was closed on 10 January.
- > The Board of Directors proposes a dividend of SEK 1.10 (0.60) per share to be paid in May.

RELATED-PARTY TRANSACTIONS

Apart from 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 were no transactions with related parties.

ORGANISATION

On 31 December 2022, the number of employees was 587 (500), of whom 261 (228) were women and 326 (272) were men. The average number of employees in the organisation during the period was 583 (494), of whom 261 (224) were women and 322 (270) were men.

PARENT COMPANY

The Parent Company's net sales for the fourth quarter were SEK 68.9 million (44.7). Sales consist exclusively of internal billing. Profit after financial items was SEK 73.5 million (16.3) for the quarter. Net sales for the year amounted to SEK 143.3 million (97.9) and profit after financial items was SEK 154.8 million (34.7). The improvement was primarily due to increased dividends from subsidiaries. The divestment of the Russian operations entailed impairment of shares in subsidiaries of SEK 9.9 million, which burdened earnings in the first quarter.

DECLARATION OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

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

Sundbyberg, 16 February 2023

Christian Salamon
Chairman of the Board

Jan-Olof Dahlén
Director

Per Hesselmark
Director

Magdalena Persson
Director

Hans Ramel
Director

Gunilla Rudebjer
Director

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This year-end report has been reviewed by the company's auditor.

This is information that NCAB Group AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out above on 17 February 2023, at 7:20 a.m.

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NCAB Group is publishing the interim report for the full-year 2022, January–December, on Friday 17 February at 7:20 a.m. A web-cast telephone conference will be held at 10:00 a.m. on the same date, when President and CEO Peter Kruk and CFO Anders Forsén will present the report. The presentation will be followed by a Q&A session. The presentation will be held in English.

For those who wish to participate via webcast please use the link below.

<https://ir.financialhearings.com/ncab-group-q4-2022>

For those who wish to participate via teleconference please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=5003283>

FINANCIAL CALENDAR

Interim report first quarter	26 April 2023
Annual General Meeting	9 May 2023
Interim report second quarter	21 July 2023
Interim report third quarter	7 November 2023

About NCAB Group

NCAB is a worldwide leading supplier of printed circuit boards (PCBs), listed on NASDAQ Stockholm. NCAB offers PCBs for demanding customers, on time with zero defects, produced sustainably at the lowest total cost. NCAB was founded in 1993. Since its foundation, the operations have been characterised by an entrepreneurial and cost-efficient culture and have showed strong growth and good profitability over time. Today, NCAB has a local presence in 15 countries in Europe, Asia and North America. Net sales in 2022 amounted to SEK 4,458 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	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Operating revenue				
Net sales	1,026.1	976.6	4,457.7	3,219.5
Other operating income	9.6	0.7	20.9	13.4
Total	1,035.7	977.3	4,478.6	3,232.9
Raw materials and consumables	-686.2	-678.0	-3,043.3	-2,245.4
Other external expenses	-58.3	-37.4	-218.6	-148.1
Staff costs	-141.0	-128.3	-542.3	-400.8
Dep. and amort of fixed assets	-20.8	-14.8	-76.8	-41.4
Divestment of NCAB Russia	-	-	-43.2	-
Other operating expenses	-0.2	-5.0	-8.0	-10.0
Total operating expenses	-906.4	-863.6	-3,932.2	-2,845.8
Operating profit	129.3	113.7	546.4	387.2
Net financial income/expense	-22.2	-17.3	3.8	-23.1
Profit before tax	107.1	96.4	550.2	364.1
Income tax	-35.8	-20.7	-133.0	-78.9
Profit for the period	71.3	75.7	417.1	285.3
Profit attributable to:				
Shareholders of the Parent Company	71.3	75.6	417.0	284.9
Non-controlling interests	0.0	0.1	0.2	0.3
Average number of shares before dilution	186,935,340	186,918,990	186,928,204	186,944,900
Average number of shares after dilution	187,429,601	187,285,209	187,279,557	187,133,712
Earnings per share before dilution	0.38	0.40	2.23	1.52
Earnings per share after dilution	0.38	0.40	2.23	1.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Profit for the period	71.3	75.7	417.1	285.3
Other comprehensive income, items that can subsequently be reclassified to profit or loss:				
Foreign exchange differences	-13.5	29.8	119.2	69.5
	-	-	-8.2	-
Total comprehensive income	57.8	105.5	528.1	354.7
Profit attributable to:				
Shareholders of the Parent Company	57.8	105.4	527.9	354.4
Non-controlling interests	0.0	0.1	0.2	0.3

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	31 Dec 2022	31 Dec 2021
Non-current assets		
Goodwill	1,057.5	923.9
Other intangible assets	171.7	153.2
Leasehold improvement costs	7.2	4.3
Right-of-use Office and Cars	85.5	34.4
Plant and equipment	11.0	7.5
Financial assets	5.5	8.2
Deferred tax assets	12.2	7.7
Total non-current assets	1,350.6	1,139.1
Current assets		
Inventories	504.9	519.6
Trade receivables	760.7	789.6
Other current receivables	39.2	51.0
Prepaid expenses and accrued income	27.8	25.0
Cash and cash equivalents	357.8	136.7
Total current assets	1,690.5	1,521.9
TOTAL ASSETS	3,041.1	2,661.0
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Parent Company		
Share capital	1.9	1.9
Additional paid-in capital	478.1	478.1
Reserves	124.0	13.1
Retained earnings	591.5	280.3
Non-controlling interests	0.3	0.4
Total equity	1,195.8	773.8
Non-current liabilities		
Borrowings	833.8	644.0
Leased liabilities	57.6	24.5
Deferred tax	62.1	55.5
Total non-current liabilities	953.4	724.0
Current liabilities		
Current liabilities	0.3	190.3
Current right-of-use liabilities	31.8	12.4
Trade payables	518.5	618.7
Current tax liabilities	108.9	57.8
Other current liabilities	83.5	168.6
Accrued expenses and deferred income	148.8	115.3
Total current liabilities	891.8	1,163.1
TOTAL EQUITY AND LIABILITIES	3,041.1	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				284.9	284.9	0.3	285.3
Other comprehensive income for the period	-	-	69.5	-	69.5	-	69.5
income	-	-	69.5	284.9	354.4	0.3	354.7
							-
Dividend				-280.5	-280.5	-0.1	-280.6
Cost for Warrants				2.2	2.2		2.2
Own shares				-2.4	-2.4		-2.4
Total transactions with shareholders, recognised directly in equity	-	-	-	-280.7	-280.7	-0.1	-280.8
31 Dec 2021	1.9	478.1	13.1	280.3	773.4	0.4	773.8

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				417.0	417.0	0.2	417.1
Other comprehensive income for the period	-	-	110.9	-	110.9	-	110.9
income	-	-	110.9	417.0	527.9	0.2	528.1
Dividend	-	-	-	-112.2	-112.2	-0.3	-112.5
Own shares	-	-	-	0.7	0.7	-	0.7
Cost for Warrants	-	-	-	5.7	5.7	-	5.7
Total transactions with shareholders, recognised directly in equity	-	-	-	-105.8	-105.8	-0.3	-106.1
31 Dec 2022	1.9	478.1	124.0	591.5	1,195.6	0.3	1,195.8

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Cash flow from operating activities				
Profit before net financial income/expense	129.3	113.7	546.4	387.2
Adjustment for non-cash items	29.9	49.1	59.5	71.8
Interest received	2.3	0.0	2.6	0.1
Interest paid	-10.5	-6.8	-26.9	-15.0
Income taxes paid	-56.2	-10.2	-91.2	-35.2
Cash flow from operating activities before changes in working capital	94.9	145.8	490.3	408.8
Change in inventories	5.8	-143.0	44.3	-324.4
Change in current receivables	215.9	11.0	70.3	-324.6
Change in current operating liabilities	-127.1	5.9	-36.8	288.4
Total changes in working capital	94.5	-126.1	77.8	-360.5
Cash flow from operating activities	189.4	19.8	568.1	48.3
Cash flow from investing activities				
Investments in property, plant and equipment	-0.4	-1.4	-10.4	-3.3
Investments in intangible assets	-19.0	-1.0	-32.4	-1.4
Investments in subsidiaries	-3.6	-335.0	-178.3	-567.9
Investments in financial assets	0.5	-1.4	2.7	-3.3
Cash flow from investing activities	-22.4	-338.9	-218.4	-575.9
Cash flow from financing activities				
Change in overdraft facility	-15.5	189.0	-189.0	189.0
Borrowings	-	650.0	190.0	650.0
Transaction cost, loans	-	-6.2	-	-6.2
Repayment of loans	-	-308.0	-	-335.4
Repayment of leased liabilities	-8.4	-5.6	-29.6	-16.3
Dividend	-56.1	-187.0	-112.2	-280.5
Cash flow from financing activities	-80.0	332.3	-140.8	200.8
Decrease/increase in cash and cash equivalents				
Cash flow for the period	87.0	13.2	208.9	-326.9
Foreign exchange difference in cash and cash equivalents	-19.3	2.9	12.2	14.6
Cash and cash equivalents at beginning of period	290.2	120.6	136.7	449.0
Cash and cash equivalents at end of period	357.8	136.7	357.8	136.7

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Operating revenue				
Net sales	68.9	44.7	143.3	97.9
Total	68.9	44.7	143.3	97.9
Other external expenses	-48.1	-25.5	-89.7	-57.4
Staff costs	-13.6	-13.8	-56.2	-46.9
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.1	-0.1	-0.5	-0.5
Write down	-	-	-9.9	-
Total operating expenses	-61.8	-39.4	-156.3	-104.8
Operating loss	7.1	5.3	-13.0	-6.9
Income from investments in Group companies	67.9	23.2	158.3	42.7
Other interest income and similar income	11.4	-3.2	25.8	8.4
Interest expense and similar charges	-12.9	-9.0	-29.3	-16.4
Net financial income/expense	66.5	11.0	154.8	34.7
Profit before tax	73.5	16.3	141.8	27.7
Appropriations	8.8	13.5	8.8	13.5
Tax on profit for the period	0.2	0.1	-0.2	-0.4
Profit for the period	82.5	29.9	150.3	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	31 Dec 2022	31 Dec 2021
Non-current assets		
Capitalised development costs	28.6	0.5
Plant and equipment	0.1	0.0
Non-current financial assets	909.8	850.0
Non-current financial assets from Group companies	267.4	-
Total non-current assets	1,205.9	850.5
Current assets		
Receivables from Group companies	164.1	474.0
Other current receivables	3.2	2.9
Prepaid expenses and accrued income	4.0	3.0
Cash and cash equivalents	42.9	0.1
Total current assets	214.1	480.0
TOTAL ASSETS	1,420.0	1,330.6
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital (186,971,240 shares)	1.9	1.9
Non-restricted equity		
Share premium account	478.1	478.1
Retained earnings	-353.5	-282.1
Profit/ loss for the period	150.3	40.8
Total equity	276.9	238.7
Untaxed reserves	1.0	3.8
Non-current liabilities		
Liabilities to credit institutions	833.8	644.0
Total non-current liabilities	833.8	644.0
Current liabilities		
Liabilities to credit institutions	-	189.5
Trade payables	14.1	2.9
Liabilities to Group companies	273.3	225.3
Current tax liabilities	0.4	-
Other current liabilities	2.0	4.0
Accrued expenses and deferred income	18.5	22.3
Total current liabilities	308.3	444.0
TOTAL EQUITY AND LIABILITIES	1,420.0	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	-	-	40.8	40.8
year	-	-	-	-
Total comprehensive income	-	-	40.8	40.8
Dividend, shares		-	-280.5	-280.5
Total transactions with shareholders, recognised directly in equity	-	-	-280.5	-280.5
31 Dec 2021	1.9	478.1	-241.3	238.7

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	-	-	150.3	150.3
Total comprehensive income	-	-	150.3	150.3
Dividend, shares			-112.2	-112.2
Total transactions with shareholders, recognised directly in equity	-	-	-112.2	-112.2
31 Dec 2022	1.9	478.1	-203.1	276.9

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 1–29 is an integral part of this financial report.

Significant estimates and judgements

For information on significant estimates and judgements made by management in preparing the consolidated financial statements, see Note 2 of the 2021 Annual Report.

Note 2 Information on financial assets and liabilities

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

Note 3 Pledged assets and contingent liabilities

As of December 2021, the Group no longer has any material 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, October–December 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	296	269	484	407	191	187	55	113	-	-	1,026	977
EBITA	45	41	53	39	34	22	12	15	-3	4	141	121
EBITA margin, %	15.3	15.2	11.0	9.6	17.7	11.7	21.0	13.6			13.7	12.4
Amortis. intangible assets											-12	-7
Operating profit											129	114
Operating margin, %											0	0
Net financial expense											-22	-17
Profit before tax											107	96
Net working capital	118	80	324	307	14	44	62	75	-45	-81	473	425

Net sales and earnings of segments, January–December 2022

	Nordic		Europe		North America		East		Central functions		Group	
SEK million	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	1,216	711	2,193	1,476	779	594	270	439	-	-	4,458	3,220
EBITA	205	114	272	156	118	74	47	65	-11	-3	631	406
EBITA margin, %	16.8	16.1	12.4	10.6	15.1	12.5	17.5	14.7			14.2	12.6
Amortis. intangible assets											-41	-19
Write down Russia											-43	-
Operating profit											546	387
Operating margin, %											12.3	12.0
Net financial expense											4	-23
Profit before tax											550	364
Net working capital	118	80	324	307	14	44	62	75	-45	-81	473	425
Fixed assets	23	9	40	16	11	8	10	1	20	12	104	46
Intangible assets	445	448	434	344	313	275	8	9	29	1	1,229	1,077

Note 5

Quarterly summary

	Q4 22	Q3 22	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21
Order intake, SEK million	1,009.2	1,011.0	1,035.7	1,171.3	1,067.1	935.2	1,057.8	978.9
Order intake, USD million	93.2	94.1	104.9	125.3	120.6	107.3	126.2	116.5
Net sales, SEK million	1,026.1	1,168.3	1,122.0	1,141.3	976.6	863.6	762.2	617.1
SEK annual growth, %	5.1	35.3	47.2	84.9	89.7	60.9	31.3	27.7
Net sales, USD million	94.4	109.8	114.0	122.1	111.3	99.8	90.9	73.5
USD annual growth, %	-15.2	10.0	25.4	66.2	87.1	65.5	51.5	46.9
Gross margin, %	34.1	32.2	31.3	30.2	30.6	30.8	30.1	29.4
EBITA, SEK million	141.0	183.5	160.2	146.3	121.0	123.2	103.8	58.4
EBITA margin, %	13.7	15.7	14.3	12.8	12.4	14.3	13.6	9.5
Operating profit/loss, SEK million	129.3	172.3	150.9	93.8	113.7	118.6	99.7	55.4
Total assets, SEK million	3,041.1	3,194.6	3,033.6	2,732.6	2,661.0	1,981.8	1,765.0	1,663.4
Cash flow from operating activities, SEK million	189.4	212.2	148.2	24.2	19.8	0.2	30.3	-2.0
Equity/assets ratio, %	39.3	35.5	32.4	32.0	29.1	43.1	42.3	46.7
Number of employees	587	578	574	603	562	512	500	488
Average exchange rate, SEK/USD	10.73	10.55	9.83	9.33	8.86	8.65	8.41	8.39
Average exchange rate, SEK/EUR	10.94	10.63	10.47	10.48	10.13	10.19	10.14	10.11

Note 6 Acquisitions

META Leiterplatten

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

Kestrel International Circuits

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

Bare Board Consultants

On 24 November, an agreement was signed to acquire 100% of the shares in Bare Board Consultants in Italy. The transaction was concluded on 10 January 2023. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. The company reported net sales of just over SEK 90 million and EBITA of slightly more than SEK 9 million in 2022. The purchase consideration for the shares amounted to SEK 71.7 million and goodwill of SEK 18.9 million arose. As a result of the acquisition, three new employees joined us in Italy.

Contribution in 2022

META Leiterplatten and Kestrel International Circuits together contributed SEK 167 million in net sales and SEK 9.7 million in EBITA. If the two companies had been consolidated on 1 January 2022, the Group's net sales for the January–December period 2022 would have increased by SEK 55 million to SEK 4,513 million and EBITA by SEK 7.8 million to SEK 638.7 million.

Förvärv	META 2 januari 2022	Kestrel 24 juni 2022	BBC 10 januari 2023
Total köpeskilling	18,6	104,1	71,7
Förvärvade tillgångar och övertagna skulder			
Anläggningstillgångar	0,9	0,6	0,3
Kundrelationer	3,5	15,2	17,1
Övriga omsättningstillgångar	13,8	48,4	42,9
Likvida medel	2,2	14,7	15,5
Övriga rörelseskulder	-9,8	-16,4	-17,3
Uppskjuten skatt	-1,1	-2,9	-5,7
Summa nettotillgångar	9,5	59,6	52,8
Goodwill	9,1	44,5	18,9

Redovisade belopp i tabellen ovan är preliminära värden.

Earlier acquisitions

PreventPCB

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

Elmatica

The additional purchase consideration for Elmatica was determined at SEK 63.1 million, which was SEK 9.6 million lower than estimated on the acquisition date.

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	
	2022	2021	2022	2021
Net sales	1,026.1	976.6	4,457.7	3,219.5
Other operating income	10.8	0.7	11.8	13.4
Cost of goods sold	-686.2	-678.0	-3,043.3	-2,245.4
Translation differences	-1.2	-	9.1	-
Total gross profit	349.5	299.3	1,435.3	987.5
Gross margin, %	34.1	30.6	32.2	30.7
Gross margin excl PPP, %	34.1	30.6	32.2	30.3

EBITA

SEK million	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Operating profit	129.3	113.7	546.4	387.2
Amortisation and impairment of intangible assets	11.7	7.3	41.3	18.9
Divestment Russia	-	-	43.2	-
EBITA	141.0	121.0	630.9	406.1
EBITA margin, %	13.7	12.4	14.2	12.6
EBITA margin excl PPP, %	13.7	12.4	14.2	12.3
Non-recurring items	-	-	-	-
Adjusted EBITA	141.0	121.0	630.9	406.1
Adjusted EBITA margin, %	13.7	12.4	14.2	12.6

EBITDA

SEK million	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Operating profit	129.3	113.7	546.4	387.2
and intangible assets	20.8	14.8	76.8	41.4
Divestment Russia	-	-	43.2	-
EBITDA	150.1	128.5	666.4	428.6
EBITDA margin, %	14.6	13.2	14.9	13.3
EBITDA margin excl PPP, %	14.6	13.2	14.9	13.0

Return on equity

SEK million	Dec 2022	Dec 2021
Profit for the period — LTM	417.1	285.3
Equity (average)	984.8	736.9
Return on equity, %	42.4	38.7

Net working capital and capital employed

SEK million	31 Dec 2022	31 Dec 2021
Inventories	504.9	519.6
Trade receivables	760.7	789.6
Other current receivables	39.2	51.0
Prepaid expenses and accrued income	27.8	25.0
Trade payables	-518.5	-618.7
Current tax liabilities	-108.9	-57.8
Other current liabilities	-83.5	-168.6
Accrued expenses and deferred income	-148.8	-115.3
Net working capital	472.9	424.7
Non-current assets	1,350.6	1,139.1
Cash and cash equivalents	357.8	136.7
Deferred tax	-62.1	-55.5
Capital employed	2,119.3	1,645.0

Return on capital employed

SEK million	Dec 2022	Dec 2021
Operating profit/loss — LTM	546.4	387.2
Capital employed (average)	1,882.2	1,354.3
Return on capital employed, %	29.0	28.6

Equity/assets ratio

SEK million	31 Dec 2022	31 Dec 2021
Equity	1,195.8	773.8
Untaxed reserves	-	-
Total	1,195.8	773.8
Total assets	3,041.1	2,661.0
Equity/assets ratio, %	39.3	29.1

Net debt

SEK million	31 Dec 2022	31 Dec 2021
Interest-bearing liabilities	923.5	871.2
Cash and cash equivalents	-357.8	-136.7
Total net debt	565.6	734.5
EBITDA LTM	666.4	428.6
Net debt / EBITDA	0.8	1.7

Net debt excl. IFRS 16 adjustment

SEK million	31 Dec 2022	31 Dec 2021
Interest-bearing liabilities excl IFRS 16	834.1	834.2
Cash and cash equivalents	-357.8	-136.7
Total net debt excl IFRS16	476.2	697.5
EBITDA LTM excl IFRS 16	636.8	412.4
Net debt excl IFRS 16/ EBITDA excl IFRS 16	0.7	1.7

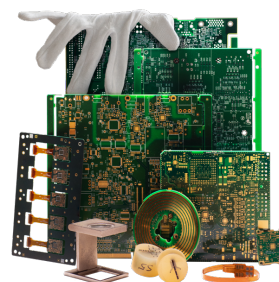
Alternative performance measure	Definition	Purpose
Gross profit	Net sales less raw materials and consumables and with the addition of other operating income, which includes translation differences on trade receivables and trade payables	Gross profit provides an indication of the surplus that is needed 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 3,350 customers worldwide. It is important to achieve scale benefits, which is why NCAB has a strong focus on growth. NCAB is the leader in terms of expertise, service, sustainability and technology. Being the leading player also gives the strength to attract customers through important projects, skilled employees and the best factories.

NCAB works in deep relationships with its customers, where NCAB takes responsibility for the entire delivery so customers can focus on their manufacturing operations. NCAB does not own any factories, but because of its Factory Management team NCAB does "own" the most important element – the relationship with the factories and the entire manufacturing process, which provides access to state-of-the-art technology and limitless capacity without the need for investments.



BUSINESS CONCEPT

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

VISION

The Number 1 PCB producer – wherever we are.

FINANCIAL TARGETS

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

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

3,350
CUSTOMERS



15
COUNTRIES WITH
LOCAL PRESENCE



31
MANUFACTURERS



587
SPECIALISTS



336
MILLION PCBs
MANUFACTURED PER YEAR

