

Interim report, January–June 2023

APRIL–JUNE 2023

- > Net sales decreased 6% to SEK 1,057.5 million (1,122.0). Both net sales and order intake were negatively impacted by customers' inventory adjustments and lower prices. In USD, net sales decreased 12%. For comparable units, the decrease for net sales was 14% in SEK, and 19% in USD.
- > Order intake decreased 11% to SEK 924 million (1,036). The decrease in USD was 16%. Order intake was negatively impacted by a return to shorter lead times. For comparable units, the decrease in order intake was 19% in SEK, and 24% in USD.
- > EBITA increased 5% to SEK 168.2 million (160.2), representing an EBITA margin of 15.9% (14.3). SEK 8.4 million (4.9) was charged to EBITA relating to transaction costs for the acquisition of db electronic and Phase 3 Technologies. Excluding these non-recurring costs, EBITA increased to SEK 176.6 million (165.1), representing an EBITA margin of 16.7 per cent (14.7). In addition, NCAB had costs of SEK 10 million for development of new IT systems.
- > Cash flow from operating activities was SEK 152.7 million (148.2).
- > Operating profit was SEK 154.5 million (150.9).
- > Profit after tax was SEK 101.2 million (141.1). The decrease from 2022 was attributable to foreign currency conversion gains in 2022.
- > Earnings per share before and after dilution was SEK 0.54 (0.75).

JANUARY–JUNE 2023

- > Net sales decreased 3% to SEK 2,203.8 million (2,263.3). In USD, net sales decreased with 11%. For comparable units, net sales decreased 8% in SEK, and 15% in USD.
- > Order intake decreased with 11% to SEK 1,954 million (2,207). In USD, order intake decreased with 16%. For comparable units, the decrease in order intake was 16% in SEK, and 23% in USD. Book to bill was 89%.
- > EBITA increased to SEK 351.9 million (306.4), representing an EBITA margin of 16.0% (13.5). SEK 9.4 million (8.1) was charged to EBITA relating to acquisition costs for BBC, db electronic and Phase 3 Technologies. Excluding these costs, EBITA amounted to SEK 362.0 million (314.5), representing an EBITA margin of 16.4 per cent (13.9). The result includes development costs for new IT systems of SEK 20 million.
- > Cash flow from operating activities was SEK 354.6 million (172.4).
- > Operating profit was SEK 327.1 million (244.7).
- > Return on equity was 39.4 % (43.2).
- > Profit after tax was SEK 226.2 million (207.3).
- > Earnings per share before and after dilution was SEK 1.21 (1.11).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > On May 2, 100% of the shares was acquired in db electronic, with subsidiaries in Germany, Switzerland and France.
- > On May 4, 100% of the shares was acquired in Phase 3 Technologies in San Jose, USA.
- > The Annual General Meeting resolved on a dividend of SEK 1.10 per share.
- > Peter Jensen, MD of NCAB Group Denmark, was appointed VP Nordics and a member of Group Management.

Key performance indicators

	Apr-Jun			Jan-Jun			Full-year	
	2023	2022	%	2023	2022	%	LTM	2022
Order intake, SEK million	924.4	1,035.7	-11	1,954.0	2,207.0	-11	3,786.0	4,227.2
Order intake, USD million	87.9	104.9	-16	186.6	230.2	-19	427.0	417.5
Net sales, SEK million	1,057.5	1,122.0	-6	2,203.8	2,263.3	-3	4,398.3	4,457.7
Net sales, USD million	100.5	114.0	-12	210.5	236.1	-11	349.8	440.3
Gross margin, %	36.4	31.3		35.0	30.8		34.3	32.2
EBITA, SEK million	168.2	160.2	5	351.9	306.4	15	676.4	630.9
EBITA margin, %	15.9	14.3		16.0	13.5		15.4	14.2
Operating profit, SEK million	154.5	150.9	2	327.1	244.7	34	628.7	546.4
Operating margin, %	14.6	13.4		14.8	10.8		14.3	12.3
Profit after tax, SEK million	101.2	141.1	-28	226.2	207.3	9	436.1	417.1
Earnings per share before dilution, SEK	0.54	0.75	-28	1.21	1.11	9	2.33	2.23
Earnings per share after dilution, SEK	0.54	0.75	-28	1.21	1.11	9	2.33	2.23
Cash flow from operating activities, SEK million	152.7	148.2		354.6	172.4	106	750.2	568.1
Return on capital employed, %							28.3	29.0
Return on equity, %							39.4	42.4
USD/SEK - average	10.51	9.83		10.47	9.59		10.55	10.12
EUR/SEK - average	11.43	10.47		11.32	10.48		11.05	10.63

MESSAGE FROM THE CEO

Strong earnings despite a softer market for the quarter

During the second quarter, we experienced some deterioration in the industrial economy, which was reflected in the purchasing managers' index (PMI) in the USA, Europe and China. The service sector was strong in all regions despite interest rate hikes in the USA and Europe, while industrial production declined. In China, manufacturing did not have the upturn expected after opening up following the Covid lockdowns. For the printed circuit board industry, the effects of the weaker market were intensified due to inventory adjustments that were implemented at the same time, and generally weak capacity utilisation among manufacturers also led to declining prices.

NCAB is well equipped to address this new situation and we have continued to deliver strong operating profit and cash flow in all regions through our persistent purchasing efforts and effective cost control. The positive results we are seeing in the form of the number of projects and new customers won is also gratifying, and this bodes well for continued strong long-term organic growth. The lower prices during this year had a clearly negative impact on order intake and net sales apart from lower volumes in the market. The reason for the lower prices was low capacity utilisation at the manufacturers. Although this had a negative effect on net sales, we were able to successfully retain or increase our gross profit. The fact that the utilisation at our factory partners is so low, partly due to increased capacity, is a special situation. This is something that we have not seen lasting for any longer periods. Accordingly, we expect prices and gross margins to normalise over time.

In May, we were pleased to welcome Phase 3 Technologies in the USA and db electronic in Germany to NCAB. Both companies have a clear focus on quick turnarounds and prototypes and strengthen NCAB's offering in this area in both the USA and Europe. In addition to their existing customers, we also see the opportunity to increase sales by now being able to offer customers of Phase 3 Technologies and db electronic competitive series volumes from NCAB's factory portfolio. Through Phase 3 technologies' location in San Jose, we also gain a strong foothold in the important Silicon Valley and a base for future growth on the American west coast.

All of the regions experienced signs of a weaker market, especially in USA and China. In Europe and, in particular, in the Nordic region, there are still segments that are performing strongly, such as heavy vehicles in automotive, electric vehicle charging, aerospace and defence.

In a scenario in which central bank interest rates continue to rise and Chinese economy is performing sluggishly, we expect the market to remain challenging in the near future. With NCAB's flexible business model, we have been able to adapt as previously and maintain our profitability. We also foresee great opportunities in this market to use our strong financial position to capture market shares through organic growth and by way of a continuously high pace of acquisitions.

” Great opportunities to use our strong financial position to capture market shares organically and through acquisitions.

”

Peter Kruk
President and CEO, NCAB Group AB



Q2 2023

- 5.7%

Sales growth

1,057.5

Net sales, SEK
million

168.2

EBITA, SEK
million

15.9%

EBITA margin

APRIL–JUNE 2023

ORDER INTAKE

Order intake was negatively impacted by the normalisation of lead times and by destocking by many customers. The Chinese manufacturing industry did not rebound as expected after the lifting of Covid restrictions at the beginning of the year. This led to a continued low level of capacity utilisation in the Asian printed circuit board factories, which generated price pressure and had a negative impact on NCAB's order intake.

Order intake for the quarter amounted to SEK 924 million (1,036). Order intake for comparable units decreased 19 per cent. The decrease in USD was 24 per cent. Book to bill was 87 per cent. The trend was relatively stable in *Nordic* and *Europe*, while *North America* and *East* were weaker.

NET SALES

Net sales decreased 6 per cent during the quarter to SEK 1,057.5 million (1,122.0). In USD, net sales decreased 12 per cent. The decrease occurred in all segments. The two acquisitions in Germany and the USA that were closed in May, strengthened the *Europe* and *North America* segments and contributed SEK 45 million in net sales. Accordingly, net sales in comparable units decreased 14 per cent and net sales in USD decreased 19 per cent.

GROSS PROFIT

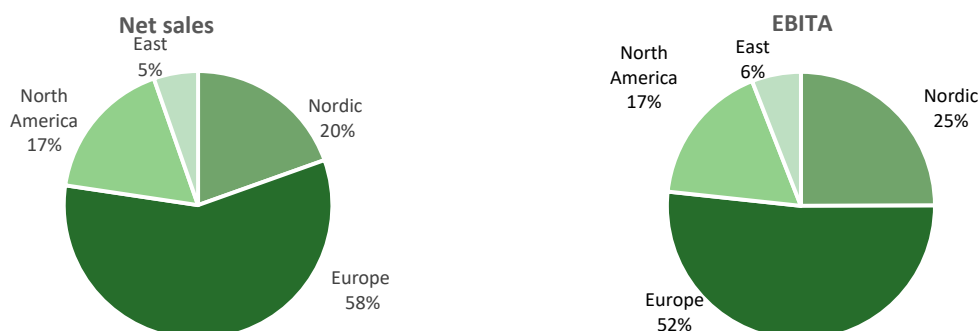
As in earlier similar market situations, NCAB succeeded in using lower purchasing prices to increase the gross margin and thus maintain or increase gross earnings. The gross margin rose during the quarter to 36.4 per cent (31.3).

EARNINGS

Despite weaker net sales, NCAB continued to deliver a strong result. EBITA increased 5 per cent to SEK 168.2 million (160.2) and the EBITA margin increased to 15.9 per cent (14.3). SEK 8.4 million was charged to the quarter relating to transaction costs for the acquisition of db electronic and Phase 3 Technologies. Excluding these transaction costs, EBITA amounted to SEK 176.6 million, representing an EBITA margin of 16.8 per cent. The EBITA margin improved in all segments. Continued development costs for the Group's new IT platform impacted earnings by approximately SEK 10 million during the quarter. The new business system is expected to be completed in the fourth quarter and then to be rolled out in all companies during 2024. This will enable further enhanced customer service, increase efficiency and support continued growth. Operating profit for the quarter increased 2 per cent to SEK 154.5 million (150.9).

Net financial items amounted to SEK -21.5 million (22.2), interest expenses increased to SEK -10.2 million (-6.3) while foreign currency conversion rates generated foreign exchange losses of SEK 11.4 million (28.6). Tax amounted to SEK -31.8 million (-31.9). The average tax rate was 23.9 per cent (18.4). The lower tax rate in 2022 was due to the write down of the Russian business. Profit after tax for the period totalled SEK 101.2 million (141.1). Earnings per share was SEK 0.54 (0.75) both before as well as after dilution.

BREAKDOWN BY SEGMENT, APRIL–JUNE 2023



JANUARY–JUNE 2023

ORDER INTAKE

Order intake for the first half of the year amounted to SEK 1,950 million (2,207), a decline of 11 per cent. Order intake for comparable units decreased 16 per cent. The decrease in USD was 23 per cent. Book to bill was 89 per cent. Order intake was lower than in the year-earlier period for all segments. Many customers are cutting their inventory levels and order intake was also affected by lower market prices.

NET SALES

Net sales declined during the first six months to SEK 2,203.8 million (2,263.3). In USD, net sales decreased 11 per cent. Compared with the year-earlier period, net sales decreased in the *North America* and *East* segments, while the *Nordic* and *Europe* segments were marginally lower year-on-year. Net sales in comparable units decreased 8 per cent and net sales in USD decreased 15 per cent.

GROSS PROFIT

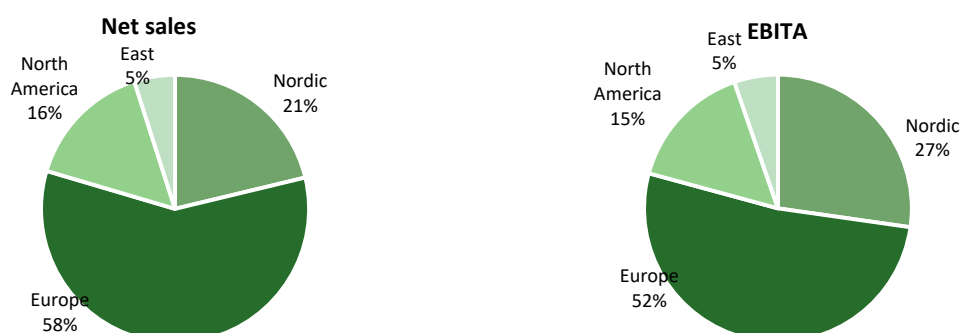
NCAB utilised the market situation in China and secured lower prices for customers and higher gross earnings, which entailed an increased gross margin. For the first six months, gross earnings increased 11 per cent and the gross margin to 35.0 per cent (30.8).

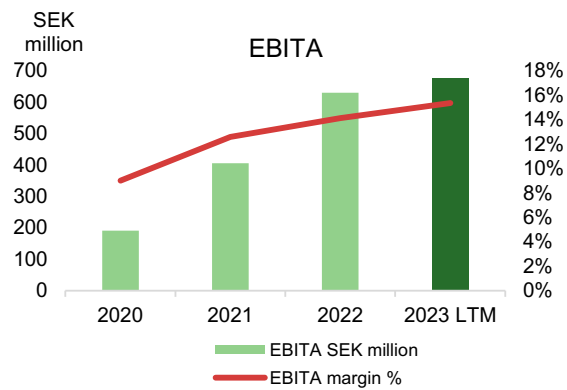
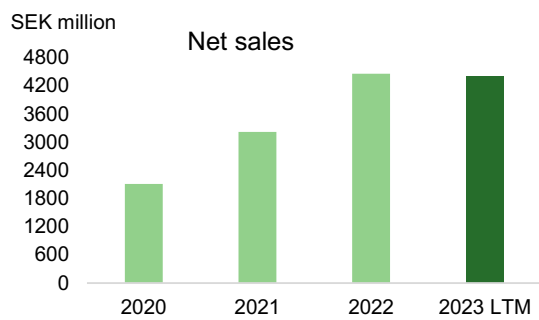
EARNINGS

NCAB's flexible business model and the company's ability to manage the market situation in Asia generated continued strong earnings. During the first six months, EBITA was charged with transaction costs of SEK 9.4 million (8.1) for the acquisitions conducted and development costs of SEK 20.0 million for the Group's IT platforms. Despite this, EBITA increased 15 per cent to SEK 351.9 million (306.4), corresponding to an EBITA margin of 16.0 per cent (13.5). The EBITA margin improved in all segments and EBITA rose in all segments except *East*. Distinct economies of scale from the growth of recent years, together with improved gross margins from lower purchasing prices and freight costs, contributed to the earnings improvement. Operating profit for the quarter increased 34 per cent to SEK 327.1 million (244.7). Operating profit for 2022 was charged with SEK 43.2 million in impairment losses for the Russian operations, which were sold in 2022.

Net financial items amounted to SEK -31.5 million (16.0), interest expenses increased to SEK -23.4 million (-10.7) while foreign currency conversion rates generated foreign exchange losses of SEK 7.0 million (27.3). Tax amounted to SEK -69.5 million (-53.5). The average tax rate was 23.5 per cent (24.6). Profit after tax for the period totalled SEK 226.2 million (207.3). Earnings per share was SEK 1.21 (1.11) both before and after dilution.

BREAKDOWN BY SEGMENT, JANUARY–JUNE 2023





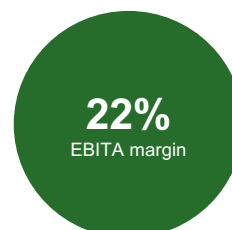
PERFORMANCE BY SEGMENT

NORDIC

Denmark, Finland, Norway, Sweden. The margin in this segment is high due to a high technology content and generally lower volumes per order. Sales in the acquired company Elmatica were integrated into each country's operations, meaning net sales from customers outside *Nordic* are now recognised in the *Europe* segment.

Second quarter 2023

Order intake decreased compared with the year-earlier period and amounted to SEK 205 million (307). Adjusted for the transfer of customers to the *Europe* segment, order intake for the second quarter of 2022 was SEK 242 million, which meant a decrease of 15 per cent and in USD a decrease of 22 per cent.



Net sales amounted to SEK 206.7 million (300.1). Adjusted for the transfer of customers to the *Europe* segment, the decrease in net sales for the quarter was 10 per cent, and in USD the decrease was 17 per cent. Growth continued in Norway, while other countries had lower net sales than in the preceding year. Among the customer segments, growth was again seen in the sale of printed circuit boards for electric vehicles and the defence industry.

The segment reported sustained high profitability and the EBITA margin improved year-on-year. During the quarter, the product mix was favourable in terms of profitability. During the quarter, EBITA decreased to SEK 45.4 million (59.7), due in its entirety to the transfer of net sales to the *Europe* segment. The EBITA margin amounted to 22.0 per cent (19.9).

January to June 2023

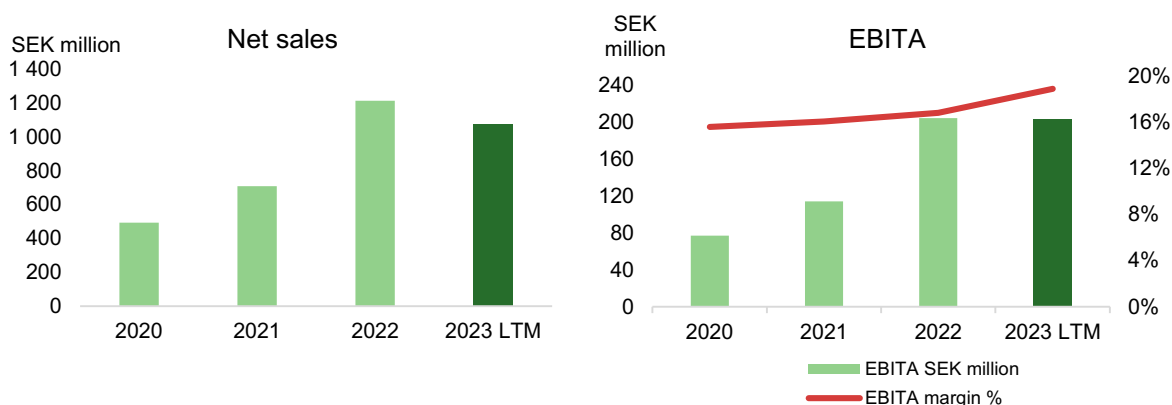
Adjusted for the transfer of customers to the *Europe* segment, order intake decreased 11 per cent to SEK 443 million during the first six months. Adjustments to customer inventory volumes, shorter lead times and lower market prices impacted order intake.

Net sales, adjusted for the transfer of customers, decreased 2 per cent during the first six months of the year to SEK 468.2 million. Although a large share of net sales were transferred, EBITA was in line with the preceding year at SEK 101.7 million (102.9), entailing an increase in the EBITA margin to 21.7 per cent (16.9). The first half of 2022 was impacted by integration costs from the acquisition of Elmatica done during the fall of 2021.

NORDIC

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2023	2022	%	2023	2022	%	LTM	2022
Net sales	206.7	300.1	-31.1	468.2	607.6	-22.9	1,076.9	1,216.3
Adjusted Net sales*	206.7	229.0	-9.7	468.2	478.3	-2.1	965.9	976.0
EBITA	45.4	59.7	-23.9	101.7	102.9	-1.2	203.5	204.8
EBITA margin, %	22.0	19.9		21.7	16.9		18.9	16.8

*) Net sales for 2022 has been adjusted for Sales that was moved to segment Europe in 2023



EUROPE

France, Germany, Italy, the Netherlands, North Macedonia, Poland, Switzerland, Spain and the United Kingdom. All companies in the Europe segment have a strategic focus on continued growth. The *Europe* segment has been strengthened through a number of acquisitions in recent years. META Leiterplatten in Germany and Kestrel International Circuits in the UK were acquired in 2022. In January 2023, the acquisition of Bare Board Consultants (BBC) in Italy was completed and in May, db electronic with companies in Germany, Switzerland and France was acquired. As of 2023, Elmatica's customers from outside the *Nordic* are reported in the *Europe* segment.

Second quarter 2023

Order intake for the quarter amounted to SEK 513 million (480). However, order intake in comparable units and adjusted for the transfer of customers to the *Europe segment* from *Nordic* decreased 16 per cent and by 20 per cent in USD. The decrease was mainly seen in the Netherlands, where customers to a great extent had placed large orders with long lead times in 2021/2022.

38%
EBITA growth

Net sales in the first quarter increased 11 per cent to SEK 611.4 million (550.6). In comparable units and adjusted for customers transferred to the segment, net sales decreased by 11 per cent and in USD by 17 per cent. Distinct economies of scale have been generated in the segment, which enhanced profitability. The integration of BBC in Italy has progressed according to plan and the integration of db electronic has commenced. The latter acquisition will provide the opportunity for so called quick turnarounds of prototype deliveries to customers in Europe.

Earnings continued to improve and EBITA amounted to SEK 94.2 million (68.4), corresponding to an EBITA margin of 15.4 per cent (12.4). The gross margin clearly improved in most of the segment's companies, which contributed to increased profitability.

January to June 2023

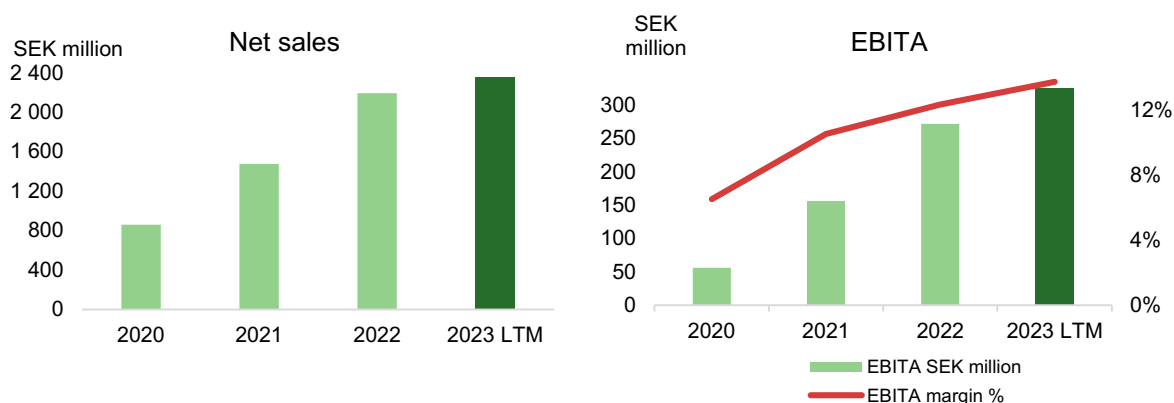
Order intake during the first half of the year increased to SEK 1,073 million (1,046) but adjusted for acquisitions and the transfer of customers from the *Nordic* segment, order intake decreased 17 per cent and by 24 per cent measured in USD.

Earnings continued to strengthen, through both economies of scale and an increased gross margin resulting from factory procurement processes in Asia and lower freight costs. Order intake and net sales were negatively impacted by the low capacity utilisation in the Asian factories and, accordingly, lower prices, which NCAB succeeded well in offsetting with higher gross margins. EBITA for the first half of the year increased to SEK 193.8 million (140.3) and an EBITA margin of 15.1 per cent (12.5).

EUROPE

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2023	2022	%	2023	2022	%	LTM	2022
Net sales	611.4	550.6	11.1	1,285.5	1,118.0	15.0	2,360.1	2,192.6
Adjusted Net sales*	611.4	621.6	-1.6	1,285.5	1,247.3	3.1	2,471.2	2,432.9
EBITA	94.2	68.4	37.7	193.8	140.3	38.2	325.3	271.8
EBITA margin, %	15.4	12.4		15.1	12.5		13.8	12.4

*) Net sales for 2022 has been adjusted for Sales that was moved from segment Nordic in 2023

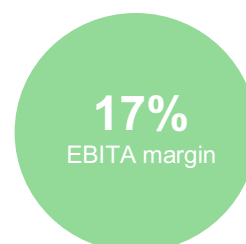


NORTH AMERICA

NCAB already had five offices in the USA that cover the country from east to west. In May 2023, Phase 3 Technologies in San Jose was acquired, further strengthening NCAB's presence on the American west coast.

Second quarter 2023

Order intake decreased 14 per cent to SEK 163 million (189). Adjusted for the acquisition of Phase 3, the decrease in order intake was 30 per cent and in USD was 34 per cent. The market in *North America* has been cautious in recent quarters and NCAB has a large share of EMS customers who have reported weak performance and who have been impacted by inventory normalisation after the challenges in the supply chains of the past two years. However, the acquisition of Phase 3 Technologies in Silicon Valley will strengthen NCAB on the important west coast, as well as reinforcing NCAB's opportunities for growth using prototypes and quick turnarounds.



Net sales for the segment decreased 11 per cent to SEK 182.9 million (204.7) due to the weaker order intake in recent quarters. Adjusted for the acquisition of Phase 3 Technologies, net sales decreased 24 per cent and net sales in USD decreased 29 per cent.

Despite reduced net sales, earnings continued to improve as a result of effective cost control and increasing gross margins. EBITA increased to SEK 31.6 million (30.3) while the EBITA margin grew to 17.3 per cent (14.8).

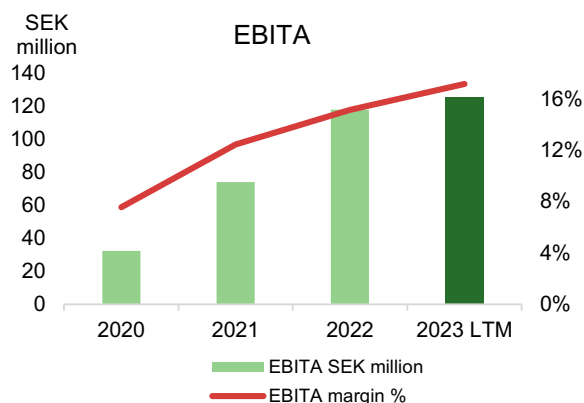
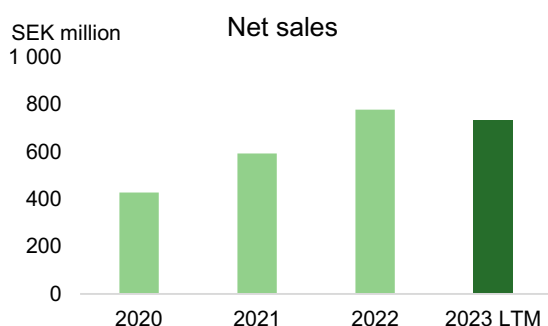
January to June 2023

During the first six months of the year, order intake decreased 14 per cent to SEK 333 million and adjusted for the acquisition of Phase 3 Technologies, the decrease was 22 per cent and 29 per cent in USD. During the first six months of the year, net sales decreased 12 per cent and adjusted for acquisitions by 19 per cent and by 26 per cent in USD.

In the *North America* segment, the company also succeeded well in adapting costs and, in particular, purchasing prices and, despite reduced net sales, earnings increased to SEK 57.8 million (50.1), entailing an increase in the EBITA margin from 12.9 per cent to 16.9 per cent.

NORTH AMERICA

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2023	2022	%	2023	2022	%	LTM	2022
Net sales	182.9	204.7	-10.7	341.6	388.8	-12.1	731.6	778.8
EBITA	31.6	30.3	4.2	57.8	50.1	15.4	125.7	118.0
EBITA margin, %	17.3	14.8		16.9	12.9		17.2	15.1

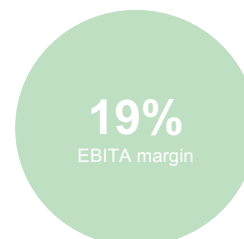


EAST

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 that were discontinued in 2022.

Second quarter 2023

The Chinese market reopened at year end after lengthy pandemic lockdowns. This led to a sharp rise in customer activity and opportunities for new business. During the second quarter, however, the anticipated growth did not take place. The consumption of services increased, while the manufacturing industry declined. Order intake decreased during the quarter to SEK 43 million (60).



Net sales for the quarter amounted to SEK 56.4 million (66.6), entailing a decrease of 28 per cent and 31 per cent measured in USD.

NCAB has consistently focused on demanding customers with a significant need for service and high complexity. This meant that profitability remained at a high level. EBITA for the quarter amounted to SEK 10.8 million (12.6), corresponding to an EBITA margin of 19.2 per cent (18.9).

January to June 2023

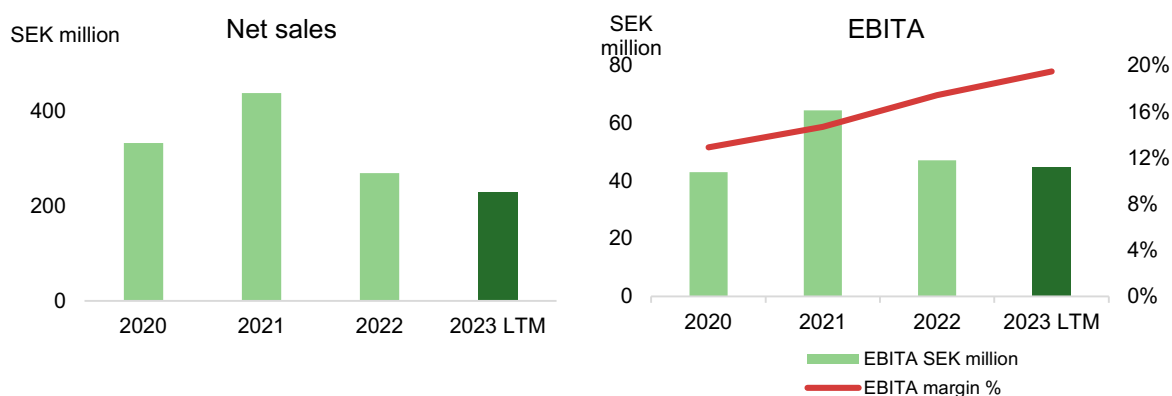
Order intake for the first half of the year amounted to SEK 105 million. Adjusted for the Russian operations, which was divested in the spring of 2022, order intake decreased by 10 per cent and by 17 per cent in USD. Net sales decreased 27 per cent till 108.5 million (148.9). Adjusted for the Russian operations, the decrease was 9 per cent and 16 per cent in USD.

The *East* segment also delivered an increase in the EBITA margin to 18.2 per cent from 14.8 per cent, entailing an EBITA for the first six months of SEK 19.7 million (22.0).

EAST

SEK million

	Apr-Jun			Jan-Jun			Full-year	
	2023	2022	%	2023	2022	%	LTM	2022
Net sales	56.4	66.6	-15.2	108.5	148.9	-27.1	229.7	270.0
EBITA	10.8	12.6	-14.3	19.7	22.0	-10.6	44.8	47.1
EBITA margin, %	19.2	18.9		18.2	14.8		19.5	17.5



FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

Working capital continued to decrease, despite a change taking place from air to more ocean freight. Together with increased earnings, this resulted in continued healthy cash flow. Cash flow from operating activities in the quarter was SEK 152.7 million (148.2). Working capital for the Group on 30 June 2023 corresponded to 7.9 per cent (10.7) of net sales over the past 12 months. NCAB has credit insurance for most of the trade receivables outstanding. Cash flow from investing activities was SEK -350.4 million (-105.4) during the quarter. Non-acquisition-related investments for the period amounted to SEK -14.4 million (-7.0). For the first six months of the year, total investments amounted to SEK -424.1 million (-197.9), of which non-acquisition-related investments amounted to SEK -34.6 million (-17.5). The increase in non-acquisition-related investments mainly pertained to investments in a new IT platform. The roll-out is expected to commence during the fourth quarter, followed by successive roll-out during 2024. This will enable further enhanced customer service and increase the Group's efficiency and support the continued growth and integration of new companies.

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 850.1 million (842.3). The equity/assets ratio was 37.8 per cent (30.6) and equity was SEK 1,288.2 million (934.6). At the end of the period, the Group had available liquidity, including undrawn acquisition credits and overdraft facilities, of SEK 743 million (735).

At 30 June 2023, NCAB had loans including utilised overdraft facilities totalling SEK 1,055 million. NCAB had a loan of SEK 550 million and two acquisition credits totalling SEK 750 million (of which SEK 450 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 30 June 2023, the company complied 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 2022 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 2022. After considering future opportunities and risks, NCAB decided to discontinue its operations in the country and therefore sold the company on 8 April 2022.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > On May 2, 100% of the shares was acquired in db electronic, with companies in Germany, Switzerland and France.
- > On May 4, 100% of the shares was acquired in Phase 3 Technologies in San Jose, USA.
- > The Annual General Meeting resolved on a dividend of SEK 1.10 per share.
- > Peter Jensen, MD of NCAB Group Denmark, was appointed VP Nordics and a member of Group Management.

RELATED-PARTY TRANSACTIONS

No material related-party transactions took place during the period.

ORGANISATION

On 30 June 2023, the number of employees was 614 (603), of whom 277 (268) were women and 337 (335) were men. The average number of employees in the organisation during the quarter was 601 (583), of whom 272 (263) were women and 329 (320) were men.

PARENT COMPANY

The Parent Company's net sales for the second quarter were SEK 44.5 million (26.6). Sales consist exclusively of internal billing. Profit after financial items was SEK 258.3 million (90.8) for the quarter. Net sales for the year amounted to SEK 87.2 million (50.8) and profit after financial items was SEK 261.0 million (75.3). The earnings improvement was mainly due to increased dividends from subsidiaries. The preceding year's earnings were also charged with costs for the impairment of assets in subsidiaries of SEK 9.9 million in conjunction with the sale of the Russian subsidiary.

DECLARATION OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board of Directors and Chief Executive Officer provide their assurance that the half-year 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 2023

Christian Salamon
Chairman of the Board

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 half-year 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 2023, at 7:20 a.m. CEST

NCAB Group AB (publ)

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NCAB Group is publishing the half-year report for 2023, January–June, on Friday 21 July at 7:20 a.m. A web-cast telephone conference will be held at 10:00 a.m. CEST on the same date, where 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-q2-2023>

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

<https://conference.financialhearings.com/teleconference/?id=200882>

FINANCIAL CALENDAR

Capital Markets Day	4 September 2023
Interim report third quarter	7 November 2023
Year-end report	15 February 2024

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 16 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	Apr-Jun		Jan-Jun		LTM	Jan-Dec 2022
	2023	2022	2023	2022		
Operating revenue						
Net sales	1,057.5	1,122.0	2,203.8	2,263.3	4,398.3	4,457.7
Other operating income	8.7	14.0	9.5	14.4	15.9	20.9
Total	1,066.2	1,136.0	2,213.3	2,277.7	4,414.2	4,478.6
Raw materials and consumables	-680.8	-770.5	-1,442.2	-1,567.6	-2,917.9	-3,043.3
Other external expenses	-65.0	-57.7	-125.4	-110.1	-233.9	-218.6
Staff costs	-133.9	-135.7	-264.0	-270.3	-536.1	-542.3
Dep. and amort of fixed assets	-24.1	-18.1	-45.2	-33.8	-88.2	-76.8
Divestment of NCAB Russia	-	-	-	-43.2	-	-43.2
Other operating expenses	-7.9	-3.2	-9.4	-8.1	-9.3	-8.0
Total operating expenses	-911.7	-985.1	-1,886.2	-2,033.0	-3,785.4	-3,932.2
Operating profit	154.5	150.9	327.1	244.7	628.7	546.4
Net financial income/expense	-21.5	22.2	-31.3	16.0	-43.5	3.8
Profit before tax	133.0	173.0	295.8	260.8	585.2	550.2
Income tax	-31.8	-31.9	-69.5	-53.5	-149.1	-133.0
Profit for the period	101.2	141.1	226.2	207.3	436.1	417.1
Profit attributable to:						
Shareholders of the Parent Company	101.2	141.1	226.1	207.2	435.9	417.0
Non-controlling interests	-0.0	0.1	0.1	0.1	0.2	0.2
Average number of shares before dilution	186,944,090	186,924,708	186,939,739	186,921,865	186,937,068	186,928,204
Average number of shares after dilution	187,732,713	187,291,959	187,552,873	187,257,563	187,427,589	187,279,557
Earnings per share before dilution	0.54	0.75	1.21	1.11	2.33	2.23
Earnings per share after dilution	0.54	0.75	1.21	1.11	2.33	2.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr-Jun		Jan-Jun		LTM	Jan-Dec 2022
	2023	2022	2023	2022		
Profit for the period	101.2	141.1	226.2	207.3	436.1	417.1
Other comprehensive income, items that can subsequently be reclassified to profit or loss:						
Foreign exchange differences	88.9	32.2	65.1	65.1	119.2	119.2
	-	-8.2	-	-8.2	-	-8.2
Total comprehensive income	190.1	165.1	291.3	264.1	555.3	528.1
Profit attributable to:						
Shareholders of the Parent Company	190.1	165.1	291.2	264.0	555.1	527.9
Non-controlling interests	-0.0	0.1	0.1	0.1	0.2	0.2

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	30 Jun 2023	30 Jun 2022	31 Dec 2022
Non-current assets			
Goodwill	1,414.2	1,027.1	1,057.5
Other intangible assets	270.0	166.7	171.7
Leasehold improvement costs	7.9	4.5	7.2
Right-of-use Office and Cars	79.1	64.1	85.5
Plant and equipment	14.8	12.7	11.0
Financial assets	4.6	5.7	5.5
Deferred tax assets	14.1	11.2	12.2
Total non-current assets	1,804.7	1,292.0	1,350.6
Current assets			
Inventories	375.0	523.1	504.9
Trade receivables	869.8	977.0	760.7
Other current receivables	32.7	21.9	39.2
Prepaid expenses and accrued income	37.2	30.8	27.8
Cash and cash equivalents	288.9	188.7	357.8
Total current assets	1,603.6	1,741.6	1,690.5
TOTAL ASSETS	3,408.4	3,033.6	3,041.1
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	189.1	69.9	124.0
Retained earnings	618.9	378.0	591.5
Non-controlling interests	0.2	0.2	0.3
Total equity	1,288.2	928.2	1,195.8
Non-current liabilities			
Borrowings	971.9	834.5	833.8
Leased liabilities	51.1	44.4	57.6
Deferred tax	85.6	55.8	62.1
Total non-current liabilities	1,108.6	934.6	953.4
Current liabilities			
Current liabilities	83.4	129.1	0.3
Current right-of-use liabilities	32.5	23.0	31.8
Trade payables	534.0	647.1	518.5
Current tax liabilities	107.1	86.1	108.9
Other current liabilities	119.0	62.4	83.5
Accrued expenses and deferred income	135.5	167.0	148.8
Total current liabilities	1,011.5	1,114.7	891.8
TOTAL EQUITY AND LIABILITIES	3,408.4	3,033.6	3,041.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Parent Company							
SEK million	Share capital	Additional paid-in capital	Reserves	Retained earning	Total	Non-controlling interests	Total equity
1 Jan 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	-	-	-	-112.2	-112.2	-0.3	-112.5
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	-	-	-	-109.5	-109.5	-0.3	-109.8
30 Jun 2022	1.9	478.1	69.9	378.0	928.0	0.2	928.2

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 2023	1.9	478.1	124.0	591.5	1,195.6	0.3	1,195.8
Profit for the period				226.1	226.1	0.1	226.2
Other comprehensive income for the period	-	-	65.1	-	65.1	-	65.1
income	-	-	65.1	226.1	291.2	0.1	291.3
Dividend	-	-	-	-205.7	-205.7	-0.2	-205.8
Own shares	-	-	-	3.0	3.0	-	3.0
Cost for Warrants	-	-	-	3.9	3.9	-	3.9
Total transactions with shareholders, recognised directly in equity	-	-	-	-198.8	-198.8	-0.2	-198.9
30 Jun 2023	1.9	478.1	189.1	618.9	1,288.0	0.2	1,288.2

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2023	2022	2023	2022	LTM	2022
Cash flow from operating activities						
Profit before net financial income/expense	154.5	150.9	327.1	244.7	628.7	546.4
Adjustment for non-cash items	7.5	42.4	35.1	47.1	47.5	59.5
Interest received	1.2	-0.0	1.4	0.2	3.7	2.6
Interest paid	-10.2	-5.7	-23.4	-10.7	-39.6	-26.9
Income taxes paid	-60.0	-22.5	-73.4	-32.6	-132.0	-91.2
Cash flow from operating activities before changes in working capital	93.0	165.0	266.8	248.6	508.4	490.3
Change in inventories	27.4	-33.8	132.3	26.1	150.5	44.3
Change in current receivables	63.5	-58.6	1.1	-131.7	203.1	70.3
Change in current operating liabilities	-31.3	75.6	-45.5	29.5	-111.8	-36.8
Total changes in working capital	59.6	-16.8	87.8	-76.2	241.8	77.8
Cash flow from operating activities	152.7	148.2	354.6	172.4	750.2	568.1
Cash flow from investing activities						
Investments in property, plant and equipment	-2.6	-0.4	-3.8	-6.1	-8.1	-10.4
Investments in intangible assets	-11.9	-6.6	-30.7	-9.0	-54.1	-32.4
Investments in subsidiaries	-335.9	-98.4	-389.5	-180.4	-387.5	-178.3
Investments in financial assets	-	-	-	-2.4	5.1	2.7
Cash flow from investing activities	-350.4	-105.4	-424.1	-197.9	-444.6	-218.4
Cash flow from financing activities						
Change in overdraft facility	60.8	-24.3	60.8	-60.9	-67.3	-189.0
Borrowings	160.0	90.0	160.0	190.0	160.0	190.0
Transaction cost, loans	-	-	-	-	-	-
Repayment of loans	-	-	-	-	-	-
Repayment of leased liabilities	-8.9	-5.2	-17.8	-10.2	-37.1	-29.6
Dividend	-205.7	-56.1	-205.7	-56.1	-261.8	-112.2
Cash flow from financing activities	6.2	4.3	-2.7	62.8	-206.2	-140.8
Decrease/increase in cash and cash equivalents						
Cash flow for the period	-191.5	47.1	-72.2	37.3	99.4	208.9
Foreign exchange difference in cash and cash equivalents	8.7	14.6	3.3	14.7	0.8	12.2
Cash and cash equivalents at beginning of period	471.7	127.0	357.8	136.7	188.7	136.7
Cash and cash equivalents at end of period	288.9	188.7	288.9	188.7	288.9	357.8

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Operating revenue					
Net sales	44.5	26.6	87.2	50.8	143.3
Total	44.5	26.6	87.2	50.8	143.3
Other external expenses	-36.1	-15.1	-59.4	-30.8	-89.7
Staff costs	-13.6	-16.8	-25.3	-28.4	-56.2
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.0	-0.1	-0.0	-0.3	-0.5
Write down	-	-	-	-9.9	-9.9
Total operating expenses	-49.7	-32.0	-84.7	-69.4	-156.3
Operating loss	-5.2	-5.5	2.4	-18.6	-13.0
Income from investments in Group companies	259.3	93.1	259.3	90.4	158.3
Net financial income/expense	4.2	3.2	-0.7	3.5	-3.6
Net financial income/expense	263.5	96.3	258.6	93.9	154.8
Profit before tax	258.3	90.8	261.0	75.3	141.8
Appropriations	0	-	0	-	8.8
Tax on profit for the period	-2.0	-0.1	-2.7	-0.1	-0.2
Profit for the period	256.3	90.8	258.4	75.2	150.3

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 2023	30 Jun 2022	31 Dec 2022
Non-current assets			
Capitalised development costs	59.0	6.8	28.6
Plant and equipment	0.1	0.1	0.1
Non-current financial assets	910.0	1,241.4	909.8
Non-current financial assets from Group companies	587.9		267.4
Total non-current assets	1,557.0	1,248.2	1,205.9
Current assets			
Receivables from Group companies	84.0	211.8	164.1
Other current receivables	2.4	1.5	3.2
Prepaid expenses and accrued income	6.6	5.4	4.0
Cash and cash equivalents	0.1	0.1	42.9
Total current assets	93.1	218.8	214.1
TOTAL ASSETS	1,650.0	1,467.1	1,420.0
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	-408.8	-297.4	-353.5
Profit/ loss for the period	258.4	75.2	150.3
Total equity	329.6	257.9	276.9
Untaxed reserves	1.0	3.8	1.0
Non-current liabilities			
Liabilities to credit institutions	971.9	834.5	833.8
Total non-current liabilities	971.9	834.5	833.8
Current liabilities			
Liabilities to credit institutions	83.3	128.6	-
Trade payables	14.0	6.4	14.1
Liabilities to Group companies	233.7	220.1	273.3
Current tax liabilities	3.1	-	0.4
Other current liabilities	1.0	3.1	2.0
Accrued expenses and deferred income	12.4	12.7	18.5
Total current liabilities	347.5	370.9	308.3
TOTAL EQUITY AND LIABILITIES	1,650.0	1,467.1	1,420.0

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

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

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 January 2023	1.9	478.1	-203.1	276.9
Loss for the year	-	-	258.4	258.4
Total comprehensive income	-	-	258.4	258.4
Dividend, shares			-205.7	-205.7
Total transactions with shareholders, recognised directly in equity	-	-	-205.7	-205.7
30 Jun 2023	1.9	478.1	-150.4	329.6

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 2022 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 2022, 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 2023 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 1–30 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 4 of the 2022 Annual Report.

Note 2 Information on financial assets and liabilities

For more information on financial assets and liabilities, see the 2022 Annual Report, Note 2. The Group's financial assets and liabilities are measured at amortised cost. There are temporary financial liabilities that are measured at fair value. For acquisitions, the purchase consideration may be determined based on future outcomes in the acquired company. The part of the consideration that is dependent on the future outcome of the acquired company are based on forecast and is recognised at fair value. There was no change during the period. 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". Most of the company's financial liabilities are recognised in the category "Other financial liabilities", and any additional purchase considerations are recognised at fair value.

Note 3 Pledged assets and contingent liabilities

As of December 2022, 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. 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 2023

Quarter	Nordic		Europe		North America		East		Central functions		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
SEK million												
Net sales	207	300	611	551	183	205	56	67	0	-	1,057	1,122
EBITA	45	60	94	68	32	30	11	13	-14	-11	168	160
EBITA margin, %	22.0	19.9	15.4	12.4	17.3	14.8	19.2	18.9			15.9	14.3
Amortis. intangible assets											-14	-9
Operating profit											154	108
Operating margin, %											14.6	9.6
Net financial expense											-21	22
Profit before tax											133	130
Net working capital	81	104	316	372	34	52	24	54	-37	8	419	590

Sales and earnings of segments, January–June 2023

SEK million	Nordic		Europe		North America		East		Central functions		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	468	608	1,285	1,118	342	389	109	149	0	-	2,204	2,263
EBITA	102	103	194	140	58	50	20	22	-21	-9	352	306
EBITA margin, %	21.7	16.9	15.1	12.5	16.9	12.9	18.2	14.8			16.0	13.5
Amortis. intangible assets											-25	-18
Write down Russia											-	-43
Operating profit											327	245
Operating margin, %											14.8	10.8
Net financial expense											-31	16
Profit before tax											296	261
Net working capital	81	104	316	372	34	52	24	54	-37	8	419	590
Fixed assets	22	23	42	31	11	8	10	2	17	18	102	81
Intangible assets	422	443	605	427	590	309	9	8	59	7	1,684	1,194

Sales and earnings of segments, LTM

LTM	Nordic		Europe		North America		East		Central functions		Group	
	2023 LTM	2022	2023 LTM	2022	2023 LTM	2022	2023 LTM	2022	2023 LTM	2022	2023 LTM	2022
Net sales	1,077	1,216	2,360	2,193	732	779	230	270	0	-	4,398	4,458
EBITA	204	205	325	272	126	118	45	47	-23	-11	676	631
EBITA margin, %	18.9	16.8	13.8	12.4	17.2	15.1	19.5	17.5			15.4	14.2
Amortis. intangible assets											-48	-41
Write down Russia											-	-43
Operating profit											629	546
Operating margin, %											14.3	12.3
Net financial expense											-44	4
Profit before tax											585	550
Net working capital	81	118	316	324	34	14	24	62	-37	-45	419	473
Fixed assets	22	23	42	40	11	11	10	10	17	20	102	104
Intangible assets	422	445	605	434	590	313	9	8	59	29	1,684	1,229

Note 5

Quarterly summary

	Q2 23	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21
Order intake, SEK million	924	1,030	1,009	1,011	1,036	1,171	1,067	935	1,058
Order intake, USD million	87.9	98.7	93.2	94.1	104.9	125.3	120.6	107.3	126.2
Net sales, SEK million	1,057	1,146	1,026	1,168	1,122	1,141	977	864	762
SEK annual growth, %	-5.7	0.4	5.1	35.3	47.2	84.9	89.7	60.9	31.3
Net sales, USD million	100.5	109.9	94.4	109.8	114.0	122.1	111.3	99.8	90.9
USD annual growth, %	-11.8	-10.0	-15.2	10.0	25.4	66.2	87.1	65.5	51.5
Gross margin, %	36.4	33.6	34.1	32.2	31.3	30.2	30.6	30.8	30.1
EBITA, SEK million	168.2	183.7	141.0	183.5	160.2	146.3	121.0	123.2	103.8
EBITA margin, %	15.9	16.0	13.7	15.7	14.3	12.8	12.4	14.3	13.6
Operating profit/loss, SEK million	154.5	172.6	129.3	172.3	150.9	93.8	113.7	118.6	99.7
Total assets, SEK million	3,408	3,176	3,041	3,195	3,034	2,733	2,661	1,982	1,765
Cash flow from operating activities, SEK million	152.7	201.9	189.4	212.2	148.2	24.2	19.8	0.2	30.3
Equity/assets ratio, %	37.8	40.9	39.3	35.5	30.6	32.0	29.1	43.1	42.3
Number of employees	614	587	587	578	574	603	562	512	500
Average exchange rate, SEK/USD	10.51	10.42	10.73	10.55	9.83	9.33	8.86	8.65	8.41
Average exchange rate, SEK/EUR	11.43	11.20	10.94	10.63	10.47	10.48	10.13	10.19	10.14

Note 6 Acquisitions

Bare Board Consultants

On 24 November 2022, an agreement was signed to acquire 100 per cent of the shares in Bare Board Consultants in Italy. The transaction was completed 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.

db electronic

On 2 May 2023, 100 per cent of the shares was acquired in db electronic, with companies in Germany, Switzerland and France. Operating profit together with assets and liabilities associated with the acquired companies were consolidated from the transaction date. The companies reported net sales of SEK 125 million and EBITA of slightly more than SEK 19 million in 2022. The purchase consideration for the shares amounted to SEK 124.7 million and goodwill of SEK 101.2 million arose. Through the acquisition, some 20 new employees were added.

Phase3 Technologies

On 4 May 2023, 100 per cent of the shares was acquired in Phase 3 Technologies in San Jose, USA. Operating profit together with assets and liabilities associated with the acquired companies were consolidated from the transaction date. The companies reported net sales of SEK 247 million and EBITA of slightly more than SEK 37 million in 2022. The purchase consideration for the shares is estimated at SEK 291.3 million and goodwill of SEK 196.3 million arose. The purchase consideration comprised SEK 268 million paid on transfer and a potential additional purchase consideration estimated at SEK 23 million. The additional purchase consideration is based on the development of gross profit in 2023 compared with the gross profit in 2022. Through the acquisition, 17 employees were added.

Contribution in 2023

During the year, BBC, db electronic and Phase 3 Technologies made a combined contribution of SEK 78 million in net sales and SEK 10.0 million in EBITA. If all of the companies had been consolidated on 1 January 2023, the Group's net sales for the January–June period 2023 would have increased by SEK 120 million to SEK 2,325 million and EBITA by SEK 18.9 million to SEK 370.8 million.

Total transaction costs of SEK 9.4 million were paid in conjunction with these three acquisitions, all of which were booked as central costs.

Acquisitions	BBC 10 January 2023	db electronic 2 May 2023	Phase 3 4 May 2023
Total purchase consideration	71.7	124.7	291.3
Acquired assets and assumed liabilities			
Non-current assets	0.3	2.7	1.8
Customer relationships	17.1	12.2	58.2
Other current assets	42.9	20.5	52.0
Cash and cash equivalents	15.5	7.5	25.6
Other operating liabilities	-17.3	-15.9	-28.1
Deferred tax	-5.7	-3.5	-14.6
Total net assets	52.8	23.5	95.0
Goodwill	18.9	101.2	196.3

Amounts reported in the table above are preliminary values.

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	
	2023	2022	2023	2022	LTM	2022
Net sales	1,057.5	1,122.0	2,203.8	2,263.3	4,398.3	4,457.7
Other operating income	0.2	0.1	1.0	0.5	12.2	11.8
Cost of goods sold	-680.8	-770.5	-1,442.2	-1,567.6	-2,917.9	-3,043.3
Translation differences	8.5	-	8.5	-	17.6	9.1
Total gross profit	385.4	351.6	771.1	696.2	1,510.2	1,435.3
Gross margin, %	36.4	31.3	35.0	30.8	34.3	32.2

EBITA

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2023	2022	2023	2022	LTM	2022
Operating profit	154.5	150.9	327.1	244.7	628.7	546.4
Amortisation and impairment of intangible assets	13.7	9.3	24.8	18.5	47.6	41.3
Divestment Russia	-	-	-	43.2	-	43.2
EBITA	168.2	160.2	351.9	306.4	676.4	630.9
EBITA margin, %	15.9	14.3	16.0	13.5	15.4	14.2

EBITDA

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2023	2022	2023	2022	LTM	2022
Operating profit	154.5	150.9	327.1	244.7	628.7	546.4
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	24.1	18.1	45.2	33.8	88.2	76.8
Divestment Russia	-	-	-	43.2	-	43.2
EBITDA	178.6	169.0	372.3	321.7	716.9	666.4
EBITDA margin, %	16.9	15.1	16.9	14.2	16.3	14.9

Return on equity

SEK million	Jun 2023	Jun 2022	Dec 2022
Profit for the period — LTM	436.1	373.9	417.1
Equity (average)	1,108.2	837.7	984.8
Return on equity, %	39.4	44.6	42.4

Net working capital and capital employed

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Inventories	375.0	523.1	504.9
Trade receivables	869.8	977.0	760.7
Other current receivables	32.7	21.9	39.2
Prepaid expenses and accrued income	37.2	30.8	27.8
Trade payables	-534.0	-647.1	-518.5
Current tax liabilities	-107.1	-86.1	-108.9
Other current liabilities	-119.0	-62.4	-83.5
Accrued expenses and deferred income	-135.5	-167.0	-148.8
Net working capital	419.1	590.4	472.9
Non-current assets	1,804.7	1,292.0	1,350.6
Cash and cash equivalents	288.9	188.7	357.8
Deferred tax	-85.6	-55.8	-62.1
Capital employed	2,427.1	2,015.3	2,119.3

Return on capital employed

SEK million	Jun 2023	Jun 2022	Dec 2022
Operating profit/loss — LTM	628.7	476.8	546.4
Capital employed (average)	2,221.2	1,548.7	1,882.2
Return on capital employed, %	28.3	30.8	29.0

Equity/assets ratio

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Equity	1,288.2	928.2	1,195.8
Untaxed reserves	-	-	-
Total	1,288.2	928.2	1,195.8
Total assets	3,408.4	3,033.6	3,041.1
Equity/assets ratio, %	37.8	30.6	39.3

Net debt

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Interest-bearing liabilities	1,139.0	1,031.0	923.5
Cash and cash equivalents	-288.9	-188.7	-357.8
Total net debt	850.1	842.3	565.6
EBITDA LTM	716.9	535.3	666.4
Net debt / EBITDA	1.2	1.6	0.8

Net debt excl. IFRS 16 adjustment

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Interest-bearing liabilities excl IFRS 16	1,055.3	963.6	834.1
Cash and cash equivalents	-288.9	-188.7	-357.8
Total net debt excl IFRS16	766.4	774.9	476.2
EBITDA LTM excl IFRS 16	682.2	513.3	636.8
Net debt excl IFRS 16/ EBITDA excl IFRS 16	1.1	1.5	0.7

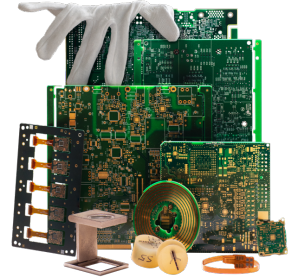
Alternative performance measure	Definition	Purpose
Gross profit	Net sales less raw materials and consumables and with the addition of other operating income, which includes translation differences on trade receivables and trade payables	Gross profit provides an indication of the surplus that is needed 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 per cent of net profit (unchanged from before).

3,350
CUSTOMERS



16
COUNTRIES WITH
LOCAL PRESENCE



31
MANUFACTURERS



614
SPECIALISTS



336
MILLION PCBs
MANUFACTURED PER YEAR

