

Interim report January–September 2021

JULY–SEPTEMBER 2021

- > Net sales increased by 61% to SEK 863.6 million (536.7). In USD, net sales increased 66%. For comparable units, net sales increased by 45%, and in USD the increase was 50%.
- > Order intake increased 83% to SEK 935.2 million (512.3). In USD, the increase was 86%. For comparable units, order intake increased by 65%, and in USD the increase was 68%.
- > EBITA increased 146% to SEK 123.2 million (50.1), representing an EBITA margin of 14.3% (9.3).
- > EBITA was negatively impacted by transaction costs for the acquisition of RedBoard Circuits in an amount of SEK 0.8 million. EBITA, excluding the effect of transaction costs, was SEK 124.0 million, corresponding to a margin of 14.8% (10.3).
- > Operating profit was SEK 118.6 million (47.2). Operating margin was 13.7% (8.8).
- > Profit after tax was SEK 91.2 million (31.5).
- > Earnings per share was SEK 4.86 (1.68), after dilution 4.85 kr (1.68).

JANUARY–SEPTEMBER 2021

- > Net sales increased by 40% to SEK 2,242.9 million (1,600.3). In USD, net sales increased 55%. For comparable units, net sales increased by 21%, and in USD 34%.
- > Order intake increased 90% to SEK 2,971.9 million (1,562.0). In USD, order intake increased 111%. For comparable units, the increase was 66% in SEK, and 84% in USD.
- > EBITA increased 106% to SEK 285.1 million (138.5), representing an EBITA margin of 12.7% (8.7). SEK 4.3 million was charged to EBITA relating to transaction costs for acquisitions, but was positively impacted by the forgiven PPP loans *). Excluding transaction costs and the PPP loans, EBITA amounted to SEK 278.4 million, corresponding to an EBITA margin of 12.4% (9.6).
- > Operating profit was SEK 273.5 million (132.2). Operating margin was 12.2% (8.3).
- > Profit after tax was SEK 209.6 million (92.3).
- > Earnings per share was SEK 11.20 (5.14), after dilution 11.19 (5.14).

EXTRA DIVIDEND AND SHARE SPLIT

The Board of Directors of NCAB Group AB has decided to propose an extra dividend of SEK 10 per share and thereafter a split of the NCAB share 10:1 and will therefore call the shareholders to an Extraordinary General Meeting on 15 December 2021.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > On 1 September, 100 per cent of the shares were acquired in RedBoard Circuits in the USA.
- > On 19 October, 100 per cent of the shares were acquired in Elmatica in Norway.
- > NCAB has entered into a new credit facility of totally SEK 1,265 million, which raises additional funding for acquisitions of about SEK 750 million.
- > NCAB will review its financial targets in 2022.

*) Loan value of SEK 11.0 million within the American Pay check Protection Program was forgiven during the second quarter. This is booked as other income and contributed positively to the gross margin and EBITA.

Key performance indicators

	Jul-Sep			Jan-Sep			Full-year	
	2021	2020	%	2021	2020	%	LTM	2020
Order intake, SEK million	935.2	512.3	83	2,971.9	1,562.0	90	3,653.3	2,243.4
Order intake, USD million	107.3	57.8	86	350.1	165.9	111	427.9	243.8
Net sales, SEK million	863.6	536.7	61	2,242.9	1,600.3	40	2,757.8	2,115.2
Net sales, USD million	99.8	60.3	66	264.2	170.3	55	323.7	229.8
Gross margin, %	30.8	29.3		29.9	30.8		30.8	30.3
EBITA, SEK million	123.2	50.1	146	285.1	138.5	106	337.3	190.7
EBITA margin, %	14.3	9.3		12.7	8.7		12.2	9.0
Operating profit, SEK million	118.6	47.2	151	273.5	132.2	107	323.6	182.3
Operating margin, %	13.7	8.8		12.2	8.3		11.7	8.6
Profit after tax, SEK million	91.2	31.5	189	209.6	92.3	127	244.8	127.5
Earnings per share, SEK	4.86	1.68	189	11.20	5.14	118	13.08	7.03
Earnings per share after dilution, SEK	4.85	1.68	188	11.19	5.14	118	13.07	7.03
Cash flow from operating activities, SEK million	0.2	67.9	-100	28.5	147.3	-81	75.5	194.3
Return on capital employed, %							28.2	23.7
Return on equity, %							31.0	24.3
USD/SEK - average	8.65	8.87		8.49	9.40		8.52	9.20
EUR/SEK - average	10.19	10.36		10.15	10.56		10.18	10.49

MESSAGE FROM THE CEO

NCAB continues to grow from a new level

Following a very successful first half of the year, the third quarter continued to develop in a positive direction for us. Net sales increased by a full 61 per cent year-on-year to SEK 864 million and order intake rose by a further 83 per cent to SEK 935 million. In addition to strong organic growth in the quarter, we also acquired RedBoard Circuits in the USA, which further strengthened our position in the American market. After the end of the quarter, we followed up this acquisition in October with the acquisition of Elmatica in Norway. Elmatica is one of the oldest and most respected companies in the industry and is a welcome addition to the NCAB family. Market growth in our focus segment of High-Mix-Low-Volume (HMLV) for demanding customers remained strong in all regions and most industries. Customer problems involving access to semiconductor components are creating individual challenges, but the situation is not significantly impacting sales as a whole. We can see a rapid increase in PCB deliveries to many new green tech projects, including products for electrification. There is also strong growth and rapid technology development among traditional customers, partly driven by the Internet of Things (IoT).

We can see even more clearly that our rapid growth is also due to an increase in our market shares. Many of our competitors, in particular smaller traders, are not present in Asia close to factories and are not prioritised in the same way. Despite general material shortages and challenges to the logistics chain, we have retained our high level of quality and delivery precision. We have compensated in full for higher purchasing prices and increased costs. Our working capital increased during the quarter as a consequence of the growth and longer lead times. We expect long lead times to continue for some time until the supply chain has normalised and working capital decreases again. However, in this context it is important that all orders are fixed and customer-specific. PCBs also have a 'best before' date before production begins, which eliminates the risk of extraordinary stock accumulation. The excellent growth in combination with healthy margin development has resulted in a highly positive earnings trend compared with the third quarter of 2020, which was in part negatively impacted by uncertainty during the initial period of the pandemic.

For our regional segments, *Nordic* is now gearing up with good growth in net sales following strong order intake in previous quarters. The acquisition of Elmatica in Norway will provide a major injection to the segment, with a revenue of SEK 370 million forecast in 2021. This is one of our larger acquisitions and will grow our market penetration in the Nordic region and the rest of Europe in complementary customer areas, such as aerospace. Elmatica is an ideal fit for the NCAB model, with a similar corporate culture, focus on quality and technology and a good reputation in the market. Moreover, NCAB can also help in a number of areas. Elmatica does not have its own Factory Management in Asia and NCAB can offer their customers access to an expanded product and factory portfolio, where we also anticipate better terms and conditions.

We have continued our very strong growth in the *Europe* segment. Demand is healthy and we are steadily strengthening our market position. It is particularly positive that this concerns both established NCAB activities and our new acquisitions, Flatfield in the Netherlands and PreventPCB in Italy.

Growth also continued in *North America* and margins strengthened quarter-on-quarter. The acquisition of RedBoard Circuits in September provided a positive addition to the segment.

For *East*, the quarter was favourable in terms of revenue and earnings, though the growth rate in order intake has slowed slightly. However, we see further growth opportunities as we move forward.

All in all, we can look back on a very strong quarter that forms a basis for future growth. We have further strengthened our financing, which together with our strong operating cash flow supports our continued robust agenda for growth, both organically and through acquisitions. We will in 2022 review our financial targets as we continue to grow from a new level with higher margins.

Peter Kruk
President and CEO, NCAB Group AB



” A very exciting and positive quarter. We are continuing our growth journey from a new level ”

Q3 2021

61%

Sales growth

863.6

Net sales, SEK million

123.2

EBITA, SEK million

14.3%

EBITA margin

JULY–SEPTEMBER 2021

ORDER INTAKE

Order intake continued to trend positively and rose sharply by 83 per cent during the quarter or 86 per cent in USD. For comparable units, order intake rose 65 per cent and in USD by 68 per cent. The increase derives from a continued clear recovery in all of NCAB's markets, while NCAB also estimate to have captured market shares. Order intake in the third quarter of 2020 was largely impacted by the coronavirus pandemic. The restricted travel possibilities have continued to give NCAB significant advantages compared to competitors through NCAB's Factory Management team in Asia, which allows NCAB to maintain daily contact on-site with its factory partners.

NET SALES

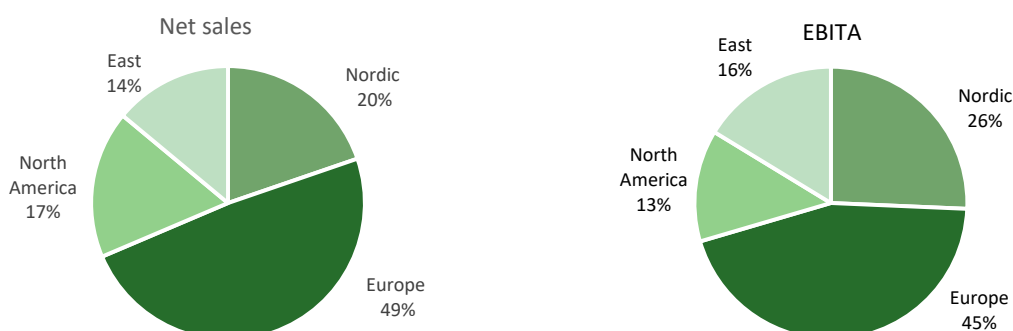
Net sales increased in the quarter by 61 per cent to SEK 863.6 million (536.7). In USD, the increase was 66 per cent. Net sales in comparable units increased 45 per cent and by 50 per cent in USD. All segments reported growth, but the *Europe* segment accounted for the strongest organic growth. Growth in *Nordic* also accelerated during the quarter. Growth was further strengthened by the acquisitions of PreventPCB in Italy, sas – electronics in Germany and RedBoard Circuits in the USA, all of which performed well.

EARNINGS

EBITA was SEK 123.2 million (50.1) and EBITA margin rose to 14.3 per cent (9.3). SEK 0.8 million (0.0) was charged to EBITA relating to transaction costs for the acquisition of RedBoard Circuits. The stronger earnings comprise a combination of higher market prices where NCAB has passed on price increases, and also an improved gross margin through a better customer and product mix, while operating expenses have not increased in pace with sales. Recruitment is under way to address the expanded opportunities offered by the market. EBITA increased in all segments. Operating profit increased to SEK 118.6 million (47.2).

Net financial items amounted to SEK 0.9 million (-6.6), where the improvement was due to foreign exchange differences of SEK 4.4 million (-2.1). Tax amounted to SEK -28.3 million (-9.1). The average tax rate was 23.7 per cent (22.3). Profit after tax for the period totalled SEK 91.2 million (31.5). Earnings per share was 4.86 (1.68), after dilution 4.85 (1.68).

BREAKDOWN BY SEGMENT, JULY–SEPTEMBER 2021



JANUARY–SEPTEMBER 2021

ORDER INTAKE

Order intake rose by 90 per cent during the first three quarters of the year to SEK 2,972 million (1,562), corresponding to an increase of 111 per cent in USD. Order intake for comparable units increased 66 per cent and 84 per cent in USD. All of the Group's companies reported strong and stable growth in 2021. Growth in order intake in the first two quarters was partly due to longer lead times. Lead times are no longer increasing and growth in order intake in the most recent quarter reflects underlying market growth. The *Europe* segment continued to demonstrate the highest growth, with particularly strong trends in Germany, the Netherlands and UK.

NET SALES

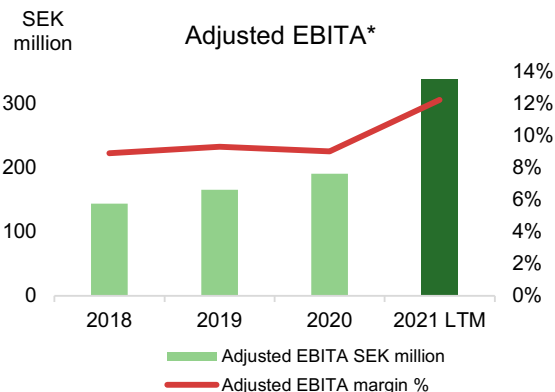
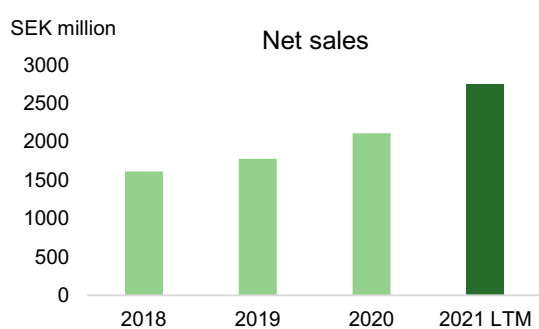
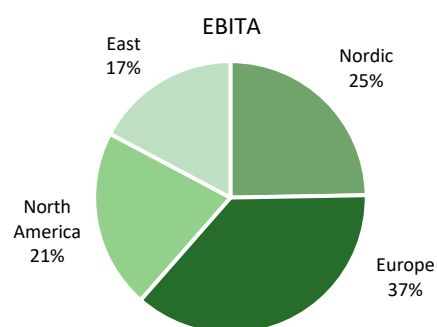
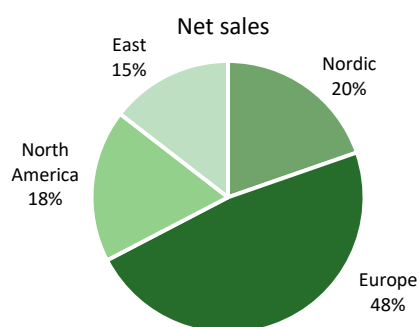
Net sales increased in the first three quarters of the year by 40 per cent to SEK 2,242.9 million (1,600.3), with growth in USD at about 55 per cent. Net sales in comparable units increased 21 per cent and by 34 per cent in USD, growth was strongest in the *Europe* segment, though all segments generated growth exceeding 15 per cent. The acquisitions of PreventPCB, sas – electronics and RedBoard Circuits contributed a total sales increase of SEK 178 million.

EARNINGS

EBITA was SEK 285.1 million (138.5) and EBITA margin rose to 12.7 per cent (8.7). At the beginning of the pandemic in 2020, the US authorities issued loans (PPP-loan) for small companies to safeguard their cash flow. The companies were subsequently able to apply to have the loans forgiven, which NCAB was granted in the second quarter of 2021. EBITA was negatively impacted by charges of SEK 4.3 million relating to transaction costs for acquisitions and positively impacted by the forgiven PPP loans of SEK 11.0 million. Excluding transaction costs and the PPP loans, EBITA amounted to SEK 278.4 million, representing an EBITA margin of 12.4 per cent (9.6). The acquired companies performed well, without significantly contributing to higher central costs, which improved earnings. During the first three quarters of the year, all segments reported a sharp improvement in earnings. Operating profit increased to SEK 273.5 million (132.2).

Net financial items amounted to SEK -5.8 million (-14.0) with improved exchange rate differences of SEK 3.5 million (-4.4). Tax amounted to SEK -58.1 million (-25.9). The average tax rate was by and large unchanged at 21.7 per cent (21.9). Profit after tax for the period totalled SEK 209.6 million (92.3). Earnings per share was SEK 11.20 (5.14), after dilution SEK 11.19 (5.14).

BREAKDOWN BY SEGMENT, JANUARY–SEPTEMBER 2021



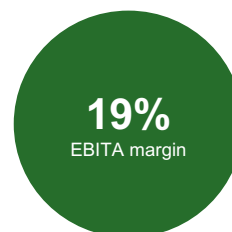
PERFORMANCE BY SEGMENT

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. The segment was strengthened in October 2021 following the acquisition of Elmatica in Norway.

Third quarter 2021

During the quarter, order intake strengthened in all markets, with the best performance noted in Norway. In Norway, growth is largely driven by increased demand for PCBs for the production of electric car chargers. Order intake in the third quarter increased 73 per cent to SEK 168 million (98). In USD, the increase was 76 per cent.



Net sales for the quarter amounted to SEK 170.5 million (110.5), an increase of 54 per cent. In USD, net sales grew 58 per cent. All companies reported healthy growth but Norway continued to note the strongest growth. Net sales in 2020 were negatively impacted by the coronavirus pandemic.

The segment continued to display stable and, for the quarter, rising profitability, with EBITA increasing to SEK 31.7 million (15.9) and the EBITA margin increasing to 18.6 per cent. The improvement was due to higher sales without a significant increase in costs and a concurrent improvement in gross margin.

January to September 2021

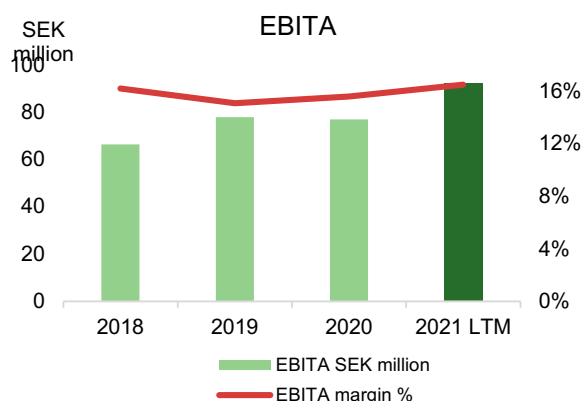
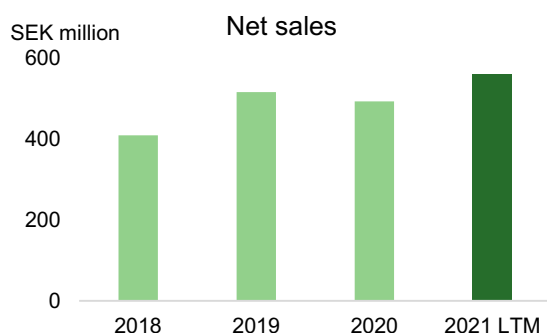
Order intake increased 54 per cent to SEK 570 million (369.0) in the first three quarters. Net sales grew 18 per cent to SEK 441.1 million (375.4). In USD, net sales increased 30 per cent. It was not until the third quarter of 2020 that the effects of the coronavirus pandemic impacted net sales in Nordics.

For the first three quarters of the year, EBITA was clearly up on the year-earlier period at SEK 73.2 million (57.9). The EBITA margin also improved to 16.6 per cent (15.4).

NORDIC

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2021	2020	%	2021	2020	%	LTM	2020
Net sales	170.5	110.5	54.3	441.1	375.4	17.5	559.6	493.9
EBITA	31.7	15.9	99.6	73.2	57.9	26.4	92.3	77.0
EBITA margin, %	18.6	14.4		16.6	15.4		16.5	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 sas – electronics in Germany in June 2021, strengthened the Europe segment.

Third quarter 2021

The *Europe* market reported another quarter with strong order intake. Order intake increased 126 per cent to SEK 505 million (223). In USD, the increase was 132 per cent. In USD, the increase in order intake for comparable units was 92 per cent, driven by strong growth in all companies. Markets in Germany, the Netherlands and UK again reported the highest growth. NCAB's new acquisition in Italy also performed very well. Growth is from both existing and new customers.

91%
Sales growth

Net sales in the third quarter increased 91 per cent to SEK 421.9 million (220.8). In USD, the increase was 96 per cent. For comparable units, the increase in net sales was 54 per cent (58 per cent in USD). All companies in the segment increased net sales year-on-year in the third quarter. The integration between NCAB's two companies in Italy is proceeding to plan and synergies are beginning to materialise. sas – electronics in Germany was acquired in June and has performed well and its integration with NCAB Germany is progressing as planned.

Increased net sales and margin improvements, as well as synergies from the acquired companies, resulted in a strong earnings. EBITA increased to SEK 55.2 million (14.0), with an EBITA margin improvement to 13.1 per cent (7.7). The strong margin improvement was due to the successful management of price hikes, the increase in gross margin during the quarter and synergies from acquisitions. The rapid growth has also resulted in many economies of scale, which had a positive impact on EBITA.

January to September 2021

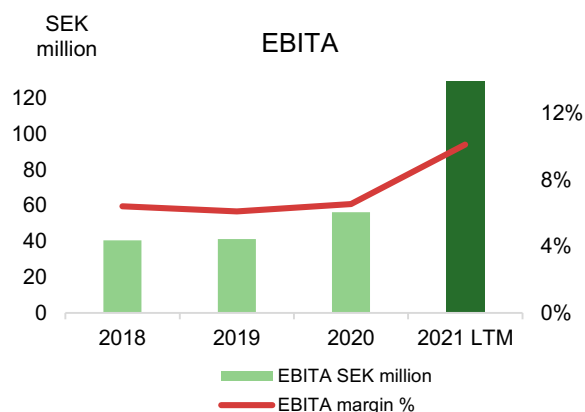
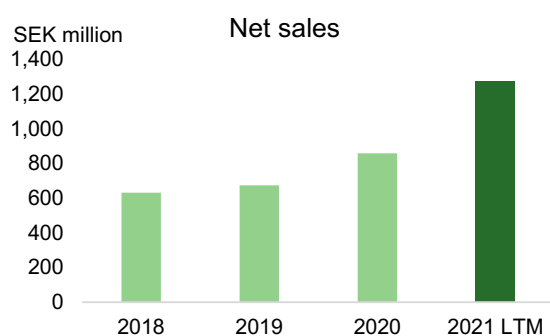
2021 was characterised by strong market growth while NCAB has gained market share. Order intake increased 138 per cent to SEK 1,540 million (648) and by 164 per cent in USD.

Net sales continued to increase and grew 63 per cent to SEK 1,069.4 million (655.2) in the first three quarters of the year. Excluding net sales from acquired companies, the increase was 29 per cent and 60 per cent in USD. All companies displayed growth.

As net sales increased more than costs, and positive synergies were realised from the acquired companies, EBITA increased to SEK 117.0 million (44.1). The EBITA margin rose to 10.9 per cent (6.7). The pace of recruitment has increased in a number of the segment's companies in response to rising demand.

EUROPE

SEK million	Jul-Sep			Jan-Sep			Full-year	
	2021	2020	%	2021	2020	%	LTM	2020
Net sales	421.9	220.8	91.0	1,069.4	655.2	63.2	1,273.8	859.5
EBITA	55.2	14.0	293.3	117.0	44.1	165.3	129.2	56.3
EBITA margin, %	13.1	6.4		10.9	6.7		10.1	6.6



NORTH AMERICA

NCAB has five offices in the USA that cover the country from east to west. Bare Board Group (BBG), with offices in Florida, was acquired in April 2020 and RedBoard Circuits in Arizona was acquired in September 2021.

Third quarter 2021

Order intake increased 39 per cent to SEK 160 million (115). In USD, order intake increased 42 per cent. For comparable units the order income increased with 39 per cent in USD.

Net sales for the segment increased 23 per cent to SEK 150.5 million (121.9). In USD, the increase was 28 per cent. For comparable units net sales grew with 24 per cent in USD.

The gross margin continued to improve in the acquired company BBG and positive synergies were visible in earnings. EBITA increased to SEK 16.4 million (9.1) and EBITA margin grew to 10.9 per cent (7.4).

In September, RedBoard Circuits in Arizona was acquired, which offered NCAB new customers and more skilled employees. Synergies will arise in purchasing.

January to September 2021

Order intake increased in the first three quarters by 62 per cent to SEK 481 million (296). In USD, the increase was 74 per cent. For comparable units, the increase in order intake in USD was 47 per cent.

In the first three quarters of the year, net sales increased 29 per cent to SEK 406.8 million (315.2). In USD, net sales increased 43 per cent. For comparable units, growth in USD was 24 per cent.

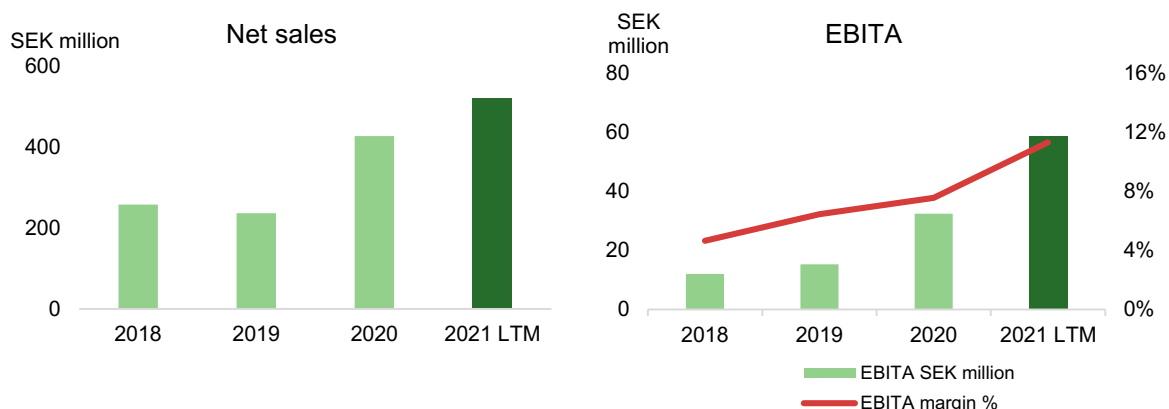
The profitability improvement and synergies from the merger with BBG led to higher EBITA. During the second quarter, PPP loans of SEK 11.0 million were forgiven. EBITA doubled during the first three quarters to SEK 52.1 million (25.7). Excluding the effects of the PPP loans, EBITA amounted to SEK 41.1 million (25.7), representing an EBITA margin of 10.1 per cent (8.2).



NORTH AMERICA

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2021	2020	%	2021	2020	%	LTM	2020
Net sales	150.5	121.9	23.5	406.8	315.2	29.1	519.8	428.2
EBITA	16.4	9.1	80.2	52.1	25.7	102.7	58.8	32.4
EBITA margin, %	10.9	7.4		12.8	8.2		11.3	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.

Third quarter 2021

Order intake in the *East* segment increased during the quarter by 31 per cent to SEK 102 million (78). In USD, the increase was 34 per cent. Growth was favourable in China while order intake in Russia was lower year-on-year. Customers in Russia have suffered more than other regions from problems with component shortages. Despite strict pandemic restrictions, we noted a positive trend in Malaysia.

45%
Sales growth

Net sales in the third quarter increased 45 per cent to SEK 120.6 million (83.4). In USD, the increase was 48 per cent. Net sales rose sharply in China, while sales in Russia were unchanged year-on-year. Deliveries in China have a high technology content, which creates a high margin.

Profitability developed very well and EBITA rose to SEK 20.1 million (9.3) for the third quarter of 2021, corresponding to an EBITA margin of 16.7 per cent (11.2).

January to September 2021

The segment had healthy growth. Compared with 2020, order intake rose 53 per cent to SEK 381 million (250) and 69 per cent in USD.

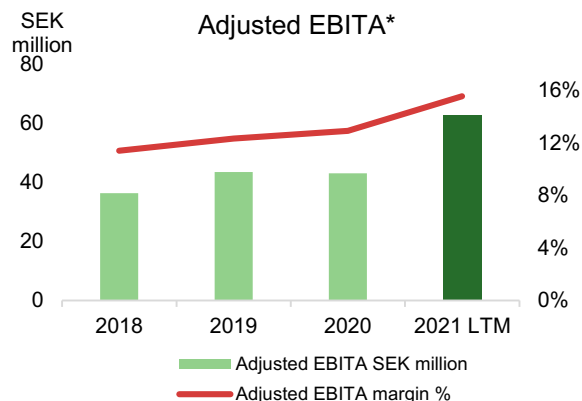
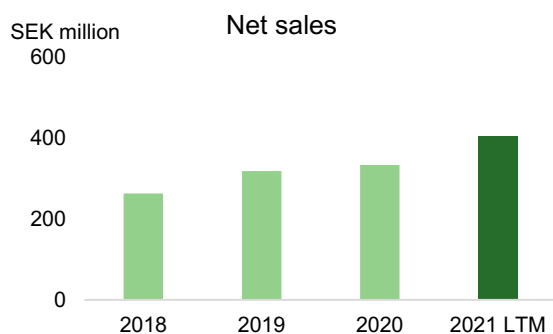
During the period, net sales increased 28 per cent to SEK 325.5 million (254.6) and growth was 41 per cent in USD.

The segment displayed continued improving profitability, with an EBITA margin of 15.1 per cent (11.5).

EAST

SEK million

	Jul-Sep			Jan-Sep			Full-year	
	2021	2020	%	2021	2020	%	LTM	2020
Net sales	120.6	83.4	44.7	325.5	254.6	27.9	404.6	333.6
EBITA	20.1	9.3	115.7	49.1	29.3	67.7	62.9	43.1
EBITA margin, %	16.7	11.2		15.1	11.5		15.6	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 0.2 million (67.9). Cash flow was negatively impacted by growth which has led to an increase in working capital during the quarter, at the same time inventory grew what was deemed temporarily due to the many delays in ocean freight, longer lead times and supply disruptions. Cash flow from operating activities for the first three months of the year was SEK 28.5 million (147.3). Cash flow was abnormally strong in 2020 due to the reduced working capital as net sales fell. The working capital requirement of the Group has increased and on 30 September corresponded to 11.1 per cent (8.1) 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

-18.9 million (-0.0) during the quarter, driven by the acquisition of RedBoard Circuits. Non-acquisition-related investments amounted to SEK -2.2 million (-0.0) for the quarter. For the first three quarters of the year, cash flow from investing activities was SEK -237.1 million (-165.8). Non-acquisition-related investments amounted to SEK -4.2 million (-1.7).

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 217.6 million (-41.8). At 30 September, the equity/assets ratio was 43.1 per cent (46.7) and equity was SEK 854.5 million (727.0). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 320.0 million (632.8).

At 30 September 2021, NCAB had loans totalling SEK 292.8 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 September 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 three quarters of 2021, NCAB was not burdened by any negative effects, aside

from freight problems and increased prices for freight. However, NCAB has noted strong growth as economies have reopened.

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 second 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

- > On 2 September, 100 per cent of the shares were acquired in RedBoard Circuits, Arizona, in the USA.
- > On 19 October, 100 per cent of the shares were acquired in Elmatica in Norway.
- > After the end of the quarter NCAB has entered into a new 5 year credit facility of totally SEK 1,265 million, which raises additional funding for acquisitions of about SEK 750 million.
- > NCAB will review its financial targets in 2022.

EXTRA DIVIDEND AND SHARE SPLIT

The Board of Directors of NCAB Group AB has decided to propose an extra dividend of SEK 10 per share and thereafter a split of the NCAB share 10:1 and will therefore call the shareholders to an Extraordinary General Meeting on 15 December 2021.

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 September 2021, the number of employees was 512 (469), of whom 232 (212) were women and 280 (257) were men. The average number of employees in the organisation during the period was 506 (471), of whom 230 (213) were women and 276 (259) were men.

PARENT COMPANY

The Parent Company's net sales for the third quarter were SEK 17.4 million (14.1). Sales consist exclusively of internal billing. Loss after financial items was SEK -3.2 million (11.7) 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, 11 November 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

CONTACT

For further information, please contact:
Anders Forsén, CFO +46 (0)8 4030 0051
Gunilla Öhman, IR Manager, +46 (0)70 763 81 25

This interim report has been reviewed by the company's auditor.

This is information that NCAB Group AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out above, on 12 November 2021 at 7:30 a.m. CET.

This is a translation of the original Swedish interim report. In the event of difference between the English translation and the Swedish original, the Swedish interim report shall prevail.

NCAB Group AB (publ)

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Mariehällsvägen 37 A, SE-168 65 Bromma, Sweden
www.ncabgroup.com

NCAB Group is publishing the interim report for the third quarter of 2021, January–September, on Friday 12 November 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: +46 850558351, the UK: +443333009266 and the USA: +1 6467224904. The presentation and conference can also be followed from the following link: <https://tv.streamfabriken.com/ncab-group-q3-2021>

FINANCIAL CALENDAR

Year-end report	17 February 2022
Interim report first quarter	28 April 2022
Annual General Meeting	3 May 2022
Interim report second quarter	21 July 2022
Interim report third quarter	8 November 2022
Year-end report	17 February 2023

About NCAB Group

NCAB is a worldwide leading supplier of printed circuit boards (PCBs), listed on NASDAQ Stockholm. NCAB offers PCBs for demanding customers, on time with zero defects, produced sustainably at the lowest total cost. NCAB was founded in 1993. Since its foundation, the operations have been characterised by an entrepreneurial and cost-efficient culture and have showed strong growth and good profitability over time. Today, NCAB has a local presence in 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.



Auditor's report

NCAB Group AB (publ) org nr 556733-0161

Introduction

We have reviewed the condensed interim financial information (interim report) of NCAB Group AB (publ) as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 11 November 2021

Öhrlings PricewaterhouseCoopers AB

Johan Engstam

Authorized Public Accountant

Group

CONSOLIDATED INCOME STATEMENT

SEK million	Jul-Sep		Jan-Sep		LTM	Jan-Dec 2020
	2021	2020	2021	2020		
Operating revenue						
Net sales	863.6	536.7	2,242.9	1,600.3	2,757.8	2,115.2
Other operating income	0.6	0.7	12.7	1.3	17.8	6.3
Total	864.1	537.4	2,255.6	1,601.6	2,775.5	2,121.5
Raw materials and consumables	-598.1	-380.1	-1,567.4	-1,123.3	-1,925.4	-1,481.3
Other external expenses	-39.5	-26.9	-110.7	-80.8	-136.4	-106.6
Staff costs	-95.7	-71.6	-272.5	-224.7	-348.8	-301.0
Depreciation of property, plant and equipment, and amortisation of intangible assets	-9.9	-7.9	-26.6	-20.7	-33.5	-27.5
Other operating expenses	-2.3	-3.7	-5.0	-19.9	-7.8	-22.8
Total operating expenses	-745.5	-490.2	-1,982.1	-1,469.4	-2,451.9	-1,939.2
Operating profit	118.6	47.2	273.5	132.2	323.6	182.3
Net financial income/expense	0.9	-6.6	-5.8	-14.0	-11.2	-19.4
Profit before tax	119.5	40.6	267.7	118.2	312.4	163.0
Income tax	-28.3	-9.1	-58.1	-25.9	-67.7	-35.4
Profit for the period	91.2	31.5	209.6	92.3	244.8	127.5
Profit attributable to:						
Shareholders of the Parent Company	90.9	31.5	209.4	92.2	244.5	127.4
Non-controlling interests	0.1	0.0	0.2	0.2	0.2	0.1
Average number of ordinary shares	18,723,608	16,847,124	18,710,027	17,920,664	18,706,774	18,115,840
Earnings per share	4.86	1.68	11.20	5.14	13.08	7.03
Earnings per share after dilution	4.85	1.68	11.19	5.14	13.07	7.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jul-Sep		Jan-Sep		LTM	Jan-Dec 2020
	2021	2020	2021	2020		
Profit for the period	91.2	31.5	209.6	92.3	244.8	127.5
Other comprehensive income, items that can subsequently be reclassified to profit or loss:						
Foreign exchange differences	17.4	23.2	39.7	10.0	-22.5	-52.3
Total comprehensive income	108.6	54.7	249.3	102.3	222.2	75.2
Profit attributable to:						
Shareholders of the Parent Company	108.5	54.7	249.0	102.1	222.0	75.1
Non-controlling interests	0.1	0.0	0.2	0.2	0.2	0.1

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	30 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current assets			
Goodwill	607.1	413.7	382.3
Other intangible assets	77.5	49.9	43.2
Leasehold improvement costs	1.9	2.4	2.1
Right-of-use Office and Cars	28.0	34.8	30.0
Plant and equipment	6.6	4.9	4.5
Financial assets	6.8	21.4	4.9
Deferred tax assets	6.9	7.4	7.4
Total non-current assets	734.7	534.5	474.4
Current assets			
Inventories	376.1	176.5	183.1
Trade receivables	709.3	376.1	342.9
Other current receivables	14.1	27.7	14.5
Prepaid expenses and accrued income	26.9	24.7	19.1
Cash and cash equivalents	120.6	418.8	449.0
Total current assets	1,247.1	1,023.8	1,008.6
TOTAL ASSETS	1,981.8	1,558.3	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	-16.7	5.8	-56.4
Retained earnings	390.8	240.9	276.1
Non-controlling interests	0.3	0.2	0.2
Total equity	854.5	727.0	699.9
Non-current liabilities			
Borrowings	256.3	304.7	294.5
Leased liabilities	19.6	24.7	21.1
Deferred tax	30.0	16.6	22.8
Total non-current liabilities	305.8	346.0	338.4
Current liabilities			
Current liabilities	51.8	36.5	38.2
Current right-of-use liabilities	10.6	11.2	10.0
Trade payables	534.3	282.4	270.3
Current tax liabilities	53.6	32.9	16.3
Other current liabilities	53.1	45.6	44.6
Accrued expenses and deferred income	118.1	76.7	65.3
Total current liabilities	821.4	485.3	444.7
TOTAL EQUITY AND LIABILITIES	1,981.8	1,558.3	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				92.2	92.2	0.2	92.3
Other comprehensive income for the period	-	-	10.0	-	10.0	-	10.0
Total comprehensive income	-	-	10.0	92.2	102.1	0.2	102.3
							-
Issue of new ordinary shares	0.2	286.6			286.8		286.8
Transaction cost		-10.0			-10.0		-10.0
Total transactions with shareholders, recognised directly in equity	0.2	276.5	-	-	276.7	-0.1	276.6
30 Sep 2020	1.9	478.1	5.8	240.9	726.7	0.2	727.0

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				209.4	209.4	0.2	209.6
Other comprehensive income for the period	-	-	39.7	-	39.7	-	39.7
Total comprehensive income	-	-	39.7	209.4	249.0	0.2	249.3
Dividend	-	-	-	-93.5	-93.5	-0.1	-93.6
Own shares	-	-	-	-2.4	-2.4	-	-2.4
Cost for Warrants	-	-	-	1.3	1.3	-	1.3
Total transactions with shareholders, recognised directly in equity	-	-	-	-94.6	-94.6	-0.1	-94.7
30 Sep 2021	1.9	478.1	-16.7	390.8	854.2	0.3	854.5

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2021	2020	2021	2020	LTM	2020
Cash flow from operating activities						
Profit before net financial income/expense	118.3	47.2	273.5	132.2	323.6	182.3
Adjustment for non-cash items	25.2	1.3	22.6	18.9	28.7	25.0
Interest received	0.0	0.1	0.1	0.1	0.1	0.1
Interest paid	-3.1	-3.1	-8.1	-8.9	-11.6	-12.3
Income taxes paid	-10.7	1.0	-25.0	-20.7	-48.4	-44.0
Cash flow from operating activities before changes in working capital	129.7	46.4	263.0	121.7	292.4	151.1
Change in inventories	-124.2	23.9	-181.4	18.8	-188.0	12.2
Change in current receivables	-83.0	56.0	-335.6	36.7	-292.3	80.1
Change in current operating liabilities	77.7	-58.5	282.6	-29.9	263.4	-49.0
Total changes in working capital	-129.5	21.5	-234.5	25.7	-216.9	43.2
Cash flow from operating activities	0.2	67.9	28.5	147.3	75.5	194.3
Cash flow from investing activities						
Investments in property, plant and equipment	-0.9	-0.0	-1.9	-0.8	-1.9	-0.8
Investments in intangible assets	-	-	-0.4	-0.7	-1.0	-1.3
Investments in subsidiaries	-16.7	-	-232.9	-164.1	-232.9	-164.1
Investments in financial assets	-1.4	-	-1.9	-0.2	-3.3	-1.7
Cash flow from investing activities	-18.9	-0.0	-237.1	-165.8	-239.1	-167.8
Cash flow from financing activities						
Issue of new shares	-	-	-	286.8	-	286.8
Costs for issue of shares	-	-	-	-10.0	-	-10.0
Change in overdraft facility	-	-	-	-7.9	-	-7.9
Borrowings	-	-	-	265.0	-	265.0
Transaction cost, loans	-	-	-	-1.5	-	-1.5
Repayment of loans	-9.1	-9.1	-27.4	-163.6	-36.5	-172.7
Repayment of leased liabilities	-3.8	-3.4	-10.7	-10.4	-14.2	-14.0
Dividend	-	-	-93.5	-	-93.5	-
Cash flow from financing activities	-13.0	-12.5	-131.5	358.3	-144.2	345.6
Decrease/increase in cash and cash equivalents						
Cash flow for the period	-31.7	55.3	-340.1	339.8	-307.8	372.1
Foreign exchange difference in cash and cash equivalents	6.1	-0.3	11.6	-3.2	9.6	-5.3
Cash and cash equivalents at beginning of period	146.2	363.8	449.0	82.2	418.8	82.2
Cash and cash equivalents at end of period	120.6	418.8	120.6	418.8	120.6	449.0

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Jul-Sep		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
Operating revenue					
Net sales	17.4	14.1	53.2	42.9	60.0
Total	17.4	14.1	53.2	42.9	60.0
Other external expenses	-11.8	-6.1	-31.9	-23.2	-30.6
Staff costs	-12.5	-6.4	-33.1	-20.4	-29.6
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.1	-0.1	-0.4	-0.4	-0.5
Other operating expenses	-	5.8	-	-	-
Total operating expenses	-24.4	-6.9	-65.5	-44.0	-60.8
Operating loss	-7.0	7.2	-12.3	-1.0	-0.9
Income from investments in Group companies	-	6.2	19.5	10.5	31.3
Other interest income and similar income	6.6	3.8	11.6	12.1	15.6
Interest expense and similar charges	-2.7	-5.5	-7.4	-22.9	-36.4
Net financial income/expense	3.8	4.5	23.7	-0.2	10.6
Profit before tax	-3.2	11.7	11.4	-1.2	9.7
Appropriations	-	-	-	-	31.0
Tax on profit for the period	-0.1	-0.1	-0.5	-0.1	-0.1
Profit for the period	-3.3	11.6	10.9	-1.3	40.6

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 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current assets			
Capitalised development costs	0.7	1.2	1.0
Plant and equipment	0.0	0.0	0.0
Non-current financial assets	522.0	339.4	339.6
Total non-current assets	522.7	340.6	340.7
Current assets			
Trade receivables	-	1.7	-
Receivables from Group companies	422.9	361.6	354.2
Other current receivables	0.8	1.1	1.4
Prepaid expenses and accrued income	3.5	4.1	4.7
Cash and cash equivalents	-	271.5	294.9
Total current assets	427.2	639.9	655.2
TOTAL ASSETS	949.8	980.5	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	10.9	-1.3	40.6
Total equity	395.8	436.5	478.4
Untaxed reserves	8.8	8.8	8.8
Non-current liabilities			
Liabilities to credit institutions	256.3	292.8	283.6
Total non-current liabilities	256.3	292.8	283.6
Current liabilities			
Liabilities to credit institutions	50.9	36.5	36.5
Trade payables	2.5	1.9	3.1
Liabilities to Group companies	214.2	193.0	173.4
Current tax liabilities	-	-	-
Other current liabilities	4.4	2.5	2.7
Accrued expenses and deferred income	17.0	8.6	9.3
Total current liabilities	289.0	242.5	225.1
TOTAL EQUITY AND LIABILITIES	949.8	980.5	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	-	-	-1.3	-1.3
Total comprehensive income	-	-	-1.3	-1.3
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 Sep 2020	1.9	478.1	-43.5	436.4

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	-	-	10.9	10.9
Total comprehensive income	-	-	10.9	10.9
Dividend, shares			-93.5	-93.5
Total transactions with shareholders, recognised directly in equity	-	-	-93.5	-93.5
30 Sep 2021	1.9	478.1	-84.2	395.8

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, July–September 2021

Quarter	Nordic		Europe		North America		East		Central functions		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
SEK million												
Net sales	170.5	110.5	421.9	220.8	150.5	121.9	120.6	83.4	-	0.0	863.6	536.7
EBITA	31.7	15.9	55.2	14.0	16.4	9.1	20.1	9.3	-0.2	1.8	123.2	50.1
EBITA margin, %	18.6	14.4	13.1	6.4	10.9	7.4	16.7	11.2			14.3	9.3
Amortis. intangible assets											-4.6	-2.9
Operating profit											118.6	47.2
Operating margin, %											13.7	8.8
Net financial expense											0.9	-6.6
Profit before tax											119.5	40.6
Net working capital	88.6	23.2	243.4	112.3	23.5	0.7	64.2	29.7	-52.3	1.4	367.4	167.3

Sales and earnings of segments, January–September 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	441.1	375.4	1,069.4	655.2	406.8	315.2	325.5	254.6	-	-	2,242.9	1,600.3
EBITA	73.2	57.9	117.0	44.1	52.1	25.7	49.1	29.3	-6.4	-18.5	285.1	138.5
EBITA margin, %	16.6	15.4	10.9	6.7	12.8	8.2	15.1	11.5			12.7	8.7
Amortis. intangible assets											-11.6	-6.3
Operating profit											273.5	132.2
Operating margin, %											12.2	8.3
Net financial expense											-5.8	-14.0
Profit before tax											267.7	118.2
Net working capital	88.6	23.2	243.4	112.3	23.5	0.7	64.2	29.7	-52.3	1.4	367.4	167.3

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	559.6	493.9	1,273.8	859.5	519.8	428.2	404.6	333.6	0.0	0.0	2,757.8	2,115.2
EBITA	92.3	77.0	129.2	56.3	58.8	32.4	62.9	43.1	-6.0	-18.1	337.3	190.7
EBITA margin, %	16.5	15.6	10.1	6.6	11.3	7.6	15.6	12.9			12.2	9.0
Amortis. intangible assets											-13.7	-8.4
Operating profit											323.6	182.3
Operating margin, %											11.7	8.6
Net financial expense											-11.2	-19.4
Profit before tax											312.4	163.0
Net working capital	88.6	32.9	243.4	101.2	23.5	3.2	64.2	35.6	-52.3	-9.9	367.4	163.0
Fixed assets	5.7	4.9	11.8	13.1	8.6	8.3	1.1	0.8	9.2	9.7	36.4	36.6
Intangible assets	61.0	61.4	346.1	118.7	267.6	236.2	9.1	8.1	0.7	1.1	684.5	425.5

Note 5

Quarterly summary

	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 2020	Q4 2019
Order intake, SEK million	935.2	1,057.8	978.9	681.4	512.3	486.2	563.4	479.7
Order intake, USD million	107.3	126.2	116.5	77.9	57.8	50.2	58.3	49.9
Net sales, SEK million	863.6	762.2	617.1	514.9	536.7	580.6	483.1	422.4
SEK annual growth, %	60.9	31.3	27.7	21.9	22.0	22.7	8.3	3.9
Net sales, USD million	99.8	90.9	73.5	59.5	60.3	60.0	50.0	45.1
USD annual growth, %	65.5	51.5	46.9	32.0	33.5	20.0	2.5	0.0
Gross margin, %	30.8	30.1	29.4	31.4	29.3	29.4	31.1	32.4
EBITA, SEK million	123.2	103.8	58.4	52.2	50.1	50.6	37.9	41.2
EBITA margin, %	14.3	13.6	9.5	10.1	9.3	8.7	7.8	9.7
Operating profit/loss, SEK million	118.6	99.7	55.4	50.1	47.2	48.1	37.0	40.7
Total assets, SEK million	1,981.8	1,765.0	1,663.4	1,483.0	1,558.3	1,551.5	1,125.7	873.1
Cash flow from operating activities, SEK million	0.2	30.3	-2.0	47.0	67.9	76.9	2.6	44.9
Equity/assets ratio, %	43.1	42.3	46.7	47.2	46.7	43.3	34.6	39.9
Number of employees	512	500	488	474	469	473	452	395
Average exchange rate, SEK/USD	8.65	8.41	8.39	8.62	8.87	9.69	9.67	9.61
Average exchange rate, SEK/EUR	10.19	10.14	10.11	10.27	10.36	10.66	10.66	10.64

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. In the total purchase price a presumed earn out of SEK 21.0 million is included which will be paid during the first quarter in 2022.

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. In the total purchase price a presumed earn out of SEK 2.0 million is included which will be paid during the first quarter in 2022.

RedBoard Circuits

On 1 September 2021, 100 per cent of the shares were acquired in RedBoard Circuits in Phoenix, Arizona, in the USA. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. Goodwill of SEK 10.7 million arose in conjunction with the acquisition. In 2020, the company had sales of slightly more than SEK 33 million, with an EBITA margin slightly lower than NCAB and the company had four employees. Transaction costs related to the acquisition amounted to approximately SEK 0.8 million and were expensed as central costs.

Acquisitions	PreventPCB 22 February	sas – electronics 24 June	RedBoard Circuits 2 September
Total purchase consideration	203.0	27.5	18.8
Acquired assets and assumed liabilities			
Non-current assets	0.4	0.6	0.0
Customer relationships	34.4	5.6	6.4
Other current assets	36.2	2.4	10.3
Cash and cash equivalents	0.1	4.9	2.0
Other operating liabilities	-34.3	-1.5	-9.0
Deferred tax	-9.3	-1.6	-1.6
Total net assets	27.5	10.5	8.1
Goodwill	175.5	17.1	10.7

Amounts reported in the table above are preliminary values.

If PreventPCB, sas – electronics and RedBoard Circuits had been consolidated on 1 January 2021, net sales for the January–September period 2021 would have increased by SEK 87 million to SEK 2,330 million and EBITA by SEK 7.3 million to SEK 292.4 million.

Elmatica

On 19 October 2021, 100 per cent of the shares were acquired in Elmatica in Norway. Operating profit together with assets and liabilities associated with the acquired company will be consolidated from the transaction date. Elmatica is expected to report net sales of approximately SEK 370 million and EBITA of SEK 45 million in 2021. The purchase consideration for the shares amounted to SEK 315 million

with a possible additional purchase consideration based on earnings for 2021. The additional purchase consideration is currently approximately SEK 70 million. Elmatica has about 45 employees and operations in a number of countries in Europe. Most of net sales are from customers in Norway, Germany, Sweden, Poland and the Baltic region.

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	Jul-Sep		Jan-Sep		Jan-Dec	
	2021	2020	2021	2020	LTM	2020
Net sales	863.6	536.7	2,242.9	1,600.3	2,757.8	2,115.2
Other operating income	0.9	0.7	12.7	1.3	17.8	6.3
Cost of goods sold	-598.1	-380.1	-1,567.4	-1,123.3	-1,925.4	-1,481.3
Translation differences	-0.3	-	-	-	-	-
Total gross profit	266.0	157.3	688.2	478.3	850.1	640.2
Gross margin, %	30.8	29.3	30.7	29.9	30.8	30.3
Gross margin excl PPP, %	30.8	29.3	30.2	29.9	30.4	30.3

EBITA

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2021	2020	2021	2020	LTM	2020
Operating profit	118.6	47.2	273.5	132.2	323.6	182.3
Amortisation and impairment of intangible assets	4.6	2.9	11.6	6.3	13.7	8.4
EBITA	123.2	50.1	285.1	138.5	337.3	190.7
EBITA margin, %	14.3	9.3	12.7	8.7	12.2	9.0
EBITA margin excl PPP, %	14.3	9.3	12.2	8.7	11.8	9.0

EBITDA

SEK million	Jul-Sep		Jan-Sep		Jan-Dec	
	2021	2020	2021	2020	LTM	2020
Operating profit	118.6	47.2	273.5	132.2	323.6	182.3
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	9.9	7.9	26.6	20.7	33.5	27.5
EBITDA	128.5	55.1	300.1	152.9	357.1	209.9
EBITDA margin, %	14.9	10.3	13.4	9.6	12.9	9.9
EBITDA margin excl PPP, %	14.9	10.3	12.9	9.6	12.5	9.9

Return on equity

SEK million	Sep 2021	Sep 2020	Dec 2020
Profit for the period — LTM	244.8	124.0	127.5
Equity (average)	790.7	526.8	524.0
Return on equity, %	31.0	23.5	24.3

Net working capital and capital employed

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Inventories	376.1	176.5	183.1
Trade receivables	709.3	376.1	342.9
Other current receivables	14.1	27.7	14.5
Prepaid expenses and accrued income	26.9	24.7	19.1
Trade payables	-534.3	-282.4	-270.3
Current tax liabilities	-53.6	-32.9	-16.3
Other current liabilities	-53.1	-45.6	-44.6
Accrued expenses and deferred income	-118.1	-76.7	-65.3
Net working capital	367.4	167.3	163.0
Non-current assets	734.7	534.5	474.4
Prepaid expenses and accrued income	120.6	418.8	449.0
Deferred tax	-30.0	-16.6	-22.8
Capital employed	1,192.7	1,104.0	1,063.7

Return on capital employed

SEK million	Sep 2021	Sep 2020	Dec 2020
Operating profit/loss — LTM	323.6	173.0	182.3
Capital employed (average)	1,148.4	779.0	769.4
Return on capital employed, %	28.2	22.2	23.7

Equity/assets ratio

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Equity	854.5	727.0	699.9
Untaxed reserves	-	-	-
Total	854.5	727.0	699.9
Total assets	1,981.8	1,558.3	1,483.0
Equity/assets ratio, %	43.1	46.7	47.2

Net debt

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Interest-bearing liabilities	338.2	377.1	363.7
Cash and cash equivalents	-120.6	-418.8	-449.0
Total net debt	217.6	-41.8	-85.3
EBITDA LTM	357.1	202.0	209.9
Net debt / EBITDA	0.6	-0.2	-0.4

Net debt excl. IFRS 16 adjustment

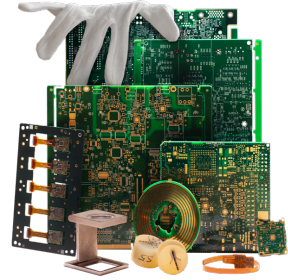
SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Interest-bearing liabilities excl IFRS 16	308.0	341.2	332.7
Cash and cash equivalents	-120.6	-418.8	-449.0
Total net debt excl IFRS16	187.4	-77.6	-116.4
EBITDA LTM excl IFRS 16	342.9	184.5	196.1
Net debt excl IFRS 16/ EBITDA excl IFRS 16	0.5	-0.4	-0.6

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.

2,600
CUSTOMERS



16
COUNTRIES WITH
LOCAL PRESENCE



27
MANUFACTURERS



45
MARKETS

512
SPECIALISTS



178
MILLION PCBs
MANUFACTURED PER YEAR

