

Interim report January–June 2021

APRIL–JUNE 2021

- > Net sales increased by 31% to SEK 762.2 million (580.6). In USD, net sales increased 52%. For comparable units, net sales increased by 15%, and in USD the increase was 33%.
- > Order intake increased 118% to SEK 1,057.8 million (486.2). In USD, the increase was 152%. For comparable units, order intake increased by 98%, and in USD the increase was 129%.
- > EBITA increased 105% to SEK 103.8 million (50.6), representing an EBITA margin of 13.6% (8.7).
- > EBITA was positively impacted by SEK 11.0 million in forgiven loans in the USA, PPP*) loans, and transaction cost of SEK 1.3 millions. EBITA, excluding the effect of the forgiven PPP loans and transaction cost, was SEK 94.1 million, corresponding to a margin of 12.3% (10.3).
- > Operating profit was SEK 99.7 million (48.1). Operating margin was 13.1% (8.3).
- > Profit after tax was SEK 77.9 million (20.4).
- > Earnings per share was SEK 4.16 (1.21).

JANUARY–JUNE 2021

- > Net sales increased by 30% to SEK 1,379.3 million (1,063.7). In USD, net sales increased 49%. For comparable units, growth in SEK was 9% and in USD 26%.
- > Order intake increased 94% to SEK 2,036.7 million (1,049.7). In USD, order intake increased 124%. For comparable units the increase was 67% in SEK and 98% in USD.
- > EBITA increased to SEK 162.1 million (88.4), representing an EBITA margin of 11.8% (8.3). SEK 3.5 million was charged to EBITA relating to transaction costs for PreventPCB and sas – electronics, but was positively impacted by the forgiven PPP*) loans. Excluding transaction costs and the PPP loans, EBITA amounted to SEK 154.6 million, corresponding to an EBITA margin of 11.2% (9.7).
- > Operating profit was SEK 155.1 million (85.1). Operating margin was 11.2% (8.0).
- > Profit after tax was SEK 118.7 million (60.8).
- > Earnings per share was SEK 6.34 (3.46).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > The Annual General Meeting on 10 May resolved to pay a dividend of SEK 5.00 per share.
- > On June 24, 100 per cent of the shares in sas – electronics, in Germany, was acquired.

*) Loan value of SEK 11.0 million within the American program Pay check Protection Program have under the quarter been forgiven. This is booked as other income and has contributed positively on gross margin and EBITA.

Key performance indicators

	Apr-Jun			Jan-Jun			Full-year	
	2021	2020	%	2021	2020	%	LTM	2020
Order intake, SEK million	1,057.8	486.2	118	2,036.7	1,049.7	94	3,230.4	2,243.4
Order intake, USD million	126.2	50.0	152	242.7	108.1	124	378.4	243.8
Net sales, SEK million	762.2	580.6	31	1,379.3	1,063.7	30	2,430.9	2,115.2
Net sales, USD million	90.9	60.0	52	164.4	110.0	49	284.2	229.8
Gross margin, %	31.6	29.4		30.2	30.5		30.5	30.3
EBITA, SEK million	103.8	50.6	105	162.1	88.4	83	264.4	190.7
EBITA margin, %	13.6	8.7		11.8	8.3		10.9	9.0
Operating profit, SEK million	99.7	48.1	107	155.1	85.1	82	252.4	182.3
Operating margin, %	13.1	8.3		11.2	8.0		10.4	8.6
Profit after tax, SEK million	77.9	20.4	282	118.7	60.8	95	185.4	127.5
Earnings per share, SEK	4.16	1.21	244	6.34	3.46	83	9.90	7.03
Cash flow from operating activities, SEK million	30.3	76.9	-61	28.3	79.5	-64	143.2	194.3
Return on capital employed, %				23.8	23.7		23.8	23.7
Return on equity, %				26.1	24.3		26.1	24.3
USD/SEK - average	8.41	9.69		8.40	9.67		8.57	9.20
EUR/SEK - average	10.14	10.66		10.13	10.66		10.22	10.49

MESSAGE FROM THE CEO

NCAB advances its positions

NCAB has had another strong quarter. Sales increased 31 per cent to SEK 762 million. Order intake continued to increase by a full 118 per cent to SEK 1,058 million. The behaviour we saw during the first quarter with order bookings being brought forward, due to uncertainty in the market in terms of component shortages and price increases, continued in the second quarter. Is this the new normal? It is still too hard to predict. However, it is satisfying, alongside this, to see strong underlying growth and that all segments and all of the new acquisitions are delivering in terms of orders, sales and earnings. The order intake for the quarter also includes a price increase effect from our suppliers that we have passed on to our customers.

In general, we are seeing increased activity from both existing and new customers with new projects. This is an indication that we are capturing market share. It is clear that electronic applications are increasing strongly due to the transition to more climate-smart solutions. We are also seeing that many of our small competitors are having difficulty in gaining priority among the leading suppliers. It is difficult for those that do not have their own staff in China to maintain relationships with the suppliers. This is also impacting customers who, to an extent, make purchases directly from factories in Asia. This entails a clear advantage for NCAB.

EBITA increased to SEK 104 million, more than double the preceding year. However, it should be pointed out that earnings included forgiveness of PPP loans for coronavirus support in the USA, which amounted to SEK 11 million. Excluding this support, NCAB increased its EBITA margin to a full 12.3 per cent (10.3) during the quarter. Our expenses for travel, trade fairs and suchlike remain low and, although we have invested in continued growth, we have not managed to recruit staff at the same high pace as we have increased income. The margin increase is gratifying and clarifies the scale effects generated by the growth. New acquisitions are making a positive contribution, with higher sales and gross profit, but can be managed without major increases in central resources, which increases the EBITA margin.

Nordic had a healthy second quarter, also in comparison with the strong second quarter of last year. Norway and Denmark shone brightest, but it is also positive to see good order intake in Sweden and Finland, which were formerly weaker.

In *Europe*, several countries are displaying substantial growth. These are, in particular, the UK, Germany and Benelux. Our acquired companies PreventPCB in Italy and Flatfield in the Netherlands are performing well, with increased demand from their customers. The acquisition of sas – electronics in Germany will strengthen our position. It is also encouraging to see how customers in the UK are now showing increased confidence and willingness to invest.

In *North America*, both the earlier operations and the acquired BBG performed well. The margins in the acquired operations have improved.

In *East*, sales in China continued to develop well, with several new 5G projects. Even in Russia, we see a positive rebound in the economy.

Overall, there is much that is going our way and we have strengthened our positions. We foresee underlying demand driven by several factors, such as increased electrification in many areas, the Internet of Things (IoT), to which increasing numbers of products are connected, and generally enhanced intelligence built into industrial products. Our business model – with strong local presence among customers and suppliers – benefits us particularly in these times.

We are continuing to invest in growth and to develop effective processes for acquiring and integrating new companies.

Peter Kruk
CEO and President, NCAB Group AB



” Strong presence in Asia generates new customers ”
Q2 2021

31%

Sales growth

762.2

Net sales, SEK million
NCAB Group AB (publ) | Interim Report January–June 2021

103.8

EBITA, SEK million

13.6%

EBITA margin

APRIL–JUNE 2021

ORDER INTAKE

Order intake rose by 118 per cent during the quarter or 152 per cent in USD. For comparable units, order intake rose 98 per cent, while the increase in USD was more than double, at 129 per cent. The order intake derives from a clear recovery in all of NCAB's markets, while NCAB also captured market shares. Order intake in the second quarter of 2020 was largely impacted by the coronavirus pandemic. The restricted travel possibilities have given NCAB a significant advantage through NCAB's Factory Management team and local presence in Asia. This is a major competitive advantage when demand grows rapidly and it is important then to gain priority in the best factories.

NET SALES

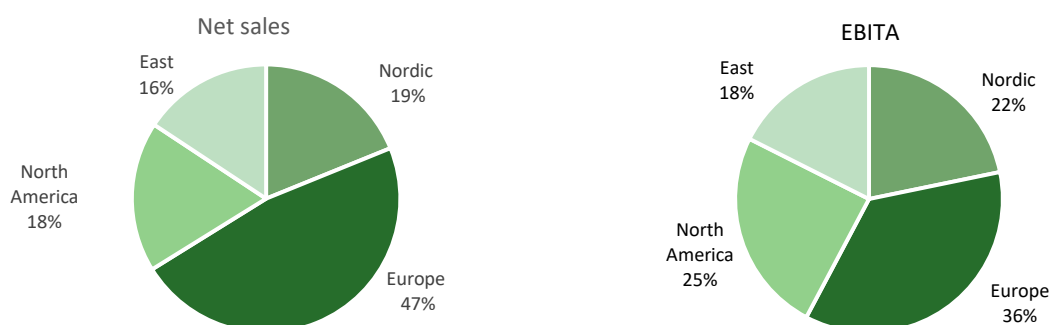
Net sales increased in the quarter by 31 per cent to 762.2 million (580.6), and in USD by 52 per cent. Net sales in comparable units increased 15 per cent and by 33 per cent in USD. All segments reported growth, but *Europe* and *East* accounted for the strongest organic growth. The recently acquired companies; Flatfield, BBG and PreventPCB have all had continued healthy growth and profitability. During the quarter, sas – electronics in Germany was acquired. It's a small company, but with many quality-oriented customers. The integration of PreventPCB in Italy, which was acquired in February, is proceeding according to plan.

EARNINGS

EBITA was SEK 103.8 million (50.6) and EBITA margin rose to 13.6 per cent (8.7). SEK 1.3 million (9.1) was charged to EBITA relating to transaction costs for the acquisition of PreventPCB and sas – electronics. At the beginning of the pandemic in 2020, the US authorities issued loans (PPP) for small companies to safeguard their cash flow. The companies were subsequently able to apply to have the loans forgiven, which NCAB has now been granted. This had a positive impact of SEK 11.0 million on the earnings for the second quarter. Excluding transaction costs and the PPP loans, EBITA amounted to SEK 94.1 million, representing an EBITA margin of 12.3 per cent (10.3). Operating expenses remained at a low level, which resulted in favourable earnings growth. Recruitment is under way to address the expanded opportunities offered by the market. EBITA increased in all segments. Operating profit increased to SEK 99.7 million (48.1).

Net financial items amounted to SEK –2.0 million (–20.7), where the improvement was due to strongly negative foreign exchange differences during the first quarter of 2020, SEK 0.8 million (–17.1). Tax amounted to SEK –19.8 million (–6.9). The average tax rate was 20.3 per cent (25.4). Profit after tax for the period totalled SEK 77.9 million (20.4). Earnings per share was SEK 4.16 (1.21).

BREAKDOWN BY SEGMENT, APRIL–JUNE 2021



JANUARY–JUNE 2021

ORDER INTAKE

Order intake rose by 94 per cent during the first half of the year to SEK 2,037 million (1,050) and by 124 per cent in USD. Order intake for comparable units increased 98 per cent. The strong growth from the first quarter continued at the same pace during the second quarter. The highest growth figures were in the *Europe* segment, mainly Germany, the Netherlands as well as UK has developed well in combination with successful acquisitions. The strong growth in order income comes partly from a weak 2020, but comparable units have increased the order income compared to 2019 with 64 per cent in SEK or 82 per cent in USD.

NET SALES

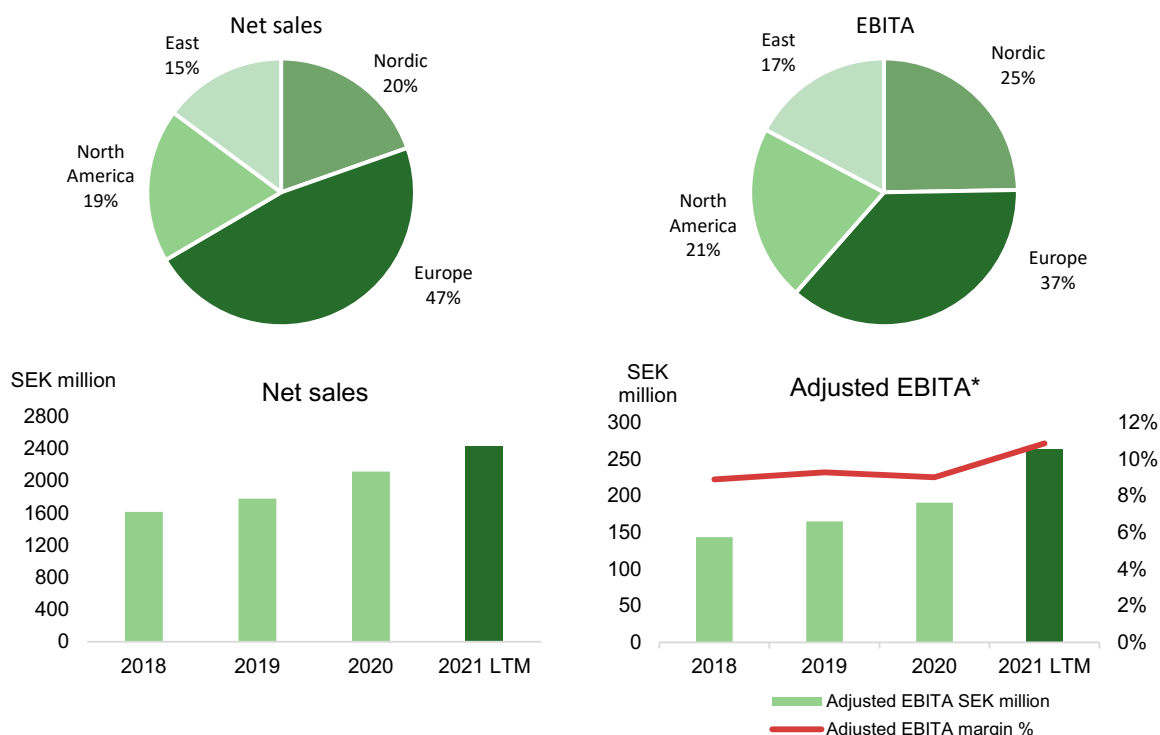
Net sales increased in the first half of the year by 30 per cent to SEK 1,379.3 million (1,063.7), with growth in USD at about 49 per cent. Net sales for comparable units increased 9 per cent, with the strongest growth in the *Europe* and *East* segments, although all segments generated growth. The acquisition of PreventPCB contributed to increased net sales with SEK 93 million since March.

EARNINGS

EBITA was SEK 162.1 million (88.4) and the EBITA margin rose to 11.8 per cent (8.3). EBITA was charged with SEK 3.5 million relating to transaction costs for the acquisition of PreventPCB and sas – electronics and was positively impacted by the forgiven PPP loans of SEK 11.0 million. Excluding transaction costs and the PPP loans, EBITA amounted to SEK 154.6 million, representing an EBITA margin of 11.2 per cent (9.7). The acquired companies performed well and displayed growth, without significantly contributing to higher central costs, which improved earnings. During the first half of the year, the *Nordic* segment delivered a result slightly below that of the corresponding period in 2020, while other segments increased their earnings significantly. Operating profit increased to SEK 155.1 million (85.1).

Net financial items amounted to SEK –6.6 million (–7.4). Tax amounted to SEK –29.8 million (–16.8). The average tax rate fell to 20.1 per cent (21.7). Profit after tax for the period totalled SEK 118.7 million (60.8). Earnings per share was SEK 6.34 (3.46).

BREAKDOWN BY SEGMENT, JANUARY–JUNE 2021



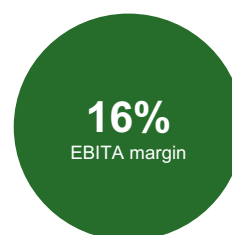
PERFORMANCE BY SEGMENT

NORDIC

Sweden, Norway, Denmark and Finland. The margin in this segment is high due to a high technology content and generally lower volumes per order.

Second quarter 2021

Order intake developed positively, mainly driven by the highly robust performance in Norway, but also a favourable trend in other countries. In Norway, demand remained strong for PCBs for the production of electric car chargers. Order intake in the second quarter increased 79 per cent to SEK 200 million (112). In USD, the increase was 107 per cent.



Net sales for the quarter amounted to SEK 143.7 million (134.3), an increase of 7 per cent, despite *Nordic* only being marginally affected by the coronavirus pandemic in the first half of 2020. In USD net sales grew by 23 per cent. The growth is primarily derived from Norway and Denmark, while Sweden remained behind the preceding year.

The segment continues to display healthy profitability and during the quarter, EBITA increased to SEK 23.1 million (20.0), with an increased EBITA margin.

January to June 2021

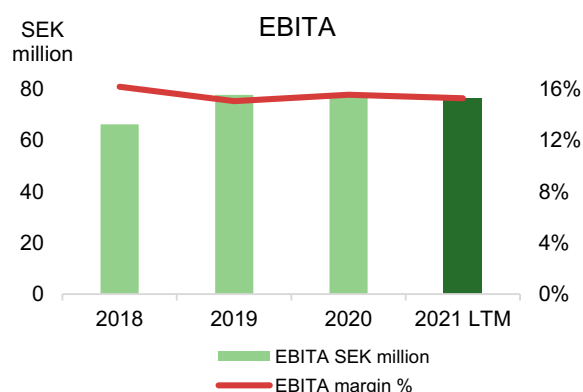
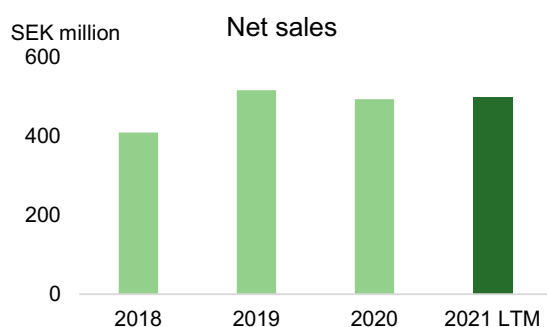
Order intake increased 49 per cent to SEK 402 million (270) during the first half of the year. Net sales grew 2 per cent to SEK 270.6 million (264.9). In USD, net sales increased 17 per cent. The effects of the coronavirus pandemic in 2020 first became apparent in *Nordics'* net sales in the third quarter.

For the first half of the year, EBITA closed somewhat weaker than in the preceding year at SEK 41.6 million (42.1). However, the EBITA margin remained on par with recent years at 15.4 per cent (15.9).

NORDIC

SEK million

	Apr-Jun			Jan-Jun			Full-year	
	2021	2020	%	2021	2020	%	LTM	2020
Net sales	143.7	134.3	7.0	270.6	264.9	2.2	499.6	493.9
EBITA	23.1	20.0	15.6	41.6	42.1	-1.2	76.5	77.0
EBITA margin, %	16.1	14.9		15.4	15.9		15.3	15.6



EUROPE

France, Germany, Spain, Poland, Italy, UK, Netherlands and North Macedonia. In the *Europe* segment, the strategic focus is on growth. All companies have a relatively low market share and high growth potential. The acquisition of Flatfield in the Netherlands in March 2020, PreventPCB in Italy in February 2021, and most recently, sas – electronics in Germany in June 2021, strengthened the Europe segment.

Second quarter 2021

The market in *Europe* continued its strong recovery, with even higher order intake during the second quarter compared to first quarter. Order intake increased 176 per cent to SEK 549 million (199). In USD, the increase was a full 219 per cent. In USD, the increase in order intake for comparable units was 170 per cent, driven by strong growth in all companies, but primarily in the UK, the Netherlands and Germany. Growth is from both existing and new customers.

56%
Sales growth

Net sales in the second quarter increased 56 per cent to SEK 360.5 million (230.7). In USD, the increase was 80 per cent. For comparable units, the increase in net sales was 25 per cent (45 per cent in USD). All companies in the segment increased net sales year-on-year in the second quarter. Through the acquisition of PreventPCB, NCAB strengthened its position in Italy, with healthy growth as a result. The integration between NCAB's two companies in Italy is proceeding to plan and synergies are beginning to take shape. At the end of June, sas – electronics in Germany was also acquired. The company had slightly more than SEK 30 million in sales in 2020 and will be a good complement to NCAB's Germany operations.

Increased net sales and margin improvements, as well as synergies from the acquired companies, resulted in a strong earnings trend. EBITA increased 115 per cent to SEK 38.2 million (17.8), with an EBITA margin improvement to 10.6 per cent (7.7).

January to June 2021

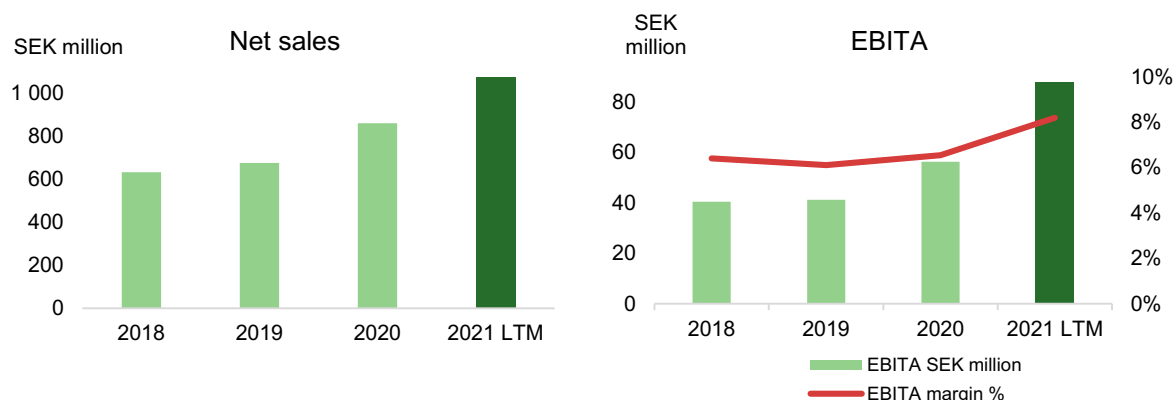
The recovery for the *Europe* segment began already during the first quarter and order intake during the first six months increased by 145 per cent to SEK 1,035 million (425).

Net sales continued to increase and grew 49 per cent to SEK 647.5 million (434.4) in the first half of the year. Excluding net sales from acquired companies, the increase was 17 per cent and 34 per cent in USD. All companies displayed growth, but Germany, the Netherlands and Italy recorded the best performance. The acquired companies Flatfield and PreventPCB achieved good growth compared with 2020.

As net sales increased more than costs, and positive synergies emerged from the acquired companies, EBITA increased to SEK 61.8 million (30.1). The EBITA margin rose to 9.5 per cent (6.0). The pace of recruitment has now increased in a number of the segment's companies in response to rising demand.

EUROPE

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2021	2020	%	2021	2020	%	LTM	2020
Net sales	360.5	230.7	56.3	647.5	434.4	49.1	1,072.7	859.5
EBITA	38.2	17.8	114.9	61.8	30.1	105.5	88.0	56.3
EBITA margin, %	10.6	7.7		9.5	6.0		8.2	6.6



NORTH AMERICA

NCAB has five offices in the USA that cover the country from east to west. Altus PCB, with offices in New Jersey, was acquired in November 2019 and the acquisition of Bare Board Group (BBG) with offices in Florida took place in April 2020.

Second quarter 2021

Order intake increased 70 per cent to SEK 170 million (100). In USD, order intake increased 119 per cent. Excluding the effects of the acquisition of BBG, order intake increased during the quarter by 50 per cent or 73 per cent in USD.

Net sales for the segment increased 11 per cent to SEK 138.2 million (124.9). In USD, the increase was 28 per cent. Excluding the effects of the acquisition of BBG, net sales increased 9 per cent in USD.



The gross margin remained favourable in our original operations and increased gradually in the acquired BBG. The positive effects of integration are visible in earnings. In conjunction with the outbreak of the coronavirus pandemic, Paycheck Protection Program (PPP) loans were initiated, which would be forgiven if all of the criteria were met. NCAB USA applied for and received the equivalent of SEK 11.0 million and these loans have now been forgiven. This was booked as other income and had a positive impact of SEK 11.0 million on gross profit. EBITA increased to SEK 26.2 million (10.1) and EBITA margin grew to 18.9 per cent (8.1). Adjusted for the effects of the PPP loans, EBITA increased to SEK 15.2 million (10.1), corresponding to an EBITA margin of 11.0 per cent (8.1).

January to June 2021

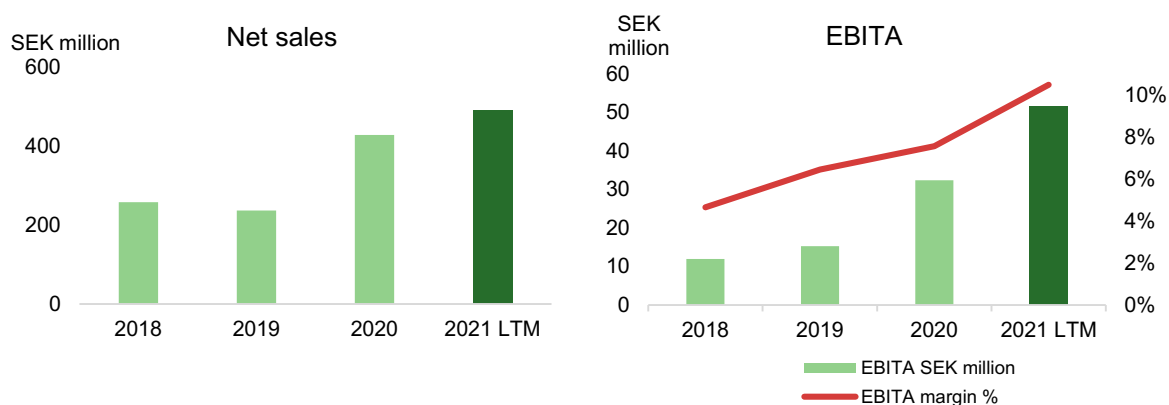
Order intake increased 77 per cent to SEK 320 million (181) during the first half of the year. In USD, the increase was 104 per cent. For comparable units, the increase in order intake in USD was 49 per cent.

For the first six months, net sales increased 33 per cent to SEK 256.3 million (193.3). In USD, net sales increased 53 per cent. For comparable units, growth in USD was 10 per cent.

The profitability improvement and synergies from the merger with BBG led to higher EBITA. EBITA excluding the effects of the PPP loans amounted to SEK 24.8 million (16.6), representing an EBITA margin of 9.7 per cent (8.6).

NORTH AMERICA

SEK million	Apr-Jun			Jan-Jun			Full-year	
	2021	2020	%	2021	2020	%	LTM	2020
Net sales	138.2	124.9	10.7	256.3	193.3	32.6	491.2	428.2
EBITA	26.2	10.1	160.3	35.8	16.6	115.0	51.5	32.4
EBITA margin, %	18.9	8.1		14.0	8.6		10.5	7.6



EAST

China, Russia and Malaysia. The *East* segment has long-standing operations in Russia with sales offices in St. Petersburg, Moscow and Novosibirsk. In China, NCAB has sales offices in Shenzhen, Beijing, Suzhou and Wuhan.

Second quarter 2021

The *East* segment also noted strong growth in order intake, which increased 96 per cent during the quarter to SEK 138 million (70). In USD, the increase was 127 per cent. The growth was evenly distributed between Russia and China, while Malaysia is again negatively impacted by far-reaching restrictions. In China, NCAB can see strong growth in order intake for products in new energy and 5G equipment.



Net sales in the second quarter increased 32 per cent to SEK 119.7 million (90.7). In USD, the increase was 52 per cent. Net sales rose in all countries, though growth was strongest in Russia, which had weak net sales in the second quarter of 2020 due to the coronavirus pandemic.

Profitability remains strong and EBITA amounted to SEK 18.7 million (15.2) for the second quarter of 2021, corresponding to an EBITA margin of 15.6 per cent (16.8).

January to June 2021

The segment had healthy growth. Compared with 2020, order intake rose 64 per cent to SEK 279 million and 89 per cent in USD.

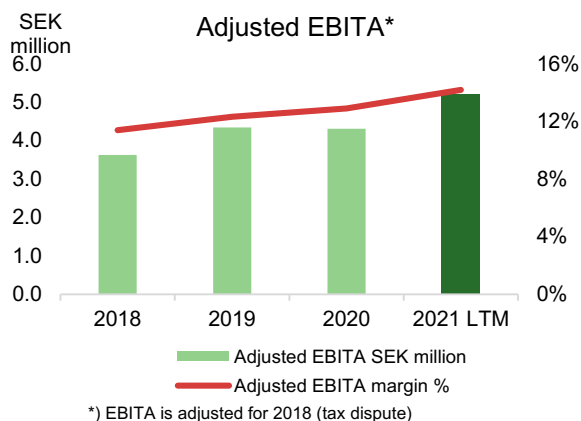
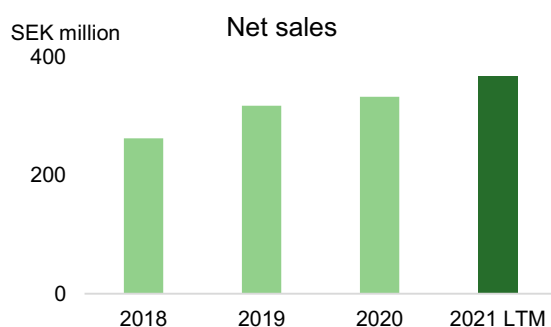
During the first six months, net sales increased 20 per cent to SEK 204.9 million (171.2) and growth was 38 per cent in USD.

The segment displayed continued stable and high profitability, with an EBITA margin of 14.1 per cent (5.9). For the first half of 2020, profitability was abnormally low due to the effects of the coronavirus pandemic.

EAST

SEK million

	Apr-Jun			Jan-Jun			Full-year	
	2021	2020	%	2021	2020	%	LTM	2020
Net sales	119.7	90.7	32.0	204.9	171.2	19.7	367.3	333.6
EBITA	18.7	15.2	22.7	29.0	19.9	45.4	52.2	43.1
EBITA margin, %	15.6	16.8		14.1	5.9		14.2	12.9



*) EBITA is adjusted for 2018 (tax dispute)

FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the quarter was SEK 30.3 million (76.9). Cash flow was negatively impacted by sales growth during the quarter, although working capital in relation to sales remained largely unchanged. In 2020, the cash flow was also abnormally strong, since working capital declined due to reduced sales. Cash flow from operating activities for the first half of the year was SEK 51.6 million (79.5). The working capital requirement of the Group remained low and on 30 June corresponded to 7.5 per cent (7.8) 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 -21.6 million (-123.9) during the quarter, driven by the acquisition of sas – electronics. Non-acquisition-related investments amounted to SEK -1.1 million (-0.4) for the quarter. For the first half of the year, cash flow from investing activities was SEK -218.1 million (-308.6). Non-acquisition-related investments amounted to SEK -1.9 million (-1.7).

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 188.5 million (6.3). At 30 June, the equity/assets ratio was 42.9 per cent (43.1) and equity was SEK 747.2 million (672.4). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 358.2 million (577.8).

At 30 June 2021, NCAB had loans totalling SEK 304.0 million, split between four loans. Two of the loans are being repaid in quarterly installments of SEK 9.1 million and mature in 2023 and 2025 respectively. The two remaining loans – SEK 50.0 million and SEK 132.5 million – are free of installments, and mature in 2023 and 2025 respectively. In addition to the loans, there is an overdraft facility of SEK 212 million. At the balance sheet date of 30 June 2021, the company was in compliance with all covenants under the financing agreement.

Other

SIGNIFICANT RISKS AND UNCERTAINTIES

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

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

With regard to financial risks, the Group is exposed to currency risk, primarily the exchange rates between USD, EUR, SEK and to some extent RUB, through the translation exposure of sales and purchase ledgers, and reported assets, liabilities and net investments in the operations. The Group is also exposed to other risks, such as interest rate risk, credit risk and liquidity risk.

See NCAB's 2020 Annual Report for a more detailed description of the Group's risk exposure and risk management. The outbreak of COVID-19 has brought risks to the fore, such as *demand* when many markets introduced restrictions, *capacity* in connection with the closure of NCAB's suppliers in China and the *dependence on China*, as described in the Annual Report.

EFFECTS OF THE CORONAVIRUS PANDEMIC

The coronavirus pandemic had an adverse impact on NCAB's order intake and net sales in 2020, though to a limited extent. NCAB's business model with low fixed costs and outsourced production creates great flexibility. Because of NCAB's strong presence in China, the company maintains close dialogue with all factory partners. After more than a year of travel restrictions, this offers a significant competitive advantage compared with smaller competitors and customers who lack a presence in China. During the first half of 2021, NCAB was not burdened by any negative effects except from freight and increased prices for freights. On the contrary sales has increased as the economy has opened up.

In conjunction with the outbreak of the coronavirus pandemic, authorities in the USA provided support in the form of Paycheck Protection Program (PPP) loans, which were to be forgiven if used correctly. NCAB applied for and received loans totalling USD 1.3 million. During the quarter, a decision on forgiveness was received and the amount was recognised as other income, totalling SEK 11.0 million.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

The Annual General Meeting resolved to launch a long time incentive programme for executive management and that a dividend of SEK 5.00 per share (-) would be paid, corresponding to SEK 93.5 million.

On 24 June sas – electronics in Germany, was acquired.

RELATED-PARTY TRANSACTIONS

Transactions with related parties have taken place to the same limited extent as previously and in accordance with the same principles as are described in the latest annual report.

ORGANISATION

At 30 June 2021, the number of employees was 500 (473), of whom 228 (213) were women and 272 (260) were men. The average number of employees in the organisation during the period was 494 (473), of whom 224 (213) were women and 270 (260) were men.

PARENT COMPANY

The Parent Company's net sales for the second quarter were SEK 16.9 million (14.8). Sales consist exclusively of internal billing. Profit after financial items was SEK 13.2 million (14.5) for the 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.

Bromma, 21 July 2021

Christian Salamon
Chairman of the Board

Jan-Olof Dahlén
Director

Per Hesselmark
Director

Magdalena Persson
Director

Hans Ramel
Director

Gunilla Rudebjer
Director

Hans Ståhl
Director

Peter Kruk
President and CEO

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This interim report has not been reviewed by the company's auditor.

This is information that NCAB Group AB is obligated to disclose pursuant to the EU Market Abuse Regulation and the Swedish Security Markets Act. The information was issued for publication through the agency of the contact persons set out above on 22 July 2021, at 7:30 a.m. CEST.

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NCAB Group is publishing the interim report for the second quarter of 2021, January–June, on Thursday 22 July at 7:30 a.m. A web-cast telephone conference will be held at 10:00 a.m. on the same date, when President and CEO Peter Kruk and CFO Anders Forsén will present the report. The presentation will be followed by a Q&A session. The presentation will be held in English. To participate in the conference call, call the following numbers: from Sweden: +46856642704, the UK: +443333009265 and the USA: +6319131422 PIN: 68138662# . The presentation and conference can also be followed from the following link:

<https://tv.streamfabriken.com/ncab-group-q2-2021>

FINANCIAL CALENDAR

Interim report third quarter

12 November 2021

Year-end report

17 February 2022

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 and customers in approximately 45 countries worldwide. Revenues in 2020 amounted to SEK 2,115 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 2020
	2021	2020	2021	2020		
Operating revenue						
Net sales	762.2	580.6	1,379.3	1,063.7	2,430.9	2,115.2
Other operating income	11.0	0.5	12.4	0.6	18.2	6.3
Total	773.3	581.1	1,391.7	1,064.2	2,449.0	2,121.5
Raw materials and consumables	-532.3	-410.3	-969.2	-743.2	-1,707.4	-1,481.3
Other external expenses	-39.3	-27.6	-71.2	-53.9	-123.8	-106.6
Staff costs	-92.4	-77.2	-176.8	-153.1	-324.7	-301.0
Depreciation of property, plant and equipment, and amortisation of intangible assets	-9.1	-7.4	-16.7	-12.8	-31.5	-27.5
Other operating expenses	-0.4	-10.5	-2.7	-16.3	-9.2	-22.8
Total operating expenses	-673.5	-533.0	-1,236.6	-979.2	-2,196.6	-1,939.2
Operating profit	99.7	48.1	155.1	85.1	252.4	182.3
Net financial income/expense	-2.0	-20.7	-6.6	-7.4	-18.7	-19.4
Profit before tax	97.7	27.3	148.5	77.7	233.8	163.0
Income tax	-19.8	-6.9	-29.8	-16.8	-48.4	-35.4
Profit for the period	77.9	20.4	118.7	60.8	185.4	127.5
Profit attributable to:						
Shareholders of the Parent Company	77.8	20.3	118.5	60.7	185.2	127.4
Non-controlling interests	0.1	0.1	0.2	0.1	0.2	0.1
Average number of ordinary shares	18,697,124	16,847,124	18,697,124	17,528,168	18,697,124	18,115,840
Earnings per share	4.16	1.21	6.34	3.46	9.90	7.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr-Jun		Jan-Jun		LTM	Jan-Dec 2020
	2021	2020	2021	2020		
Profit for the period	77.9	20.4	118.7	60.8	185.4	127.5
Other comprehensive income, items that can subsequently be reclassified to profit or loss:						
Foreign exchange differences	-14.4	-14.6	22.3	-13.3	-16.7	-52.3
Total comprehensive income	63.5	5.8	141.0	47.6	168.7	75.2
Profit attributable to:						
Shareholders of the Parent Company	63.4	5.8	140.8	47.4	168.5	75.1

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	30 Jun 2021	30 Jun 2020	31 Dec 2020
Non-current assets			
Goodwill	585,7	400,3	382,3
Other intangible assets	75,8	51,9	43,2
Leasehold improvement costs	1,9	2,5	2,1
Right-of-use Office and Cars	29,1	31,7	30,0
Plant and equipment	6,1	5,1	4,5
Financial assets	5,4	18,5	4,9
Deferred tax assets	6,8	6,7	7,4
Total non-current assets	710,7	516,6	474,4
Current assets			
Inventories	252,0	200,5	183,1
Trade receivables	613,1	422,8	342,9
Other current receivables	18,8	22,1	14,5
Prepaid expenses and accrued income	24,1	25,8	19,1
Cash and cash equivalents	146,3	363,8	449,0
Total current assets	1 054,2	1 034,9	1 008,6
TOTAL ASSETS	1 765,0	1 551,5	1 483,0
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Parent Company			
Share capital	1,9	1,9	1,9
Additional paid-in capital	478,1	478,1	478,1
Reserves	-127,6	-17,4	-56,4
Retained earnings	394,6	209,4	276,1
Non-controlling interests	0,3	0,3	0,2
Total equity	747,3	672,4	699,9
Non-current liabilities			
Borrowings	265,8	301,1	294,5
Leased liabilities	20,0	18,5	21,1
Deferred tax	32,7	15,7	22,8
Total non-current liabilities	318,5	335,3	338,4
Current liabilities			
Current liabilities	38,2	36,5	38,2
Current right-of-use liabilities	10,8	14,0	10,0
Trade payables	472,1	329,5	270,3
Current tax liabilities	31,5	28,3	16,3
Other current liabilities	52,9	59,5	44,6
Accrued expenses and deferred income	93,8	76,0	65,3
Total current liabilities	699,2	543,8	444,7
TOTAL EQUITY AND LIABILITIES	1 765,0	1 551,5	1 483,0

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 2020	1.7	201.6	-4.1	148.7	347.9	0.2	348.1
Profit for the period				60.7	60.7	0.1	60.8
Other comprehensive income for the period	-	-	-13.3	-	-13.3	-	-13.3
Total comprehensive income	-	-	-13.3	60.7	47.4	0.1	47.6
							-
Issue of new ordinary shares	0.2	286.6			286.8		286.8
Transaction cost		-10.0					
Total transactions with shareholders, recognised directly in equity	0.2	276.5	-	-	286.8	-	286.8
30 Jun 2020	1.9	478.1	-17.4	209.4	682.1	0.3	682.4

Attributable to shareholders of the Parent Company							
SEK million	Share capital	Additional paid-in capital	Reserves	Retained earning	Total	Non-controlling interests	Total equity
1 Jan 2021	1.9	478.1	-56.4	276.1	699.7	0.2	699.9
Profit for the period				118.5	118.5	0.2	118.7
Other comprehensive income for the period	-	-	22.3	-	22.3	-	22.3
Total comprehensive income	-	-	22.3	118.5	140.8	0.2	141.0
Dividend	-	-	-93.5	-	-93.5	-0.1	-93.6
Total transactions with shareholders, recognised directly in equity	-	-	-93.5	-	-93.5	-0.1	-93.6
30 Jun 2021	1.9	478.1	-127.6	394.6	747.0	0.3	747.3

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2021	2020	2021	2020	LTM	2020
Cash flow from operating activities						
Profit before net financial income/expense	99.7	48.1	155.1	85.1	252.4	182.3
Adjustment for non-cash items	-3.6	0.8	-2.6	17.7	4.8	25.0
Interest received	0.0	0.0	0.0	0.0	0.1	0.1
Interest paid	-4.0	-3.7	-5.0	-5.8	-11.5	-12.3
Income taxes paid	-3.7	-7.3	-14.3	-21.7	-36.6	-44.0
Cash flow from operating activities before changes in working capital	88.4	37.8	133.3	75.3	209.1	151.1
Change in inventories	-66.1	-45.9	-57.2	-5.1	-39.9	12.2
Change in current receivables	-126.2	28.2	-252.6	-19.3	-153.2	80.1
Change in current operating liabilities	134.2	56.8	204.8	28.7	127.2	-49.0
Total changes in working capital	-58.1	39.1	-105.0	4.2	-65.9	43.2
Cash flow from operating activities	30.3	76.9	28.3	79.5	143.2	194.3
Cash flow from investing activities						
Investments in property, plant and equipment	-0.5	-0.0	-1.0	-0.8	-1.0	-0.8
Investments in intangible assets	-0.3	-0.3	-0.4	-0.7	-1.0	-1.3
Investments in subsidiaries	-20.5	-123.5	-216.2	-307.0	-73.3	-164.1
Investments in financial assets	-0.4	-0.1	-0.5	-0.2	-2.0	-1.7
Cash flow from investing activities	-21.6	-123.9	-218.1	-308.6	-77.3	-167.8
Cash flow from financing activities						
Issue of new shares	-	286.8	-	286.8	-	286.8
Costs for issue of shares	-	-10.0	-	-10.0	-	-10.0
Change in overdraft facility	-	-72.5	-	-7.9	-	-7.9
Borrowings	-	132.5	-	265.0	-	265.0
Transaction cost, loans	-	-1.5	-	-1.5	-	-1.5
Repayment of loans	-9.1	-9.1	-18.3	-11.6	-179.4	-172.7
Repayment of leased liabilities	-3.4	-3.5	-6.8	-7.0	-13.8	-14.0
Dividend	-93.5	-	-93.5	-	-93.5	-
Cash flow from financing activities	-106.0	322.6	-118.6	513.7	-286.7	345.6
Decrease/increase in cash and cash equivalents						
Cash flow for the period	-97.3	275.6	-308.3	284.5	-220.7	372.1
Foreign exchange difference in cash and cash equivalents	-2.1	-4.7	5.6	-3.0	3.2	-5.3
Cash and cash equivalents at beginning of period	245.7	92.8	449.0	82.2	363.8	82.2
Cash and cash equivalents at end of period	146.2	363.8	146.2	363.8	146.2	449.0

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Apr-Jun		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Operating revenue					
Net sales	16.9	14.8	35.8	28.9	55.9
Total	16.9	14.8	35.8	28.9	55.9
Other external expenses	-9.9	-8.7	-20.2	-17.1	-33.7
Staff costs	-11.1	-6.8	-20.6	-14.0	-27.6
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.1	-0.1	-0.3	-0.3	-0.4
Other operating expenses	-	-	-	-5.8	-0.6
Total operating expenses	-21.2	-15.7	-41.1	-37.1	-62.3
Operating loss	-4.3	-0.9	-5.3	-8.2	-6.4
Income from investments in Group companies	19.2	4.3	19.5	4.3	22.5
Other interest income and similar income	1.1	4.5	5.1	8.4	20.5
Interest expense and similar charges	-2.7	6.7	-4.7	-17.4	-27.7
Net financial income/expense	17.5	15.4	19.9	-4.7	15.2
Profit before tax	13.2	14.5	14.6	-13.0	8.8
Appropriations	-	-	-	-	14.0
Tax on profit for the period	0.1	-	-0.4	-	-0.2
Profit for the period	13.3	14.5	14.2	-13.0	22.6

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 2021	30 Jun 2020	31 Dec 2020
Non-current assets			
Capitalised development costs	0.8	1.3	1.0
Plant and equipment	0.0	0.0	0.0
Non-current financial assets	521.9	332.1	339.6
Total non-current assets	522.6	333.4	340.7
Current assets			
Trade receivables	-	1.0	-
Receivables from Group companies	395.2	385.4	354.2
Other current receivables	1.6	2.3	1.4
Prepaid expenses and accrued income	6.0	3.4	4.7
Cash and cash equivalents	12.7	251.3	294.9
Total current assets	415.5	643.3	655.2
TOTAL ASSETS	938.1	976.7	995.9
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (18,697,124 shares)	1.9	1.9	1.9
Non-restricted equity			
Share premium account	478.1	478.1	478.1
Retained earnings	-95.1	-42.2	-42.2
Profit/ loss for the period	14.2	-13.0	40.6
Total equity	399.0	424.8	478.4
Untaxed reserves	8.8	8.8	8.8
Non-current liabilities			
Liabilities to credit institutions	265.4	301.9	283.6
Total non-current liabilities	265.4	301.9	283.6
Current liabilities			
Liabilities to credit institutions	36.5	36.5	36.5
Trade payables	5.2	2.0	3.1
Liabilities to Group companies	211.2	193.0	173.4
Current tax liabilities	-	-	-
Other current liabilities	3.7	2.6	2.7
Accrued expenses and deferred income	8.2	7.1	9.3
Total current liabilities	264.9	241.2	225.1
TOTAL EQUITY AND LIABILITIES	938.1	976.7	995.9

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 January 2020	1.7	201.6	-42.2	161.1
Loss for the year	-	-	-13.0	-13.0
Total comprehensive income	-	-	-13.0	-13.0
Issue of new ordinary shares	0.2	286.6	-	286.8
Transaction cost		-10.0		-10.0
Total transactions with shareholders, recognised directly in equity	0.2	276.5	-	276.7
30 Jun 2020	1.9	478.1	-55.2	424.8

SEK million	Restricted equity	Non-restricted equity		Total
	Share capital	Share premium account	Retained earnings	
1 January 2021	1.9	478.1	-1.6	478.4
Loss for the year	-	-	14.2	14.2
Total comprehensive income	-	-	14.2	14.2
Dividend, shares			-93.5	-93.5
Total transactions with shareholders, recognised directly in equity	-	-	-93.5	-93.5
30 Jun 2021	1.9	478.1	-81.0	399.0

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 2020 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 2020, 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 2021 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 1-27 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 2020 Annual Report.

Note 2 Information on financial assets and liabilities

For more information on financial assets and liabilities, see the 2020 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

The Group has provided shares in subsidiaries as collateral for liabilities to credit institutions. These are of the same extent as described in the latest annual report.

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, Russia 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 2021

Quarter	Nordic		Europe		North America		East		Central functions		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	143.7	134.3	360.5	230.7	138.2	124.9	119.7	90.7	-	-	762.2	580.6
EBITA	23.1	20.0	38.2	17.8	26.2	10.1	18.7	15.2	-2.4	-12.5	103.8	50.6
EBITA margin, %	16.1	14.9	10.6	7.7	18.9	8.1	15.6	16.8			13.6	8.7
Amortis. intangible assets											-4.0	-2.5
Operating profit											99.7	48.1
Operating margin, %											13.1	8.3
Net financial expense											-2.0	-20.7
Profit before tax											97.7	27.3
Net working capital	53.2	21.3	174.3	121.7	24.2	-7.2	43.0	39.1	-13.7	2.9	281.0	177.8

Sales and earnings of segments, January–June 2021

SEK million	Nordic		Europe		North America		East		Central functions		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	270.6	264.9	647.5	434.4	256.3	193.3	204.9	171.2	0.0	-	1,379.3	1,063.7
EBITA	41.6	42.1	61.8	30.1	35.8	16.6	29.0	19.9	-5.9	-20.3	162.1	88.4
EBITA margin, %	15.4	15.9	9.5	6.9	14.0	8.6	14.1	11.7			11.8	8.3
Amortis. intangible assets											-7.0	-3.4
Operating profit											155.1	85.1
Operating margin, %											11.2	8.0
Net financial expense											-6.6	-7.4
Profit before tax											148.5	77.7
Net working capital	53.2	21.3	174.3	121.7	24.2	-7.2	43.0	39.1	-13.7	2.9	281.0	177.8
Fixed assets	5.4	4.1	12.9	16.3	9.0	7.4	0.8	1.7	9.7	10.5	37.8	40.0
Intangible assets	62.1	57.8	332.0	105.6	250.9	247.8	8.6	0.2	1.0	32.4	654.6	443.8

Sales and earnings of segments, LTM

LTM	Nordic		Europe		North America		East		Central functions		Group	
	2021 LTM	2020	2021 LTM	2020	2021 LTM	2020	2021 LTM	2020	2021 LTM	2020	2021 LTM	2020
Net sales	499.6	493.9	1,072.7	859.5	491.2	428.2	367.3	333.6	0.0	0.0	2,430.9	2,115.2
EBITA	76.5	77.0	88.0	56.3	51.5	32.4	52.2	43.1	-3.8	-18.1	264.4	190.7
EBITA margin, %	15.3	15.6	8.2	6.6	10.5	7.6	14.2	12.9			10.9	9.0
Amortis. intangible assets											-12.0	-8.4
Operating profit											252.4	182.3
Operating margin, %											10.4	8.6
Net financial expense											-18.7	-19.4
Profit before tax											233.8	163.0
Net working capital	53.2	30.4	174.3	66.2	24.2	2.6	43.0	30.7	-13.7	-4.1	281.0	125.8
Fixed assets	5.4	4.9	12.9	13.1	9.0	8.3	0.8	0.8	9.7	9.7	37.8	36.6
Intangible assets	62.1	61.4	332.0	118.7	250.9	236.2	8.6	8.1	1.0	1.1	654.6	425.5

Note 5

Quarterly summary

	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 2020	Q4 2019	Q3 2019
Order intake, SEK million	1,057.8	978.9	681.4	512.3	486.2	563.4	479.7	446.6
Order intake, USD million	126.2	116.5	77.9	57.8	50.2	58.3	49.9	46.7
Net sales, SEK million	762.2	617.1	514.9	536.7	580.6	483.1	422.4	439.8
SEK annual growth, %	31.3	27.7	21.9	22.0	22.7	8.3	3.9	4.7
Net sales, USD million	90.9	73.5	59.5	60.3	60.0	50.0	45.1	45.2
USD annual growth, %	51.5	46.9	32.0	33.5	20.0	2.5	0.0	-3.3
Gross margin, %	30.1	29.4	31.4	29.3	29.4	31.1	32.4	32.2
EBITA, SEK million	103.8	58.4	52.2	50.1	50.6	37.9	41.2	46.3
EBITA margin, %	13.6	9.5	10.1	9.3	8.7	7.8	9.7	10.5
Operating profit/loss, SEK million	99.7	55.4	50.1	47.2	48.1	37.0	40.7	45.9
Total assets, SEK million	1,765.0	1,663.4	1,483.0	1,558.3	1,551.5	1,125.7	873.1	827.9
Cash flow from operating activities, SEK million	30.3	-2.0	47.0	67.9	76.9	2.6	44.9	57.8
Equity/assets ratio, %	42.3	46.7	47.2	46.7	43.3	34.6	39.9	39.4
Number of employees	500	488	474	469	473	452	395	403
Average exchange rate, SEK/USD	8.41	8.39	8.62	8.87	9.69	9.67	9.61	9.59
Average exchange rate, SEK/EUR	10.14	10.11	10.27	10.36	10.66	10.66	10.64	10.66

Note 6 Acquisitions

PreventPCB

On 22 February 2021, an agreement was signed to acquire 100 per cent of the shares in PreventPCB, based in Vergiate, Italy. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. Goodwill of SEK 175.5 million arose in conjunction with the acquisition. The company had sales of approximately SEK 210 million in 2020. At the time of the acquisition, the company had 22 employees, 12 in Italy and 10 in China.

PreventPCB's primary customer base is in Italy, and also in Switzerland. Transaction costs of SEK 2.9 million related to the acquisition of PreventPCB were expensed as central costs. During the period 22 February to 30 June, PreventPCB contributed SEK 92.6 million to NCAB's net sales and an EBITA of SEK 12.3 million.

sas – electronics

On 24 June 2021, 100 per cent of the shares were acquired in sas – electronics, based in Rohrbach, north of Munich, Germany. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. Goodwill of SEK 17.1 million arose in conjunction with the acquisition. In 2020, the company had sales of slightly more than SEK 30 million, with an EBITA margin on par with NCAB and the company had ten employees. Transaction costs related to the acquisition amounted to approximately SEK 0.6 million and were expensed as central costs.

Acquisitions	PreventPCB 22 February	sas – electronics 24 June
Total purchase consideration	203.0	27.5
Acquired assets and assumed liabilities		
Non-current assets	0.4	0.6
Customer relationships	34.4	5.6
Other current assets	36.2	2.4
Cash and cash equivalents	0.1	4.9
Other operating liabilities	-34.3	-1.5
Deferred tax	-9.3	-1.6
Total net assets	27.5	10.5
Goodwill	175.5	17.1

Amounts reported in the table above are preliminary values.

If PreventPCB and sas – electronics had been consolidated on 1 January 2021, net sales for the January–June period 2021 would have increased by SEK 53 million to SEK 1,432 million and EBITA by SEK 5.3 million to SEK 167.4 million.

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	
	2021	2020	2021	2020	LTM	2020
Net sales	762.2	580.6	1,379.3	1,063.7	2,430.9	2,115.2
Other operating income	11.4	0.5	11.8	0.6	17.6	6.3
Cost of goods sold	-532.3	-410.3	-969.2	-743.2	-1,707.4	-1,481.3
Translation differences	-0.6	-	0.3	-	0.3	-
Total gross profit	240.7	170.8	422.2	321.1	741.4	640.2
Gross margin, %	31.6	29.4	30.6	30.2	30.5	30.3
Gross margin excl PPP, %	30.1	29.4	29.8	30.2	30.0	30.3

EBITA

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2021	2020	2021	2020	LTM	2020
Operating profit	99.7	48.1	155.1	85.1	252.4	182.3
Amortisation and impairment of intangible assets	4.0	2.5	7.0	3.4	12.0	8.4
EBITA	103.8	50.6	162.1	88.4	264.4	190.7
EBITA margin, %	13.6	8.7	11.8	8.3	10.9	9.0
EBITA margin excl PPP, %	12.2	8.7	11.0	8.3	10.4	9.0

EBITDA

SEK million	Apr-Jun		Jan-Jun		Jan-Dec	
	2021	2020	2021	2020	LTM	2020
Operating profit	99.7	48.1	155.1	85.1	252.4	182.3
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	9.1	7.4	16.7	12.8	31.5	27.5
EBITDA	108.8	55.5	171.8	97.8	283.9	209.9
EBITDA margin, %	14.3	9.6	12.5	9.2	11.7	9.9
EBITDA margin excl PPP, %	12.8	9.6	11.7	9.2	11.2	9.9

Return on equity

SEK million	Jun 2021	Jun 2020	Dec 2020
Profit for the period — LTM	185.4	131.0	127.5
Equity (average)	709.8	478.9	524.0
Return on equity, %	26.1	27.4	24.3

Net working capital and capital employed

SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Inventories	252.0	200.5	183.1
Trade receivables	613.1	422.8	342.9
Other current receivables	18.8	22.1	14.5
Prepaid expenses and accrued income	24.1	25.8	19.1
Trade payables	-472.1	-329.5	-270.3
Current tax liabilities	-31.5	-28.3	-16.3
Other current liabilities	-52.9	-59.5	-44.6
Accrued expenses and deferred income	-93.8	-76.0	-65.3
Net working capital	257.7	177.8	163.0
Non-current assets	710.7	516.6	474.4
Prepaid expenses and accrued income	146.3	363.8	449.0
Deferred tax	-32.7	-15.7	-22.8
Capital employed	1,082.0	1,042.4	1,063.7

Return on capital employed

SEK million	Jun 2021	Jun 2020	Dec 2020
Operating profit/loss — LTM	252.4	171.7	182.3
Capital employed (average)	1,062.2	738.2	769.4
Return on capital employed, %	23.8	23.3	23.7

Equity/assets ratio

SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Equity	747.3	672.4	699.9
Untaxed reserves	-	-	-
Total	747.3	672.4	699.9
Total assets	1,765.0	1,551.5	1,483.0
Equity/assets ratio, %	42.3	43.3	47.2

Net debt

SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Interest-bearing liabilities	334.8	370.1	363.7
Cash and cash equivalents	-146.3	-363.8	-449.0
Total net debt	188.5	6.3	-85.3
EBITDA LTM	283.9	194.7	209.9
Net debt / EBITDA	0.7	0.0	-0.4

Net debt excl. IFRS 16 adjustment

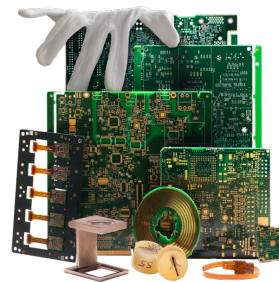
SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Interest-bearing liabilities excl IFRS 16	304.0	337.6	332.7
Cash and cash equivalents	-146.3	-363.8	-449.0
Total net debt excl IFRS16	157.7	-26.1	-116.4
EBITDA LTM excl IFRS 16	270.1	180.2	196.1
Net debt excl IFRS 16/ EBITDA excl IFRS 16	0.6	-0.1	-0.6

Alternative performance measure	Definition	Purpose
Gross profit	Net sales less raw materials and consumables and for other operating income, which includes translation differences on trade receivables and trade payables	Gross profit provides an indication of the surplus that is needed to cover fixed and semi-fixed costs in the NCAB Group
Gross margin	Gross profit divided by net sales	The gross margin provides an indication of the surplus as a percentage of net sales that is needed to cover fixed and semi-fixed costs in the NCAB Group
EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	EBITDA along with EBITA provide an overall picture of operating earnings
Adjusted EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets adjusted for non-recurring items	Adjusted EBITDA is adjusted for extraordinary items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets	EBITA provides an overall picture of operating earnings
Adjusted EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for non-recurring items	Adjusted EBITA is adjusted for non-recurring items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
Adjusted EBITA margin	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for non-recurring items, divided by net sales	Adjusted EBITA margin is adjusted for non-recurring items. NCAB Group therefore considers that it is a useful performance measure for comparing the company's margin with other companies regardless of whether the business is driven by acquisitions or organic growth
Return on equity	Profit/loss for the past 12 months divided by average equity	Return on equity is used to analyse the company's profitability, based on how much equity is used
Net working capital	Current assets excluding cash and cash equivalents less non-interest-bearing current liabilities	This measure shows how much working capital is tied up in the business
Capital employed	Equity and interest-bearing liabilities	Capital from external parties
Return on capital employed	Profit/loss for the past 12 months divided by average capital employed	Return on capital employed is used to analyse the company's profitability, based on how much equity is used
Equity/assets ratio	Equity and untaxed reserves net of deferred tax, divided by total assets	NCAB Group considers that this is a useful measure for showing what portion of total assets is financed by equity. It is used by management to monitor the Group's long-term financial position
Net debt	Interest-bearing liabilities less cash and cash equivalents	Net debt is a measure which shows the company's total indebtedness
Net debt excl. IFRS 16 adjustment	Interest-bearing liabilities excluding liabilities for right-of-use assets less cash and cash equivalents	Net debt is a measure which shows the company's total indebtedness and has been adjusted for IFRS 16. Used in covenant calculations to the bank
EBITDA excl. IFRS	EBITDA adjusted for lease expenses pertaining to assets classified as right-of-use assets	EBITDA along with EBITA provide an overall picture of operating earnings. Used in covenant calculations to the bank

ABOUT NCAB

A leading supplier of PCBs

NCAB is one of the world's leading suppliers of printed circuit boards (PCBs) with some 2,600 customers across 45 markets globally. 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 AND DIVIDEND POLICY

NCAB's medium-term target is to achieve average growth of about 8 per cent per year before acquisitions and an adjusted EBITA margin of approximately 8 per cent. The target for the capital structure is that net debt in relation to adjusted EBITDA should be less than 2.0 (before adjustment for IFRS 16). The debt ratio may temporarily exceed this level, in connection with a major acquisition, for example. NCAB intends to distribute available cash flow, after taking account of the company's debt situation and future growth opportunities, including acquisitions, which is expected to correspond to at least 50 per cent of net profit.

2,600
CUSTOMERS



16
COUNTRIES WITH
LOCAL PRESENCE



27
MANUFACTURERS



45
MARKETS

500
SPECIALISTS



178
MILLION PCBs
MANUFACTURED PER YEAR

