

Darkness still looms over Europe

NCAB Q2 PRESENTATION

23 July 2024



Today's presenters



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ANDERS FORSÉN
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KEY TAKE AWAYS IN Q2 2024

Weak demand in Europe but high activity in M&A

Market recovery in Europe slower than anticipated

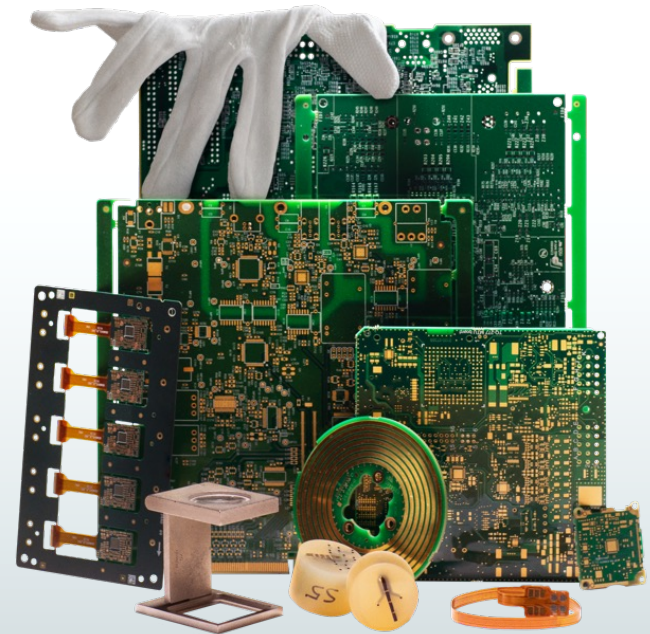
- Weak market demand in Europe, notably Germany
- Nordics with mixed performance, benefitting from Defence growth but lower activity in Construction and energy sectors
- North America and East continue to show progress with order intake fuelled by larger projects
- Continued healthy growth in new part numbers and new customers won

Maintained good gross margins but lower EBITA

- Gross profit at good levels. Factory prices remained low
- EBITA and EBITA margin affected by lower topline and some non-recurring costs

High activity in M&A

- Cumatrix in Belgium closed in April
- ICOM Industrial Components AG in Switzerland in early July
- EPI Components in Austria in early July
- DVS Global in Italy yesterday
- Several active discussions and pipeline continues to grow
- 500 MSEK in new credit facility for further M&A possibilities



ACQUISITIONS

New acquisitions in the quarter

Cumatrix – Belgium

- > 10 MSEK
- > 2 employees



ICOM Industrial Components AG - Switzerland

- > 40 MSEK
- > 6 employees



EPI Components Trade - Austria

- > 35 MSEK
- > 4 employees

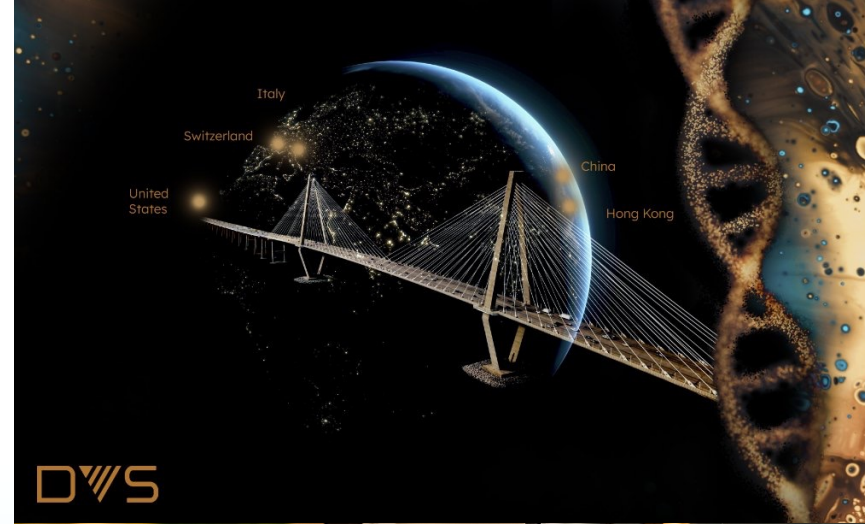


ACQUISITIONS

DVS Global - Italy



- Main customer base in Italy, industrial and automotive
- Quality focused and with a long history
- Revenue 230 MSEK – good profitability
- 31 employees in Italy, Switzerland, Hong Kong and China
- Company culture and values in line with NCAB
- Transaction expected to be closed in September/October



Q2 2024

In figures

Net Sales decreased by 12% to 935 (1,057) MSEK

- > Organic growth -15% in SEK and USD
- > Net Sales in line with order intake in previous quarters

Order intake increased by 1% to 938 (924) MSEK

- > Book to bill 1,00

EBITA amounted to 120 MSEK, 12,9% EBITA-margin

- > Gross Margin at continued high level of 38.5% (36.4)
- > Costs taken for roll-out of IT-platform and for the bi-yearly all-employee development conference

Strong operating cash flow at 101.2 MSEK (152.7)

- > Working capital stable on low level 6.2%



THE SECOND QUARTER IN NUMBERS

EBITA margin affected by lower net sales

Q2
2024

935

Net sales, MSEK

88

Net sales, MUSD

120

EBITA, MSEK

12.9 %

EBITA margin

Change
vs
Q2 2023

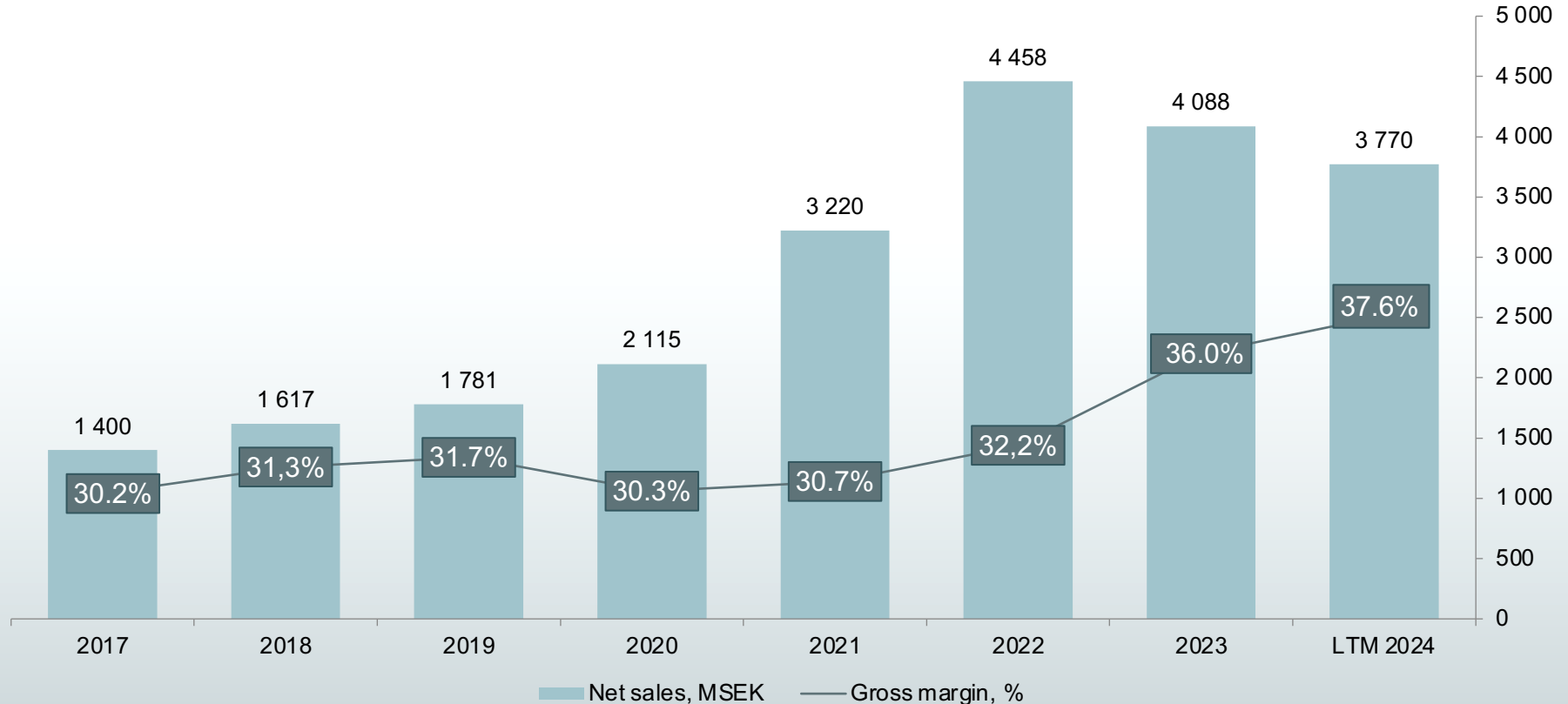
-12%

-13%

-28%

-3.0 pp

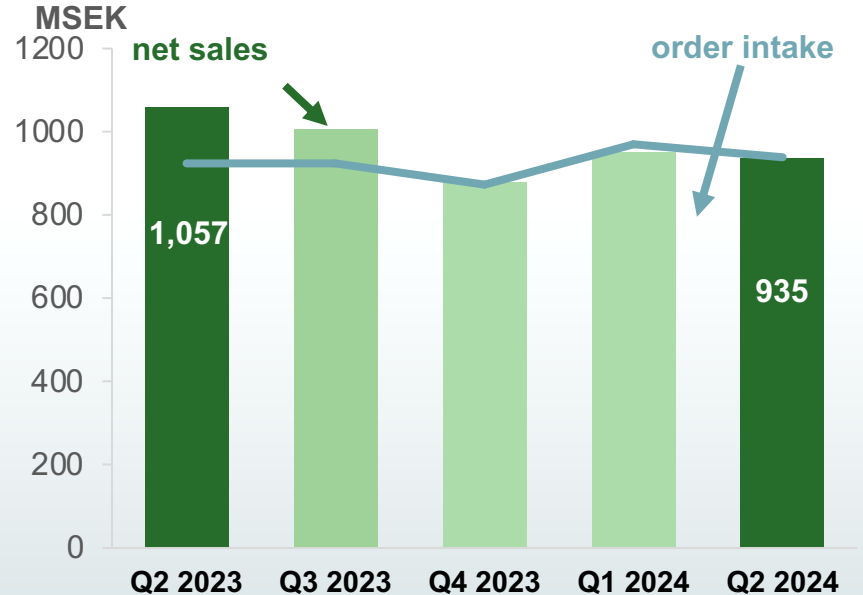
Weaker top line mainly from Europe



NET SALES AND ORDER INTAKE

Still weaker sales but also hesitant order intake

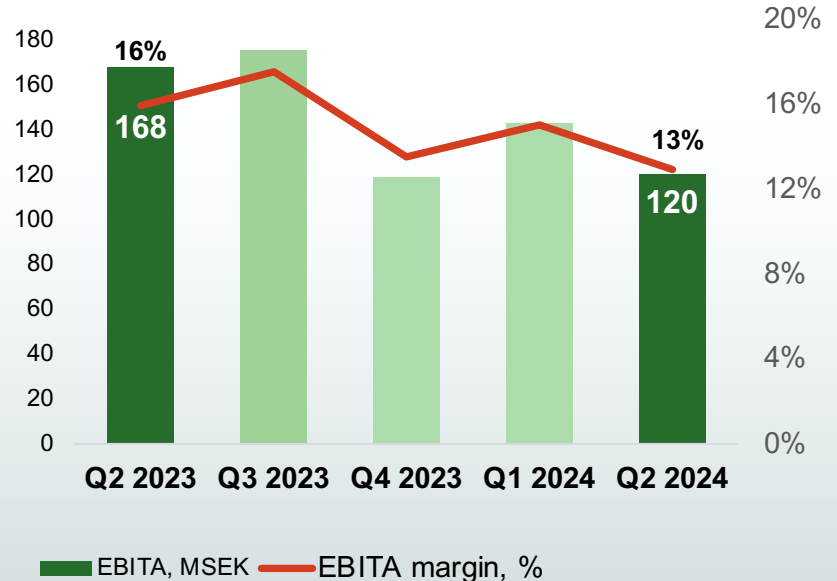
- > Net sales decreased by 12% to 935 MSEK in the quarter but in line with last quarters,
- > Order intake increased by 1% to 938 and for comparable units in USD decreased by 2%
- > Positive development in *North America* but weak demand in Germany impacts *Europe*
- > Book to bill now at 1.00
- > Continued good trend in new part numbers (+18%) and customers won



EBITA RESULT

EBITA result affected by weak topline and some extra costs

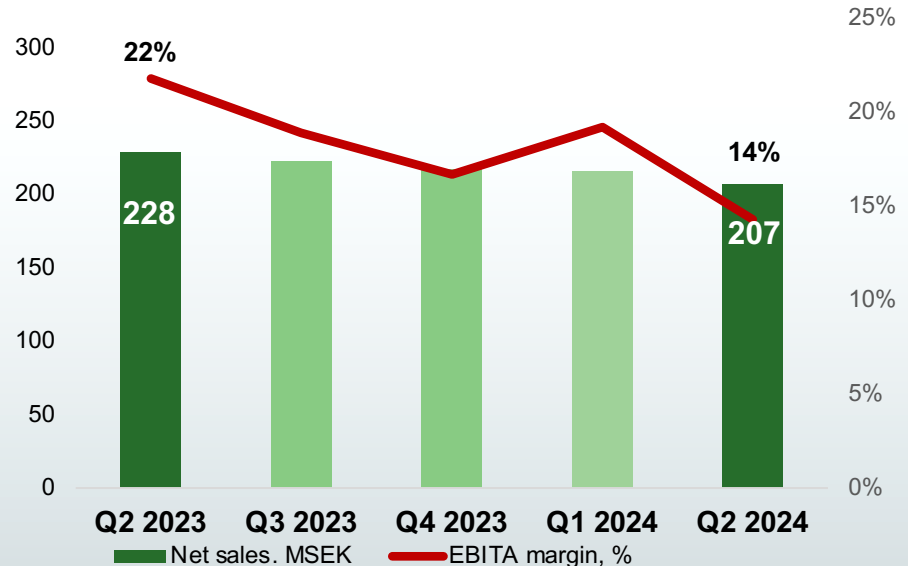
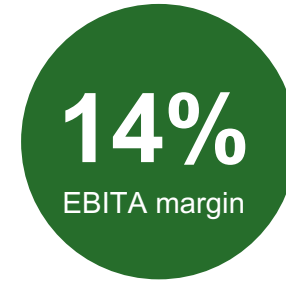
- > EBITA decreased to 120 MSEK (168)
- > Costs for IT platform rollout taken with 13 MSEK + 13 MSEK for the bi-yearly all employee development conference
- > Lower revenue impacts EBITA
- > The EBITA margin decreased to 12.9% (15.9%)
 - > Gross margin increased to 38.5% (36.4%)
 - > Gross profit amounted to 360 MSEK (385)
- > Earnings per share was 0.39 SEK (0.54)



SEGMENTS

Nordic

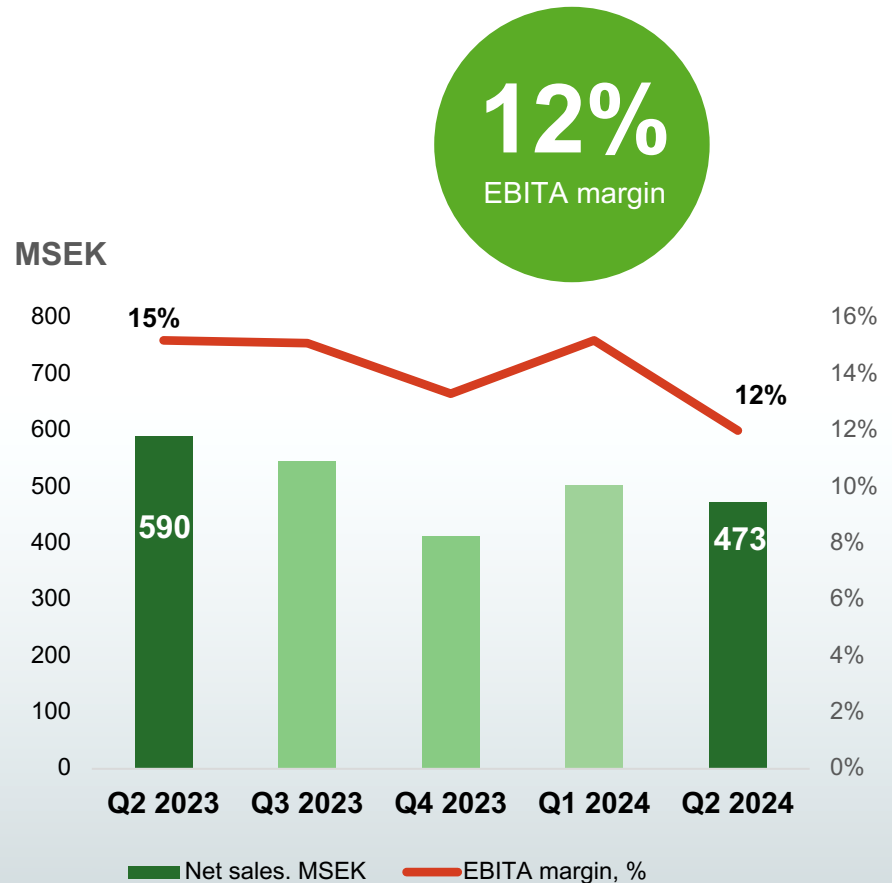
- > Poland is from 2024 part of segment Nordic to support customer needs
- > Order intake decreased by 2% to 226 MSEK (231) and by 3% in USD
 - > Aerospace & Defence perform well
 - > Denmark losing in building and energy sectors
- > Net sales amounted to 207 MSEK (228), decreasing by 9% in SEK
- > Customer/product mix had a negative impact on gross margin in the quarter
- > EBITA amounted to 29.6 MSEK (49,8), and EBITA margin decreased to 14% (22%)



SEGMENTS

Europe

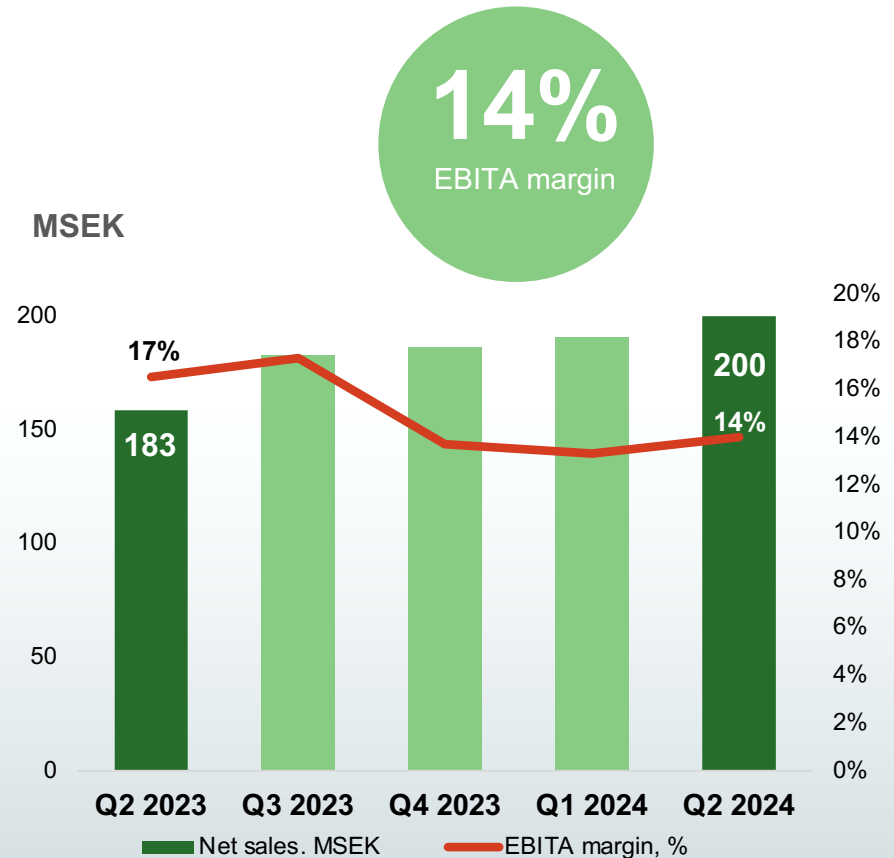
- Net sales decreased by 20% to 473 MSEK (590)
 - Net sales for comparable units decreased by 22% in SEK and 23% in USD
- Order intake reached 423 MSEK (487)
 - Order intake for comparable units decreased with 15% in SEK and USD
- German market still weak, other markets more stable and positive development in Automotive and Aerospace
- EBITA decreased to 56.7 MSEK (89.8), corresponding to a margin of 12% (15)



SEGMENTS

North America

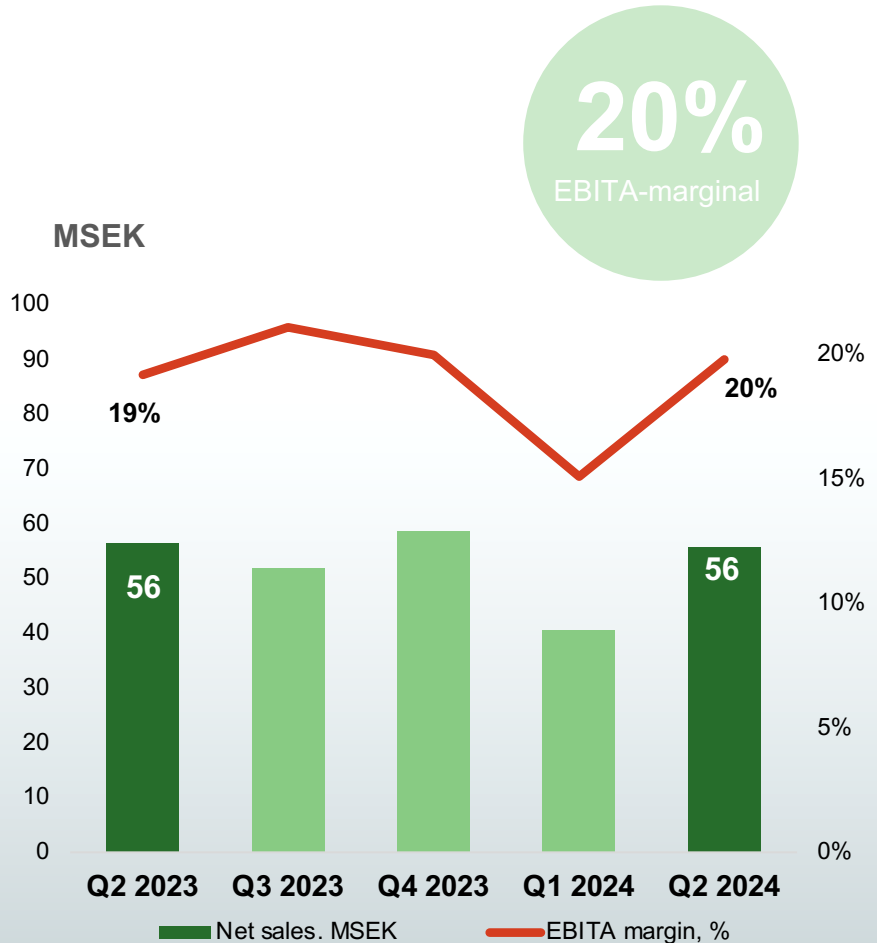
- Order intake amounted to 229 MSEK (163)
 - Order intake for comparable units increased by 29% in both SEK and USD
 - Interesting new projects won
- Net sales increased by 9% to 200 MSEK (183)
 - Net sales for comparable units decreased by 2%
- EBITA decreased to 28.1 MSEK (31.6)
- EBITA margin decreased to 14% (17)



SEGMENTS

East

- > Market conditions in China remain challenging but NCAB has entered some high-tech demanding customers
- > Book to bill at 1.07
- > Order intake decreased to 60 MSEK (43)
- > Net sales flat at 56 MSEK (56)
- > EBITA flat at 11.0 MSEK (10.8), with EBITA-margin at 20% (19)



KPI:s

Strong finances support upcoming acquisitions

	2024 Q2	2023 Q2
ROE %	26.0	39.4
Net debt/EBITDA	1.1	1.2
Equity/Asset ratio %	40.6	37.8
Net working capital, MSEK	305	419
Net working capital/Net sales LTM %	6.2	7.9
Available liquidity, MSEK	1,455	743

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



Questions?

Financial calendar 2024

Tuesday, 5 November

Wednesday, 12 February 2025

Q3 report

Q4 report

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