

Slow pace in Europe

NCAB Q3 PRESENTATION

5 November 2024

NCAB GROUP Q3

Today's presenters



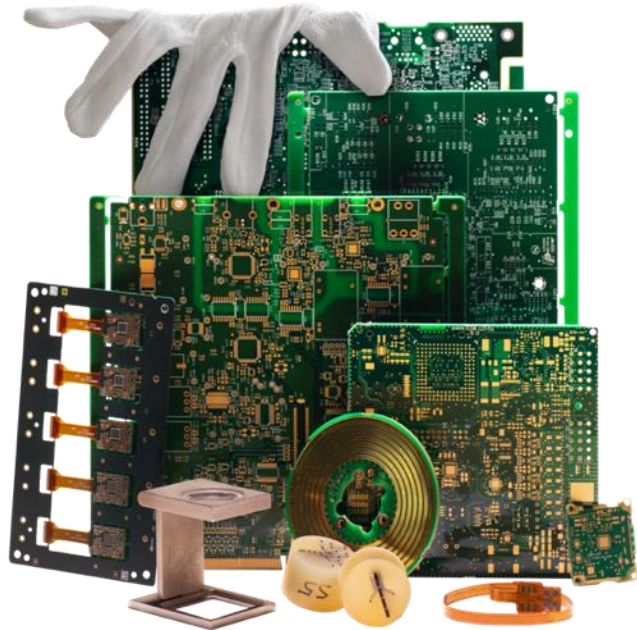
PETER KRUK
CEO



TIMOTHY BENJAMIN
CFO

DIGITALIZATION, ELECTRIFICATION AND IOT...

Everything needs a PCB and each PCB is unique



19

companies

45

markets

607

specialists

32

factories

MISSION

**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**



Local presence IRL



Production engineering



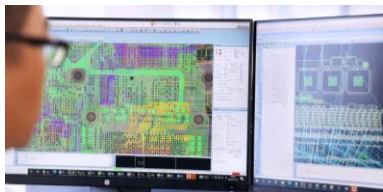
PCB unique know-how



Technical advice and customer education



Process integration for efficiency

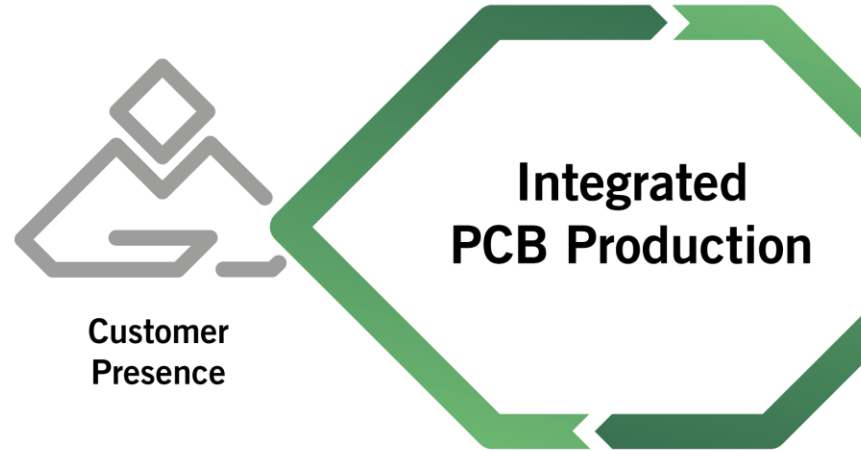


Matching needs with optimum manufacturing location



BUSINESS MODEL

**Customer
integration**



BUSINESS MODEL

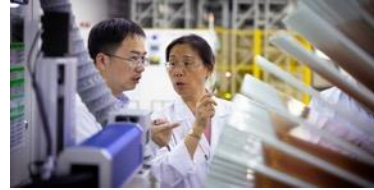
Factory integration



**Integrated
PCB Production**



**Factory
Presence**



Local presence IRL



**Experienced team of
120+ specialists**



**Preventive and reactive
quality assurance**



**Regular full quality and
sustainability audits**



**Development of
capabilities – quality
& sustainability**



**Sourcing and qualification
of new partners**

KEY TAKE AWAYS IN Q3 2024

Europe slow while North America and East grew

Demand in Europe was still soft

- Weak general demand in Germany, has spread to neighbouring markets
- Nordics with mixed performance, benefitting from defence growth, but lower activity in green energy
- North America and East segments continue positive progress with increasing number of project wins in more stable markets

Maintained good gross margins, but lower EBITA

- Gross profit at good level. Factory prices low
- EBITA and EBITA margin affected by lower topline
- Cash flow still strong

M&A activity remains strong

- Multiple acquisitions closed in the quarter



M & A

New acquisitions in the quarter

July 1, ICOM Industrial Components AG - Switzerland

- > 40 MSEK
- > 6 employees



July 4, EPI Components Trade - Austria

- > 35 MSEK
- > 4 employees



Sept 2, Print Production - Denmark

- > 12 MSEK
- > 3 employees



Oct 10, DVS closing - Italy

- > 230 MSEK
- > 31 employees



Q3 2024

In figures

Order intake decreased by 4% to 887 (924) MSEK

- > In USD order intake flat vs 2023 Q3
- > Book to bill 0.99

Net Sales decreased by 11% to 898 (1,005) MSEK

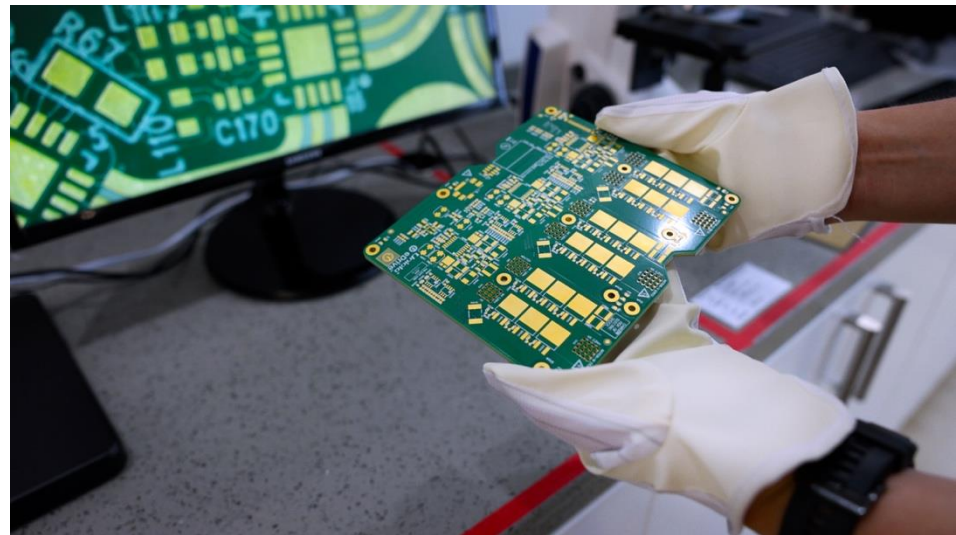
- > Organic growth -8% in USD
- > 2023 Q3 revenue supported by legacy order book

EBITA amounted to 118.5 MSEK, 13.2% EBITA-margin

- > Gross Margin at continued high level of 36.4% (36.2)

Strong operating cash flow at 119.0 MSEK (260.4)

- > Working capital stable at 7.5%



THE THIRD QUARTER IN NUMBERS

EBITA margin affected by lower net sales

Q3
2024

898

Net sales, MSEK

86.2

Net sales, MUSD

118.5

EBITA, MSEK

13.2 %

EBITA margin

Change
vs
Q3 2023

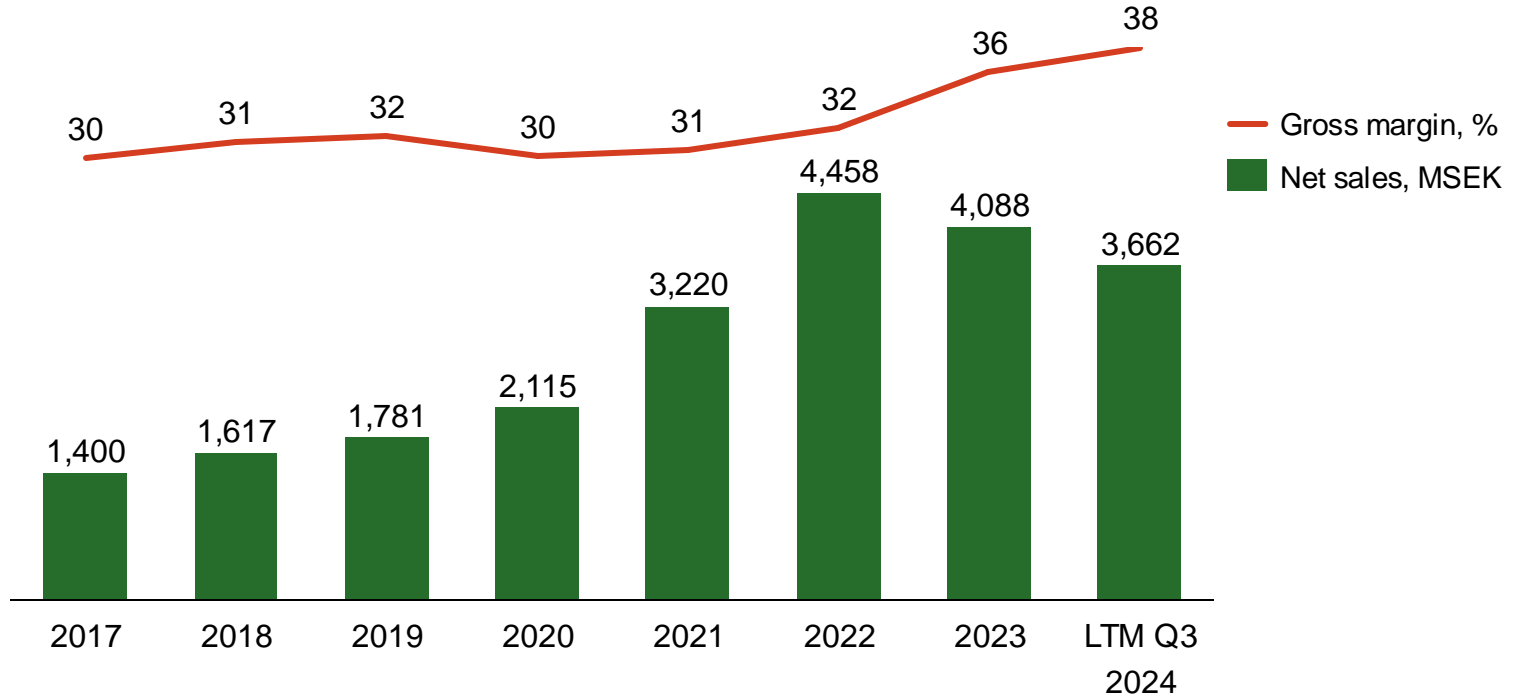
-11%

-7%

-33%

-4.3 pp

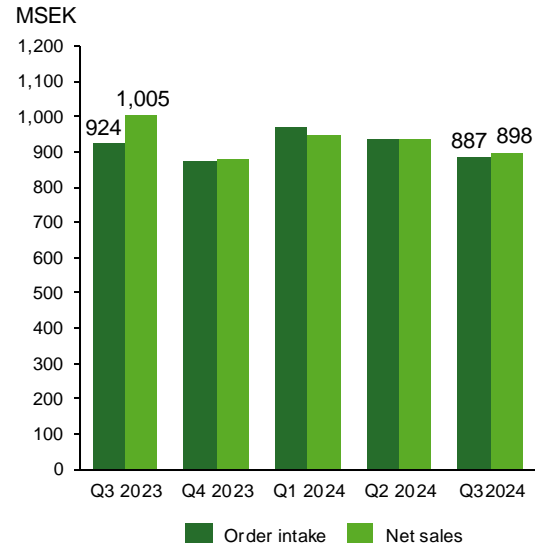
Weaker top line partly from lower prices



ORDER INTAKE AND NET SALES

Order intake and sales remained weak

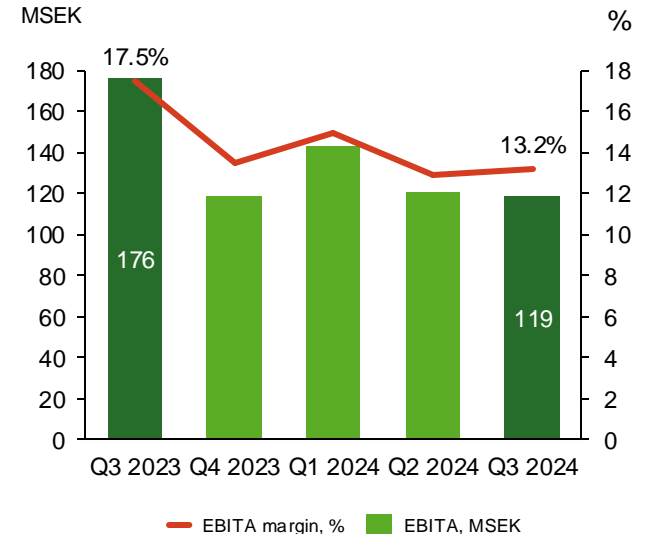
- > Order intake decreased by 4% to 887 and for comparable units in USD decreased by 1%
- > Positive development in Nordics, North America and East but weak demand Europe
- > Net sales decreased by 11% to 898 MSEK in the quarter
- > Order book supported sales in Q3 2023
- > Book to bill now at 0.99
- > Continued good trend in new part numbers and customers won



EBITA RESULT

EBITA result remained at previous quarter level

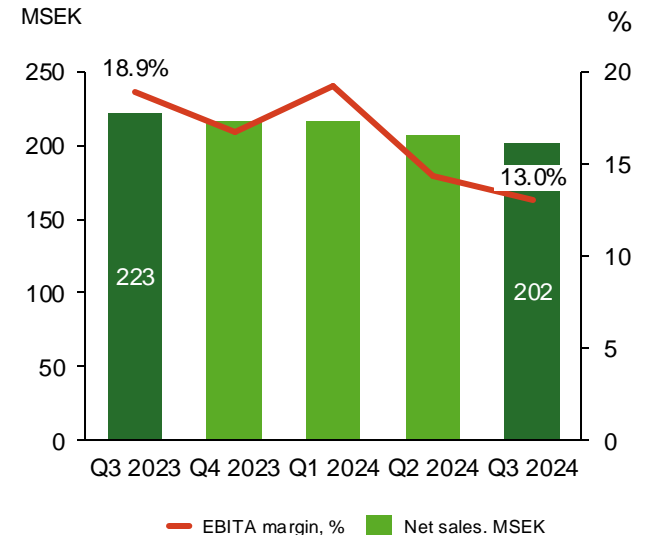
- › EBITA decreased to 118.5 MSEK (176)
 - › 2023 positively impacted by 21.0 MSEK from reversal of additional purchase consideration
 - › Lower revenue impacts EBITA
- › The EBITA margin decreased to 13.2% (17.5%)
 - › Gross margin stable at 36.4% (36.2%), despite some negative transactional FX impact
 - › Gross profit amounted to 326.6 MSEK (364.2)
- › Earnings per share was 0.27 SEK (0.59)



SEGMENTS

Nordic

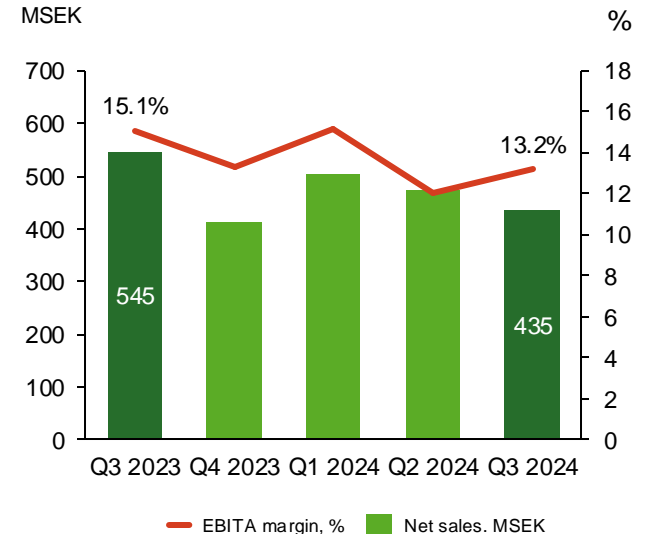
- Poland is from 2024 part of segment Nordic to support customer needs
- Order intake increased by 9% to 229 MSEK (210)
 - Aerospace and defence perform well
 - Green energy and construction sectors weak
- Net sales amounted to 202 MSEK (223), decreasing by 9% in SEK
- Customer/product mix had a negative impact on gross margin in the quarter
- EBITA amounted to 26.3 MSEK (42.0), and EBITA margin decreased to 13.0% (18.9%)



SEGMENTS

Europe

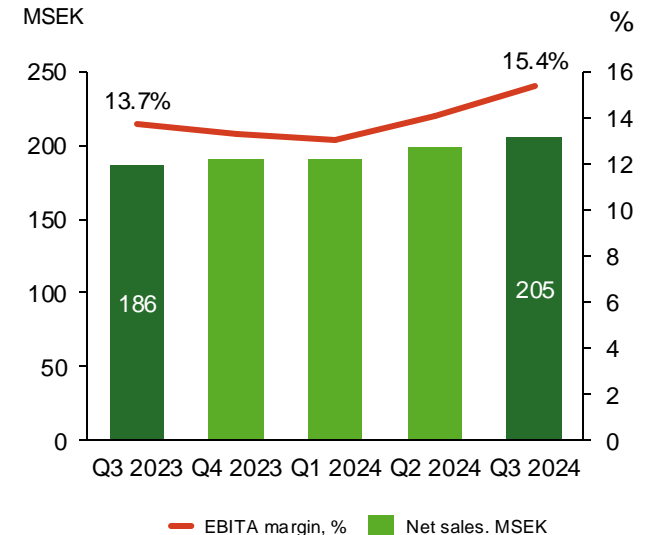
- Order intake decreased by 14% to 421 MSEK (490)
- Net sales decreased by 20% to 435 MSEK (545)
- German market remains weak and impacts neighbouring markets
- Positive development in commercial vehicles and aerospace
- A number of European PCB factories closing down may create opportunities for NCAB
- EBITA decreased to 57.6 MSEK (82.1), corresponding to a margin of 13.2% (15.1)



SEGMENTS

North America

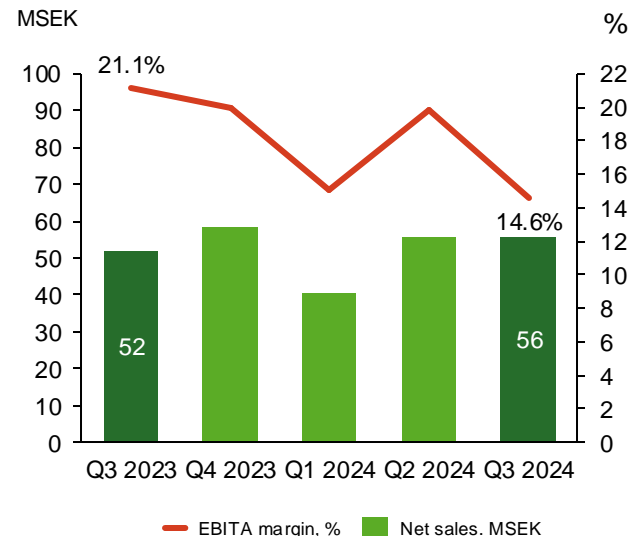
- Order intake increased by 5% to 185 MSEK (176)
- Net sales increased by 10% to 205 MSEK (186)
 - Continued work to strengthen our organization and to expand our external sales network
 - Leveraging our technical support capabilities leading to success in high-tech applications
 - NCAB has a unique capability to supply PCBs from Taiwan meeting requirements of US aerospace and defence industry
 - Positive effects of P3 integration to sales growth
- EBITA increased to 31.7 MSEK (25.6)
 - EBITA margin increased to 15.4% (13.7)



SEGMENTS

East

- Order intake increased 10% to 52 MSEK (48)
 - Market conditions in China remain challenging but NCAB's focus on high tech niches helps to outperform the market
 - Some positive signs in consumer confidence has been noted as a consequence of recent stimulus initiated by Chinese government
- Net sales increased 7% to 56 MSEK (52)
- EBITA down at 8.2 MSEK (10.9), with EBITA-margin at 14.6% (21.1%)



KPI:s

Strong finances support our growth

	2024 Q3	2023 Q3
ROE %	20.7	32.4
Net debt/EBITDA	1.1	0.9
Equity/Asset ratio %	41.3	40.5
Net working capital, MSEK	278	308
Net working capital/Net sales LTM %	7.5	6.9
Available liquidity, MSEK	1,481	962

NCAB ACQUISITION PROCESS

Good progress in our pipeline



A clear strategy for high-pace profitable growth!

GEOGRAPHICAL EXPANSION

Expand geographically to new markets using M&A to accelerate process

MARKET CONSOLIDATION

Consolidate market and explore economies of scale for cost and capability advantages

100% FOCUS ON PCBs

Maintain 100% focus on PCBs with an Asset Light model

INCREASE MARKET SHARES

Increase market shares and deepen customer relationships in existing markets

Q&A



Financial calendar 2025

Thursday, 13 February 2025

Q4 report

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