

Year-end Report 2021

OCTOBER–DECEMBER 2021

- > Net sales increased by 90% to SEK 976.6 million (514.9). In USD, net sales increased 87%. For comparable units, net sales increased by 57%, and in USD the increase was 55%.
- > Order intake increased 57% to SEK 1,067.1 million (681.4). In USD, the increase was 55%. For comparable units, order intake increased by 29%, and in USD the increase was 27%.
- > EBITA increased 132% to SEK 121.0 million (52.2), representing an EBITA margin of 12.4% (10.1).
- > EBITA was negatively impacted by transaction costs for the acquisition of Elmatica in an amount of SEK 3.1 million. EBITA, excluding the effect of transaction costs, was SEK 124.1 million, corresponding to a margin of 12.7% (10.1).
- > Operating profit was SEK 113.7 million (50.1). Operating margin was 11.6% (9.7).
- > Profit after tax was SEK 75.3 million (35.2).
- > Earnings per share** before and after dilution was SEK 0.40 (0.19).

JANUARY–DECEMBER 2021

- > Net sales increased by 52% to SEK 3,219.5 million (2,115.2). In USD, net sales increased 63%. For comparable units, net sales increased by 30%, and in USD 39%.
- > Order intake increased 80% to SEK 4,039.0 million (2,243.4). In USD, order intake increased 93%. For comparable units, the increase was 55% in SEK, and 66% in USD.
- > EBITA increased 111% to SEK 406.1 million (190.7), representing an EBITA margin of 12.6% (9.0). SEK 7.4 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 402.5 million, corresponding to an EBITA margin of 12.5% (9.7).
- > Operating profit was SEK 387.2 million (182.3). Operating margin was 12.0% (8.6).
- > Profit after tax was SEK 284.9 million (127.5).
- > Earnings per share** before and after dilution was SEK 1.52 (0.70).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > On 19 October, 100 per cent of the shares of Elmatica in Norway were acquired.
- > NCAB signed a new credit facility of SEK 1,265 million, which increased its credit line by approximately SEK 750 million with the aim of securing acquisition financing.
- > The Extraordinary General Meeting on 15 December approved an extra dividend of SEK 10 per share and thereafter a 10:1 split of the NCAB share.
- > On 2 January 2022, 100 per cent of the shares in META Leiterplatten in Germany were acquired.
- > At year-end, Robert Balson was appointed new VP North America and President NCAB USA.
- > The Board of Directors proposes a dividend of SEK 0.60 per share to be paid with 50% in May and 50% in October (2021: SEK 0.50** per share was distributed as an ordinary dividend and SEK 1.00** as an extra dividend).

*) 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.

**) Calculated after 10:1 split

Key performance indicators

	Oct-Dec			Jan-Dec		
	2021	2020	%	2021	2020	%
Order intake, SEK million	1,067.1	681.4	56.6	4,039.0	2,243.4	80.0
Order intake, USD million	120.6	77.9	54.9	470.7	243.8	93.1
Net sales, SEK million	976.6	514.9	89.7	3,219.5	2,115.2	52.2
Net sales, USD million	111.3	59.5	87.1	375.5	229.8	63.4
Gross margin, %	30.6	31.4		30.3	30.7	
EBITA, SEK million	121.0	52.2	131.8	406.1	190.7	112.9
EBITA margin, %	12.4	10.1		12.6	9.0	
Operating profit, SEK million	113.7	50.1	126.9	387.2	182.3	112.3
Operating margin, %	11.6	9.7		12.0	8.6	
Profit after tax, SEK million	75.3	35.2	114.1	284.9	127.5	123.4
Earnings per share* before dilution, SEK	0.40	0.19	114.1	1.52	0.70	116.6
Earnings per share* after dilution, SEK	0.40	0.19	113.7	1.52	0.70	116.4
Cash flow from operating activities, SEK million	19.8	47.0	-57.9	48.3	194.3	-75.2
Return on capital employed, %				28.6	23.7	
Return on equity, %				38.7	24.3	
USD/SEK - average	8.86	8.62		8.58	9.20	
EUR/SEK - average	10.13	10.27		10.14	10.49	

*) The Extra General Meeting on 15 December 2021 resolved to approve a 10:1 stock split. Earnings per share have been calculated retrospectively based on the total number shares after the stock split for each period.

MESSAGE FROM THE CEO

Continued strong organic growth boosted by acquisitions

We can look back on another strong quarter with substantial growth in sales and improved profitability compared with previous year. We are pleased with the high demand and organic growth and that order intake is clearly exceeding net sales, which will support continued growth. Our growth relative to the market shows that we are gaining market shares. Our local presence in the production chain through our Factory Management organisation makes a great difference by offering us a strong position to secure delivery times by enabling continuous improvements in technology, quality and sustainability.

In addition to our organic growth, which is derived from all different industries and regions, we also noted a robust performance from our acquisitions. PreventPCB, which was acquired in the first quarter, has been integrated into our existing Italian operations and developed favourably. The integration of sas-electronics and RedBoard Circuits has continued according to plan. Elmatica, based in Norway, joined us during the quarter and META Leiterplatten in Germany was acquired at year-end. Elmatica is a larger acquisition and has operations in several countries. With the acquisition of Elmatica, we also gained a team of senior leaders with extensive industry know-how. For example, we appointed a new Director of Technology for the Group from Elmatica.

The PCB market is highly fragmented with many local or regional players. Many of these are under increasing pressure from the growing demands for new technology, quality improvements and sustainability. We can see major opportunities to acquire these companies and help them to step up to the next level and further develop their customer relations. It is clear from analysis of our acquired companies and their performance that they have developed very well since being integrated into NCAB.

Among the segments *Nordic* has performed well and grown both organically and through the acquisition of Elmatica. It is also good to see how the margin has improved. The integration of Elmatica has begun and it is clear that it is a very good addition to NCAB, and we anticipate synergies in a number of areas.

We have invested heavily in growth in our *Europe* segment for several years. And we can now clearly see that our efforts have yielded results. We are gaining market shares and sales to new customers are now really bearing fruit. The strong order intake is particularly promising for 2022. Plenty of work remains to be done as it is a large market where we have a relatively small market share.

During the quarter, *North America* reported a sharp increase in sales and orders. The improvement in profitability was a result of the gradual shift to more high-tech products in both our own operations and in those of our acquired companies.

For *East*, the quarter was positive in terms of earnings and sales, despite extensive COVID restrictions in parts of the region. Profitability is at a high level due to the high technology content and high level of service.

Supply chains remained under pressure during the fourth quarter, though the situation has stabilised and we can see signs of improvement. This has also led to a higher working capital. We now also see a more uncertain political situation globally and that the coronavirus pandemic may still affect supply chains.

All in all, we can look back on another very strong quarter in all areas. We are proud of our strong organic growth and with the successful completion of first-rate acquisitions. A continued strong order intake also paints a positive picture for 2022.

Peter Kruk

CEO and President, NCAB Group AB



Another strong quarter highlighting quality is very encouraging for 2022



Q4 2021

90%

Sales growth

976.6

Net sales, SEK million

121.0

EBITA, SEK million

12.4%

EBITA margin

OCTOBER–DECEMBER 2021

ORDER INTAKE

The year ended with continued strong order intake of SEK 1,067 million, corresponding to an increase of 57 per cent compared with the last quarter of 2020 and 55 per cent in USD. For comparable units, order intake rose 29 per cent and in USD by 27 per cent. The increase is derived from all of NCAB's markets. Order intake for the fourth quarter of 2020 was relatively strong and driven by orders placed by many customers ahead of pending price increases. The order book has continued to grow despite the gradual reduction in lead times from order to delivery. The restricted travel possibilities to Asia have continued to give NCAB significant advantages over its competitors as NCAB's Factory Management team is based in Asia. This has meant NCAB is on-site and can have daily contact with the company's factory partners.

NET SALES

Net sales increased in the quarter by 90 per cent to SEK 976.6 million (514.9). In USD, the increase was 87 per cent. Net sales in comparable units increased 57 per cent and by 55 per cent in USD. All segments reported growth, the *Europe* and *Nordic* segments doubled in net sales driven by strong organic growth in combination with acquisitions. In October, Elmatica was acquired and is based in Oslo and reported net sales of approximately SEK 370 million in 2021, and has customers primarily in the Nordic region, Germany, Poland and France. Initially, Elmatica will be part of the *Nordic* segment. In December, an agreement was also signed to acquire META Leiterplatten in Germany.

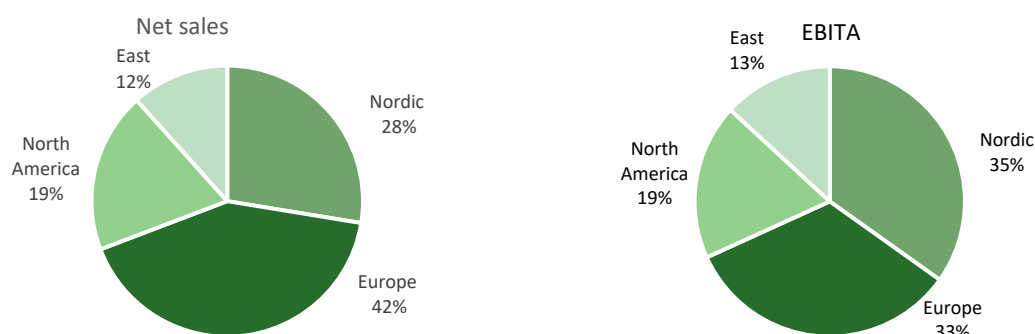
EARNINGS

EBITA was SEK 121.0 million (52.2) and EBITA margin rose to 12.4 per cent (10.1). SEK 3.1 million (0.0) was charged to EBITA relating to transaction costs for the acquisition of Elmatica. The stronger earnings were due to a combination of higher market prices, where NCAB has passed on price increases, and rapid growth, 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 and there is now a more even distribution between the segments. Operating profit increased to SEK 113.7 million (50.1).

Net financial items amounted to SEK -17.3 million (-5.4), where the decline was mainly due to foreign exchange differences of SEK -11.6 million (-0.3). Tax amounted to SEK -21.1 million (-9.5). The average tax rate was 21.9 per cent (21.3). Profit after tax for the period totalled SEK 75.3 million (35.2). Earnings per share** was SEK 0.40 (0.19), before and after dilution.

**After 10:1 split

BREAKDOWN BY SEGMENT, OCTOBER–DECEMBER 2021



JANUARY–DECEMBER 2021

ORDER INTAKE

Strong organic growth in all of NCAB's markets and companies together with acquisitions generated an increase in order intake of 80 per cent to SEK 4,039 million (2,243), corresponding to an increase of 93 per cent in USD. Order intake in comparable units increased 55 per cent and by 66 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, i.e. time between order and delivery are no longer increasing but are slowly shortening. It is now clear that NCAB has gained market shares. Strongest growth was noted for the *Europe* segment due to healthy growth in the acquired companies, a large influx of new customers and high growth for existing customers. NCAB still has a relatively small share of the market and interesting growth opportunities therefore remain. Order intake has been higher than net sales for each quarter during the year.

NET SALES

Net sales increased in the year by 52 per cent to SEK 3,219.5 million (2,115.2), with growth in USD at about 63 per cent. Net sales in comparable units increased 30 per cent and by 39 per cent in USD. Growth was strongest in the *Europe* segment, though all segments generated growth exceeding 30 per cent. The acquisitions of PreventPCB, sas – electronics and RedBoard Circuits and Elmatica contributed an increase in net sales of SEK 348 million.

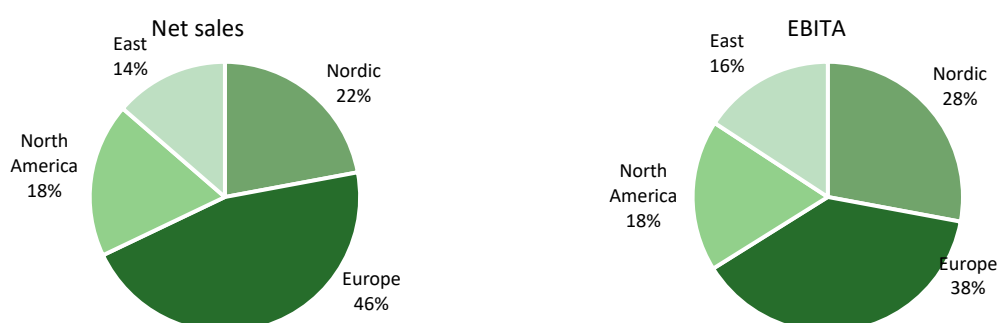
EARNINGS

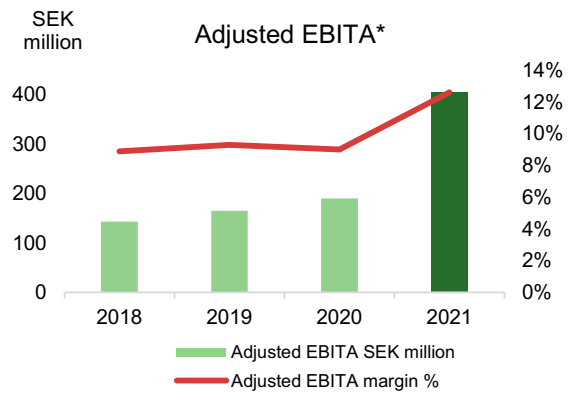
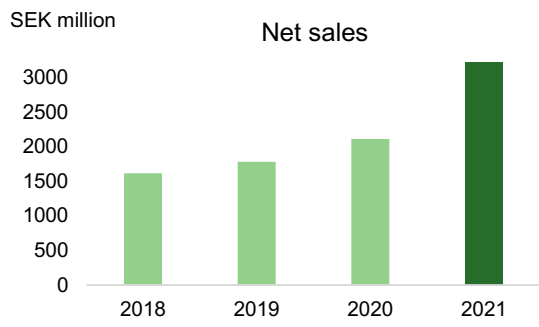
EBITA was SEK 406.1 million (190.7) and EBITA margin rose to 12.6 per cent (9.0). At the beginning of the pandemic in 2020, the US authorities issued loans (PPP loans) for small companies to safeguard their cash flow. The companies were subsequently able to apply to have the loans forgiven, which NCAB was granted in the second quarter of 2021. EBITA was negatively impacted by SEK 7.4 million (14.9) 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 402.5 million, representing an EBITA margin of 12.5 per cent (9.7). The acquired companies all performed very well, which contributed to the stronger earnings. During the year, all segments reported a sharp improvement in earnings. Operating profit increased to SEK 387.2 million (182.3).

Net financial items amounted to SEK -23.1 million (-19.4), where the decline was due to foreign exchange differences of SEK -8.5 million (-5.6). Tax amounted to SEK -79.2 million (-35.4). The average tax rate was unchanged at 21.8 per cent (21.8). Profit after tax for the period totalled SEK 284.9 million (127.5). Earnings per share** was SEK 1.52 (0.70), before and after dilution.

**After 10:1 split

BREAKDOWN BY SEGMENT, JANUARY–DECEMBER 2021





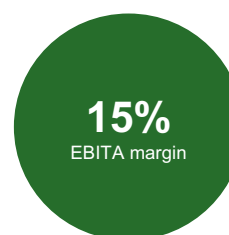
PERFORMANCE BY SEGMENT

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.

Fourth quarter 2021

Order intake increased in all countries except for Norway, which had an exceptional order intake in the fourth quarter of 2020. The segment's order intake in the fourth quarter increased 54 per cent to SEK 257 million (167) because of the acquisition of Elmatica. For comparable units the growth was 4 per cent and in USD order intake was unchanged.



Net sales for the quarter amounted to SEK 269.4 million (118.5), an increase of 127 per cent. For comparable units, growth was 46 per cent. In USD, net sales for comparable units grew 44 per cent. All companies reported healthy growth but the increase in net sales was strongest in Norway, still driven by PCBs for electric car chargers.

The segment demonstrated sustained stable profitability. During the quarter, EBITA increased to SEK 41.0 million (19.1), while the EBITA margin fell to 15.2 per cent (16.1) adversely impacted by the acquisition of Elmatica. For comparable units, the EBITA margin amounted to 16.9 per cent (16.1).

January to December 2021

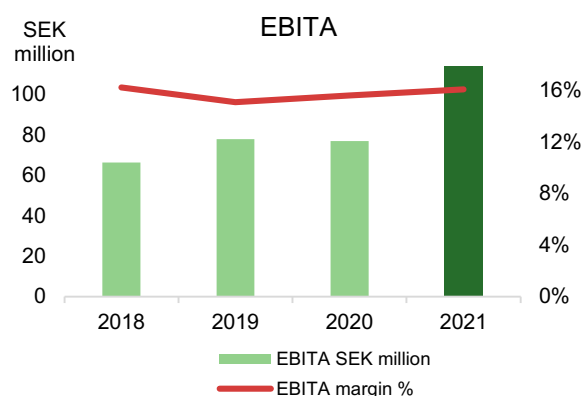
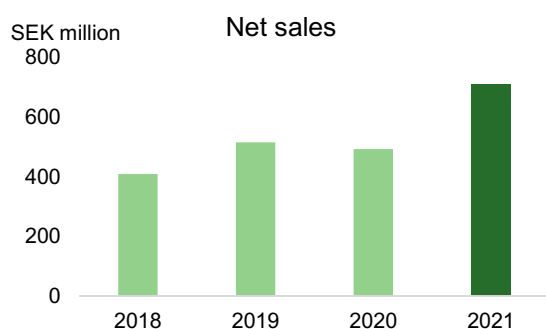
Order intake increased 54 per cent to SEK 827 million (537) during the year. Order intake for comparable units increased 38 per cent. Net sales grew 44 per cent to SEK 710.5 million (493.9). Net sales in comparable units increased 25 per cent and by 34 per cent in USD.

EBITA improved to SEK 114.2 million (77.0) for the year. All companies contributed with higher earnings and the EBITA margin rose to 16.1 per cent (15.6).

NORDIC

SEK million

	Oct-Dec			Jan-Dec		
	2021	2020	%	2021	2020	%
Net sales	269.4	118.5	127.4	710.5	493.9	43.9
EBITA	41.0	19.1	114.4	114.2	77.0	48.2
EBITA margin, %	15.2	16.1		16.1	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. In December 2021, an agreement was also signed to acquire META Leiterplatten in Germany.

Fourth quarter 2021

The *Europe* segment reported another quarter with strong order intake. Order intake increased 80 per cent to SEK 510 million (283). In USD, the increase was 78 per cent. In USD, the increase in order intake for comparable units was 46 per cent, driven by strong growth in all companies and from many customers. Germany, Netherlands and the UK continued to be the drivers. Growth was from both existing and new customers.

99%
Sales growth

Net sales in the last quarter increased 99 per cent to SEK 406.5 million (204.3). In USD, the increase was 97 per cent. For comparable units, net sales rose 69 per cent and in USD by 57 per cent. All companies in the segment increased compared with the fourth quarter of last year. The integration between NCAB's two companies in Italy proceeded as planned and were merged as of January 1, 2022. Development in sas – electronics in Germany, which was acquired in June, proceeded according to plan with synergies, mainly on the purchasing side.

Increased net sales and margin improvements, as well as synergies from the acquired companies, resulted in strong earnings. EBITA increased to SEK 39.2 million (12.2), with an EBITA margin improvement to 9.6 per cent (6.0). The margin improvement was due to the effects of price hikes, growth and favourable earnings from the larger companies in the segment. The rapid growth has also resulted in many economies of scale, which had a positive impact on EBITA.

January to December 2021

The segment reported a highly robust performance and it is clear that NCAB has gained market share. The acquisitions in Italy and Germany also had a positive impact. Order intake for the year increased 120 per cent to SEK 2,050 million (931) and by 136 per cent in USD. For comparable units, the increase in USD was 100 per cent.

Net sales increased 72 per cent to SEK 1,476.0 million (859.5) during the year. For comparable units, growth was 44 per cent and 55 per cent in USD. All companies displayed growth.

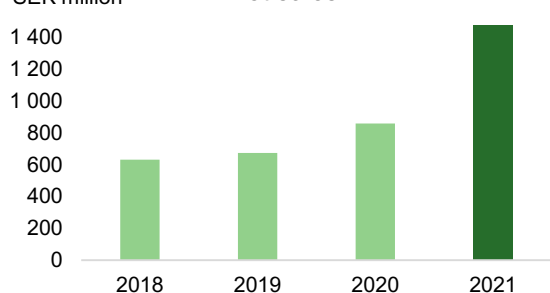
A rise in net sales in combination with lower cost increases and favourable earnings, together with positive synergies from the acquired companies, resulted in a sharp increase in earnings. EBITA increased to SEK 156.2 million (56.3). The EBITA margin rose to 10.6 per cent (6.6). The pace of recruitment has increased in several the segment's companies in response to rising demand.

EUROPE

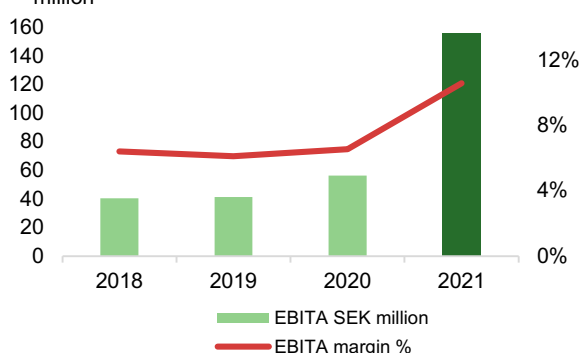
SEK million

	Oct-Dec			Jan-Dec		
	2021	2020	%	2021	2020	%
Net sales	406.5	204.3	98.9	1,476.0	859.5	71.7
EBITA	39.2	12.2	220.6	156.2	56.3	177.3
EBITA margin, %	9.6	6.0		10.6	6.6	

SEK million Net sales



SEK million EBITA



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. At year-end 2021, Robert Balson assumed the role of new VP North America and President NCAB USA.

Fourth quarter 2021

Order intake increased 45 per cent to SEK 191 million (132). In USD, order intake increased 42 per cent. Order intake for comparable units, excluding RedBoard Circuits, increased 39 per cent in USD.

Net sales for the segment increased 66 per cent to SEK 187.2 million (113.0). In USD, the increase was 64 per cent. Net sales for comparable units increased 51 per cent in USD.

EBITA increased to SEK 21.9 million (6.7) and EBITA margin grew to 11.7 per cent (5.9). A clear profitability improvement in BBG, which was acquired in 2020, a stable gross margin in other operations as well as economies of scale from increased sales resulted in the healthy financial performance.

The integration of RedBoard Circuits is progressing according to plan.

January to December 2021

During the year, order intake increased 57 per cent to SEK 672 million (428). In USD, the increase was 67 per cent. For comparable units, the increase in order intake in USD was 41 per cent.

During the year, net sales increased 39 per cent to SEK 594.0 million (428.2). In USD, net sales increased 48 per cent. For comparable units, growth in USD was 42 per cent.

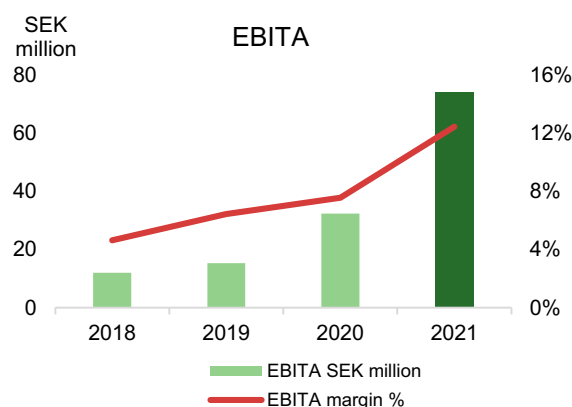
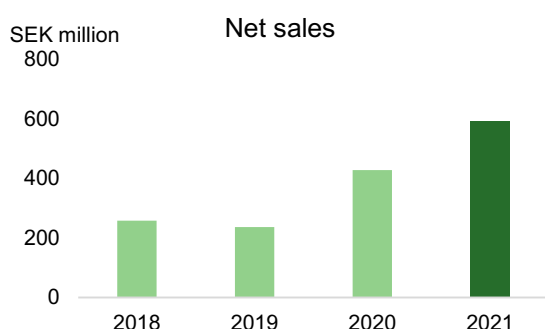
The profitability improvement and synergies from the merger with BBG led to higher EBITA. During the second quarter, PPP loans of SEK 11.0 million were forgiven. EBITA has during the year increased to SEK 74.0 million (32.4). Excluding the effects of the PPP loans, EBITA amounted to SEK 63.0 million (32.4), representing an EBITA margin of 10.6 per cent (7.6).



NORTH AMERICA

SEK million

	Oct-Dec			Jan-Dec		
	2021	2020	%	2021	2020	%
Net sales	187.2	113.0	65.7	594.0	428.2	38.7
EBITA	21.9	6.7	228.1	74.0	32.4	128.6
EBITA margin, %	11.7	5.9		12.5	7.6	

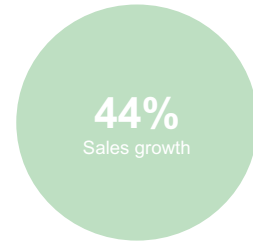


EAST

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. Operations in Malaysia started in 2019.

Fourth quarter 2021

The *East* segment also had a good end to the year, and order intake increased during the quarter by 15 per cent to SEK 109 million (95). In USD, the increase was 11 per cent. Russia reported healthy growth, while China was in line with the fourth quarter of 2020.



Net sales in the final quarter increased 44 per cent to SEK 113.5 million (79.0). In USD, the increase was 40 per cent. Net sales rose in both China and Russia. China has continued to deliver high profitability, because of strong customer relationships and high technology content.

EBITA rose to SEK 15.4 million (13.9) for the last quarter of 2021, corresponding to an EBITA margin of 13.6 per cent (17.5). EBITA margin for the fourth quarter of 2020 was abnormally strong.

January to December 2021

The segment had healthy growth and order intake rose 42 per cent to SEK 490 million (345) and 51 per cent in USD. Sales are partly to European and American customers in China, but most of sales and growth are to local customers in China, where NCAB is selected due to its good service and high technical know-how.

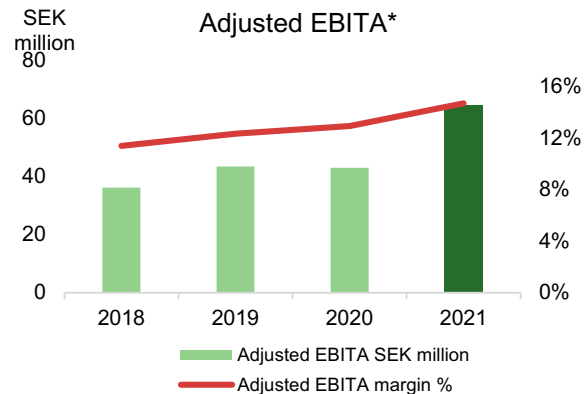
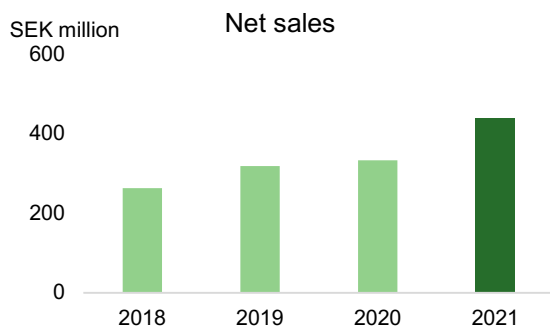
During the period, net sales increased 32 per cent to SEK 439.0 million (333.6) and growth was 41 per cent in USD. Malaysia reported good growth, from low levels.

The segment displayed continued favourable profitability, with an EBITA margin of 14.7 per cent (12.9).

EAST

SEK million

	Oct-Dec			Jan-Dec		
	2021	2020	%	2021	2020	%
Net sales	113.5	79.0	43.6	439.0	333.6	31.6
EBITA	15.4	13.9	11.5	64.5	43.1	49.7
EBITA margin, %	13.6	17.5		14.7	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 19.8 million (47.0). Cash flow was negatively impacted by increased working capital caused by growth during the quarter. Inventory continued to grow due to the many delays in ocean freight, longer lead times and supply disruptions. The year's cash flow from operating activities was SEK 48.3 million (194.3). Cash flow was abnormally strong in 2020 due to the reduced working capital as net sales, excluding acquisitions, slightly decreased. Cash flow was negatively impacted in 2021 by temporary inventory increases to offset the freight and delivery disruption that arose during the year. The working capital of the Group has increased and on 31 December corresponded to 11.0 per cent (7.9) 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 -338.9 million (-2.0) during the quarter, driven by the acquisition of Elmatica. Non-acquisition-related investments amounted to SEK -3.8 million (-2.0) for the quarter. Cash flow for the year from investing activities was SEK -575.9 million (-167.8). Non-acquisition-related investments amounted to SEK -8.0 million (-3.7).

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the quarter was SEK 734.5 million (-85.3). At 31 December, the equity/assets ratio was 29.1 per cent (47.2) and equity was SEK 773.8 million (699.9). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 657.0 million (661.3).

At 31 December 2021, NCAB had loans including utilised overdraft facility totalling SEK 834.2 million. During the quarter, a new credit facility of SEK 1,265 million was agreed comprising a loan of SEK 550 million and an acquisition credit that can be utilised to finance acquisitions. In addition, there is an overdraft facility of SEK 265 million. The credit facilities expire in 2026. At the balance sheet date of 31 December 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 almost two years of travel restrictions, these have offered a significant competitive advantage compared with smaller competitors and customers who have been unable to travel to China. In 2021, NCAB was not burdened by any negative effects from the pandemic, aside from freight problems and increased prices for freight. However, NCAB has noted strong growth as economies have reopened and successfully strengthened its market position.

In conjunction with the outbreak of the coronavirus pandemic, authorities in the USA provided support in the form of Paycheck Protection Program loans, which were to be remitted if used correctly. NCAB applied for and received loans totalling USD 1.3 million. During the second quarter of 2021, the loan was forgiven, and the amount was recognised as other income, totalling SEK 11.0 million.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > On 19 October, 100 per cent of the shares were acquired in Elmatica in Norway.
- > NCAB signed a new five-year credit facility of SEK 1,265 million, which increased its credit line by approximately SEK 750 million with the aim of securing acquisition activities.
- > The Extraordinary General Meeting on 15 December approved an extra dividend of SEK 10 per share and a 10:1 split of the NCAB share.
- > On 2 January 2022, 100 per cent of the shares were acquired in META Leiterplatten in Germany.
- > Robert Balson was appointed new VP North America and President NCAB USA.
- > The Board of Directors proposes a dividend of SEK 0.60 per share to be paid at 50% in May and 50% in October (2021: SEK 0.50** per share was distributed as an ordinary dividend and SEK 1.00** as an extra dividend).

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

On 31 December 2021, the number of employees was 562 (474), of whom 258 (214) were women and 304 (260) were men. The average number of employees in the organisation during the period was 537 (472), of whom 245 (213) were women and 292 (259) were men.

PARENT COMPANY

The Parent Company's net sales for the fourth quarter were SEK 44.7 million (17.0). Sales consist exclusively of internal billing. Profit after financial items was SEK 16.3 million (10.9) for the quarter. Net sales for the year amounted to SEK 97.9 million (60.0) and profit after financial items was SEK 34.7 million (10.6).

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, February 16, 2022

Christian Salomon
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

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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. The information was issued for publication through the agency of the contact persons set out above on 17 February 2022, at 7:30 a.m. CET.

NCAB Group AB (publ)

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www.ncabgroup.com

NCAB Group is publishing the interim report for the fourth quarter of 2021, January–December, on Thursday 17 February 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: +46850558365, the UK: +443333009269 and the USA: +16467224957. The presentation and conference can also be followed from the following link: <https://tv.streamfabriken.com/ncab-group-q4-2021>

FINANCIAL CALENDAR

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 2021 amounted to SEK 3,220 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	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Operating revenue				
Net sales	976,6	514,9	3 219,5	2 115,2
Other operating income	0,7	5,0	13,4	6,3
Total	977,3	519,9	3 232,9	2 121,5
Raw materials and consumables	-678,0	-358,0	-2 245,4	-1 481,3
Other external expenses	-37,4	-25,7	-148,1	-106,6
Staff costs	-128,3	-76,4	-400,8	-301,0
Depreciation of property, plant and equipment, and amortisation of intangible assets	-14,8	-6,9	-41,4	-27,5
Other operating expenses	-5,0	-2,8	-10,0	-22,8
Total operating expenses	-863,6	-469,8	-2 845,8	-1 939,2
Operating profit	113,7	50,1	387,2	182,3
Net financial income/expense	-17,3	-5,4	-23,1	-19,4
Profit before tax	96,4	44,7	364,1	163,0
Income tax	-21,1	-9,5	-79,2	-35,4
Profit for the period	75,3	35,2	284,9	127,5
Profit attributable to:				
Shareholders of the Parent Company	75,2	35,2	284,6	127,4
Non-controlling interests	0,1	-0,0	0,3	0,1
Average number of shares before dilution	186 918 990	186 971 240	186 944 900	181 158 398
Average number of shares after dilution	187 285 209	186 971 240	187 133 712	181 158 398
Earnings per share before dilution	0,40	0,19	1,52	0,70
Earnings per share after dilution	0,40	0,19	1,52	0,70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Profit for the period	75,3	35,2	284,9	127,5
Other comprehensive income, items that can subsequently be reclassified to profit or loss:				
Foreign exchange differences	30,1	-62,2	69,8	-52,3
Total comprehensive income	105,5	-27,0	354,7	75,2
Profit attributable to:				
Shareholders of the Parent Company	105,4	-27,0	354,4	75,1
Non-controlling interests	0,1	-0,0	0,3	0,1

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	31 Dec 2021	31 Dec 2020
Non-current assets		
Goodwill	923.9	382.3
Other intangible assets	153.2	43.2
Leasehold improvement costs	4.3	2.1
Right-of-use Office and Cars	34.4	30.0
Plant and equipment	7.5	4.5
Financial assets	8.2	4.9
Deferred tax assets	7.7	7.4
Total non-current assets	1,139.1	474.4
Current assets		
Inventories	519.6	183.1
Trade receivables	789.6	342.9
Other current receivables	51.0	14.5
Prepaid expenses and accrued income	25.0	19.1
Cash and cash equivalents	136.7	449.0
Total current assets	1,521.9	1,008.6
TOTAL ASSETS	2,661.0	1,483.0
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Parent Company		
Share capital	1.9	1.9
Additional paid-in capital	478.1	478.1
Reserves	13.4	-56.4
Retained earnings	280.1	276.1
Non-controlling interests	0.3	0.2
Total equity	773.8	699.9
Non-current liabilities		
Borrowings	644.0	294.5
Leased liabilities	24.5	21.1
Deferred tax	55.5	22.8
Total non-current liabilities	724.0	338.4
Current liabilities		
Current liabilities	190.3	38.2
Current right-of-use liabilities	12.4	10.0
Trade payables	618.7	270.3
Current tax liabilities	57.8	16.3
Other current liabilities	74.4	44.6
Accrued expenses and deferred income	209.6	65.3
Total current liabilities	1,163.1	444.7
TOTAL EQUITY AND LIABILITIES	2,661.0	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				127.4	127.4	0.1	127.5
Other comprehensive income for the period	-	-	-52.3	-	-52.3	-	-52.3
income	-	-	-52.3	127.4	75.1	0.1	75.2
							-
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
31 Dec 2020	1.9	478.1	-56.4	276.1	699.7	0.2	699.9

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				284.7	284.7	0.2	284.9
Other comprehensive income for the period	-	-	69.8	-	69.8	-	69.8
income	-	-	69.8	284.7	354.5	0.2	354.7
Dividend	-	-	-	-280.5	-280.5	-0.1	-280.6
Own shares	-	-	-	-2.4	-2.4	-	-2.4
Cost for Warrants	-	-	-	2.2	2.2	-	2.2
Total transactions with shareholders, recognised directly in equity	-	-	-	-280.7	-280.7	-0.1	-280.8
31 Dec 2021	1.9	478.1	13.4	280.1	773.5	0.3	773.8

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Cash flow from operating activities				
Profit before net financial income/expense	113.7	50.1	387.2	182.3
Adjustment for non-cash items	49.1	6.1	71.8	25.0
Interest received	0.0	0.0	0.1	0.1
Interest paid	-6.8	-3.4	-15.0	-12.3
Income taxes paid	-10.2	-23.4	-35.2	-44.0
Cash flow from operating activities before changes in working capital	145.8	29.4	408.8	151.1
Change in inventories	-143.0	-6.6	-324.4	12.2
Change in current receivables	11.0	43.4	-324.6	80.1
Change in current operating liabilities	5.9	-19.2	288.4	-49.0
Total changes in working capital	-126.1	17.6	-360.5	43.2
Cash flow from operating activities	19.8	47.0	48.3	194.3
Cash flow from investing activities				
Investments in property, plant and equipment	-1.4	-	-3.3	-0.8
Investments in intangible assets	-1.0	-0.6	-1.4	-1.3
Investments in subsidiaries	-335.0	-	-567.9	-164.1
Investments in financial assets	-1.4	-1.4	-3.3	-1.7
Cash flow from investing activities	-338.9	-2.0	-575.9	-167.8
Cash flow from financing activities				
Issue of new shares	-	-	-	286.8
Costs for issue of shares	-	-	-	-10.0
Change in overdraft facility	189.0	-	189.0	-7.9
Borrowings	650.0	-	650.0	265.0
Transaction cost, loans	-6.2	-	-6.2	-1.5
Repayment of loans	-308.0	-9.1	-335.4	-172.7
Repayment of leased liabilities	-5.6	-3.6	-16.3	-14.0
Dividend	-187.0	-	-280.5	-
Cash flow from financing activities	332.3	-12.7	200.8	345.6
Decrease/increase in cash and cash equivalents				
Cash flow for the period	13.2	32.3	-326.9	372.1
Foreign exchange difference in cash and cash equivalents	2.9	-2.1	14.6	-5.3
Cash and cash equivalents at beginning of period	120.6	418.8	449.0	82.2
Cash and cash equivalents at end of period	136.7	449.0	136.7	449.0

Parent Company

PARENT COMPANY INCOME STATEMENT

SEK million	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Operating revenue				
Net sales	44.7	17.0	97.9	60.0
Total	44.7	17.0	97.9	60.0
Other external expenses	-25.5	-7.4	-57.4	-30.6
Staff costs	-13.8	-9.3	-46.9	-29.6
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.1	-0.1	-0.5	-0.5
Other operating expenses	-	-	-	-
Total operating expenses	-39.4	-16.8	-104.8	-60.8
Operating loss	5.3	0.2	-6.9	-0.9
Income from investments in Group companies	23.2	20.8	42.7	31.3
Other interest income and similar income	-3.2	3.5	8.4	15.6
Interest expense and similar charges	-9.0	-13.6	-16.4	-36.4
Net financial income/expense	11.0	10.8	34.7	10.6
Profit before tax	16.3	10.9	27.7	9.7
Appropriations	13.5	31.0	13.5	31.0
Tax on profit for the period	0.1	-0.0	-0.4	-0.1
Profit for the period	29.9	41.9	40.8	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	31 Dec 2021	31 Dec 2020
Non-current assets		
Capitalised development costs	0.5	1.0
Plant and equipment	0.0	0.0
Non-current financial assets	850.0	339.6
Total non-current assets	850.5	340.7
Current assets		
Trade receivables	-	-
Receivables from Group companies	474.0	354.2
Other current receivables	2.9	1.4
Prepaid expenses and accrued income	3.0	4.7
Cash and cash equivalents	0.1	294.9
Total current assets	480.0	655.2
TOTAL ASSETS	1,330.6	995.9
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital (186,971,240 shares)	1.9	1.9
Non-restricted equity		
Share premium account	478.1	478.1
Retained earnings	-282.1	-42.2
Profit/ loss for the period	40.8	40.6
Total equity	238.7	478.4
Untaxed reserves	3.8	8.8
Non-current liabilities		
Liabilities to credit institutions	644.0	283.6
Total non-current liabilities	644.0	283.6
Current liabilities		
Liabilities to credit institutions	189.5	36.5
Trade payables	2.9	3.1
Liabilities to Group companies	225.3	173.4
Other current liabilities	4.0	2.7
Accrued expenses and deferred income	22.3	9.3
Total current liabilities	444.0	225.1
TOTAL EQUITY AND LIABILITIES	1,330.6	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	-	-	40.6	40.6
Total comprehensive income	-	-	40.6	40.6
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
31 Dec 2020	1.9	478.1	-1.6	478.3

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	-	-	40.8	40.8
Total comprehensive income	-	-	40.8	40.8
Dividend, shares			-280.5	-280.5
Total transactions with shareholders, recognised directly in equity	-	-	-280.5	-280.5
31 Dec 2021	1.9	478.1	-241.3	238.7

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 1–29 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

As of December 2021, the Group no longer has any pledged assets or contingent liabilities.

Note 4 Segments

Description of segments and principal activities

In NCAB Group, the CEO is the Group's chief operating decision maker. The segments are based on the information that is handled by the CEO and used as a basis for decisions on the allocation of resources and evaluation of results. NCAB Group has identified four segments, which also constitute reportable segments in the Group's operations:

Nordic

Provides a broad range of PCBs from NCAB Group's companies in Sweden, Norway, Denmark and Finland. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

Europe

Provides a broad range of PCBs from NCAB Group's companies in the UK, Poland, France, Italy, Germany, Spain, the Netherlands and North Macedonia. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

North America

Provides a broad range of PCBs from NCAB Group's companies in the USA. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

East

Provides a broad range of PCBs from NCAB Group's companies in China, 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, October–December 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	269.4	118.5	406.5	204.3	187.2	113.0	113.5	79.0	-	0.0	976.6	514.9
EBITA	41.0	19.1	39.2	12.2	21.9	6.7	15.4	13.9	3.5	0.3	121.0	52.2
EBITA margin, %	15.2	16.1	9.6	6.0	11.7	5.9	13.6	17.5			12.4	10.1
Amortis. intangible assets											-7.3	-2.1
Operating profit											113.7	50.1
Operating margin, %											11.6	9.7
Net financial expense											-17.3	-5.4
Profit before tax											96.4	44.7
Net working capital	80.3	32.9	307.4	101.2	43.9	3.2	74.6	35.6	-62.5	-9.9	443.6	163.0

Sales and earnings of segments, January–December 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	710.5	493.9	1,476.0	859.5	594.0	428.2	439.0	333.6	-	0.0	3,219.5	2,115.2
EBITA	114.2	77.0	156.2	56.3	74.0	32.4	64.5	43.1	-2.8	-18.1	406.1	190.7
EBITA margin, %	16.1	15.6	10.6	6.6	12.5	7.6	14.7	12.9			12.6	9.0
Amortis. intangible assets											-18.9	-8.4
Operating profit											387.2	182.3
Operating margin, %											12.0	8.6
Net financial expense											-23.1	-19.4
Profit before tax											364.1	163.0
Net working capital	80.3	32.9	307.4	101.2	43.9	3.2	74.6	35.6	-62.5	-9.9	443.6	163.0
Fixed assets	8.8	4.9	16.4	13.1	8.2	8.3	1.2	0.8	11.6	9.7	46.2	36.6
Intangible assets	448.4	61.4	343.6	118.7	275.3	236.2	9.2	8.1	0.5	1.1	1,077.0	425.5

Note 5

Quarterly summary

	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20
Order intake, SEK million	1 067,1	935,2	1 057,8	978,9	681,4	512,3	486,2	563,4
Order intake, USD million	120,6	107,3	126,2	116,5	77,9	57,8	50,2	58,3
Net sales, SEK million	976,6	863,6	762,2	617,1	514,9	536,7	580,6	483,1
SEK annual growth, %	89,7	60,9	31,3	27,7	21,9	22,0	22,7	8,3
Net sales, USD million	111,3	99,8	90,9	73,5	59,5	60,3	60,0	50,0
USD annual growth, %	87,1	65,5	51,5	46,9	32,0	33,5	20,0	2,5
Gross margin, %	30,6	30,8	30,1	29,4	31,4	29,3	29,4	31,1
EBITA, SEK million	121,0	123,2	103,8	58,4	52,2	50,1	50,6	37,9
EBITA margin, %	12,4	14,3	13,6	9,5	10,1	9,3	8,7	7,8
Operating profit/loss, SEK million	113,7	118,6	99,7	55,4	50,1	47,2	48,1	37,0
Total assets, SEK million	2 661,0	1 981,8	1 765,0	1 663,4	1 483,0	1 558,3	1 551,5	1 125,7
Cash flow from operating activities, SEK million	19,8	0,2	30,3	-2,0	47,0	67,9	76,9	2,6
Equity/assets ratio, %	29,1	43,1	42,3	46,7	47,2	46,7	43,3	34,6
Number of employees	562	512	500	488	474	469	473	452
Average exchange rate, SEK/USD	8,86	8,65	8,41	8,39	8,62	8,87	9,69	9,67
Average exchange rate, SEK/EUR	10,13	10,19	10,14	10,11	10,27	10,36	10,66	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. In the total purchase consideration, a presumed earn out of SEK 21.0 million is included, which will be paid during the first quarter in 2022 and based on sales for 2021.

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.

RedBoard Circuits

On 2 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.

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 were consolidated from the transaction date. Goodwill of SEK 301.1 million arose in conjunction with the acquisition. Net sales for 2021 amounted to SEK 374 million and EBITA to SEK 41 million. The purchase consideration for the shares amounted to SEK 320 million with a possible additional purchase consideration. The purchase consideration is estimated at approximately SEK 73 million and is based on gross profit for 2021. At the time of the acquisition, Elmatica had 45 employees and operations in a number of countries in Europe. Most of net sales are from customers in Norway, Germany, Sweden, Poland and France. Transaction costs related to the acquisition amounted to approximately SEK 3.1 million and were expensed as central costs.

Acquisitions	PreventPCB 22 February	sas – electronics 24 June	RedBoard Circuits 2 September	Elmatica 19 October	META 2 January 2022
Total purchase consideration	203.0	27.5	18.8	398.9	21.5
Acquired assets and assumed liabilities					
Non-current assets	0.4	0.6	0.0	0.4	0.9
Customer relationships	34.4	5.6	6.4	79.9	4.0
Other current assets	36.2	2.4	10.3	126.3	13.8
Cash and cash equivalents	0.1	4.9	2.0	6.9	2.2
Other operating liabilities	-34.3	-1.5	-9.0	-97.1	-8.8
Deferred tax	-9.3	-1.6	-1.6	-18.6	-1.3
Total net assets	27.5	10.5	8.1	97.8	10.8
Goodwill	175.5	17.1	10.7	301.1	10.7

Amounts reported in the table above are preliminary values.

META Leiterplatten

On 2 January 2022, 100 per cent of the shares were acquired in META Leiterplatten in Germany. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. META's net sales for 2021 amounted to approximately SEK 85 million and EBITA to about SEK 4.5 million. The purchase consideration for the shares amounted to SEK 21.5 million. META has 17 employees and operations in Germany.

If PreventPCB, sas – electronics, RedBoard Circuits, Elmatica and META had been consolidated on 1 January 2021, net sales for the January–December period 2021 would have increased by approximately SEK 435 million to SEK 3,659 million and EBITA by about SEK 45 million to SEK 448 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	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Net sales	976.6	514.9	3,219.5	2,115.2
Other operating income	0.7	5.0	13.4	6.3
Cost of goods sold	-678.0	-358.0	-2,245.4	-1,481.3
Translation differences	-	-	-	-
Total gross profit	299.3	161.9	987.5	640.2
Gross margin, %	30.6	31.4	30.7	30.3
Gross margin excl PPP, %	30.6	31.4	30.3	30.3

EBITA

SEK million	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Operating profit	113.7	50.1	387.2	182.3
Amortisation and impairment of intangible assets	7.3	2.1	18.9	8.4
EBITA	121.0	52.2	406.1	190.7
EBITA margin, %	12.4	10.1	12.6	9.0
EBITA margin excl PPP, %	12.4	10.1	12.3	9.0
Non-recurring items	-	-	-	-
Adjusted EBITA	121.0	52.2	406.1	190.7
Adjusted EBITA margin, %	12.4	10.1	12.6	9.0

EBITDA

SEK million	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Operating profit	113.7	50.1	387.2	182.3
and intangible assets	14.8	6.9	41.4	27.5
EBITDA	128.5	57.0	428.6	209.9
EBITDA margin, %	13.2	11.1	13.3	9.9
EBITDA margin excl PPP, %	13.2	11.1	13.0	9.9

Return on equity

SEK million	Dec 2021	Dec 2020
Profit for the period — LTM	284.9	127.5
Equity (average)	736.9	524.0
Return on equity, %	38.7	24.3

Net working capital and capital employed

SEK million	31 Dec 2021	31 Dec 2020
Inventories	519.6	183.1
Trade receivables	789.6	342.9
Other current receivables	51.0	14.5
Prepaid expenses and accrued income	25.0	19.1
Trade payables	-618.7	-270.3
Current tax liabilities	-57.8	-16.3
Other current liabilities	-74.4	-44.6
Accrued expenses and deferred income	-209.6	-65.3
Net working capital	424.7	163.0
Non-current assets	1,139.1	474.4
Prepaid expenses and accrued income	136.7	449.0
Deferred tax	-55.5	-22.8
Capital employed	1,645.0	1,063.7

Return on capital employed

SEK million	Dec 2021	Dec 2020
Operating profit/loss — LTM	387.2	182.3
Capital employed (average)	1,354.3	769.4
Return on capital employed, %	28.6	23.7

Equity/assets ratio

SEK million	31 Dec 2021	31 Dec 2020
Equity	773.8	699.9
Untaxed reserves	-	-
Total	773.8	699.9
Total assets	2,661.0	1,483.0
Equity/assets ratio, %	29.1	47.2

Net debt

SEK million	31 Dec 2021	31 Dec 2020
Interest-bearing liabilities	871.2	363.7
Cash and cash equivalents	-136.7	-449.0
Total net debt	734.5	-85.3
EBITDA LTM	428.6	209.9
Net debt / EBITDA	1.7	-0.4

Net debt excl. IFRS 16 adjustment

SEK million	31 Dec 2021	31 Dec 2020
Interest-bearing liabilities excl IFRS 16	834,2	332,7
Cash and cash equivalents	-136,7	-449,0
Total net debt excl IFRS16	697,5	-116,4
EBITDA LTM excl IFRS 16	412,4	196,1
Net debt excl IFRS 16/ EBITDA excl IFRS 16	1,7	-0,6

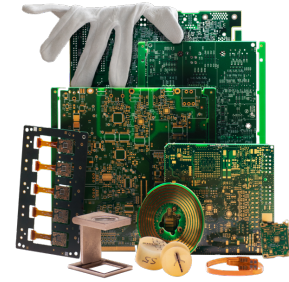
Alternative performance measure	Definition	Purpose
Gross profit	Net sales less raw materials and consumables and for other operating income, which includes translation differences on trade receivables and trade payables	Gross profit provides an indication of the surplus that is needed to cover fixed 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 3,150 customers worldwide. It is important to achieve scale benefits, which is why NCAB has a strong focus on growth. NCAB is the leader in terms of expertise, service, sustainability and technology. Being the leading player also gives the strength to attract customers through important projects, skilled employees and the best factories.



NCAB works in deep relationships with its customers, where NCAB takes responsibility for the entire delivery so customers can focus on their manufacturing operations. NCAB does not own any factories, but because of its Factory Management team NCAB does "own" the most important element – the relationship with the factories and the entire manufacturing process, which provides access to state-of-the-art technology and limitless capacity without the need for investments.

BUSINESS CONCEPT

PCBs for demanding customers, on time with zero defects, produced sustainably at the lowest total cost.

VISION

The Number 1 PCB producer – wherever we are.

3,150
CUSTOMERS



16
COUNTRIES WITH
LOCAL PRESENCE



29
MANUFACTURERS



562
SPECIALISTS



307
MILLION PCBs
MANUFACTURED PER YEAR

