

Year-end Report 2023

OCTOBER–DECEMBER 2023

- > Net sales decreased by 14% to SEK 878.6 million (1,026.1). Both net sales and order intake were negatively impacted by lower prices and customers' inventory adjustments. In USD, net sales decreased 13%. For comparable units, the decrease in net sales was 23% in SEK, and 22% in USD.
- > Order intake decreased 14% to SEK 873 million (1,009). The decrease in USD was 12%. For comparable units, the decrease in order intake was 22% in SEK, and 21% in USD. Book-to-bill steadily improved and amounted to 0.99 per cent.
- > EBITA decreased to SEK 119.0 million (141.0), representing an EBITA margin of 13.5% (13.7). EBITA was positively affected by SEK 2.0 million resulting from a dissolved additional purchase consideration and acquisition costs. Adjusted EBITA amounted to SEK 117.0 million (131.4), corresponding to an EBITA margin of 13.3% (12.9).
- > Cash flow from operating activities was SEK 85.5 million (189.4).
- > Operating profit was SEK 103.8 million (129.3).
- > Profit after tax was SEK 67.2 million (71.3).
- > Earnings per share before and after dilution was SEK 0.36 (0.38).

JANUARY–DECEMBER 2023

- > Net sales decreased 8% to SEK 4,087.8 million (4,457.7). In USD, net sales decreased 13%. For comparable units, net sales decreased 15% in SEK, and 19% in USD.
- > Order intake decreased 11% to SEK 3,751 million (4,227). In USD, order intake decreased 15%. For comparable units, the decrease in order intake was 18% in SEK, and 22% in USD.
- > EBITA increased to SEK 646.9 million (630.9), representing an EBITA margin of 15.8% (14.2). EBITA was positively impacted, net, by a dissolved additional purchase consideration and acquisition costs totalling SEK 13.6 million. Excluding these items, EBITA amounted to SEK 633.3 million (629.3), representing an EBITA margin of 15.5% (14.1). Earnings were charged with SEK 27 million in development costs for new IT systems.
- > Cash flow from operating activities was SEK 700.4 million (568.1).
- > Operating profit was SEK 591.4 million (546.4).
- > Return on equity was 31.9% (42.4).
- > Profit after tax was SEK 403.9 million (417.1).
- > Earnings per share before dilution was SEK 2.16 (2.23). After dilution SEK 2.15 (2.23)

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > On 31 October, it was announced that an agreement had been signed to acquire 100 per cent of the shares in Electronic Advanced Circuits S.L in Spain and that a company had been opened in Portugal. The acquisition was completed in November according to plan.
- > In December, Howard Goff was appointed President of NCAB North America. Howard Goff has extensive experience within NCAB, including as President of NCAB Europe and most recently as VP Sales.
- > Anders Forsén, CFO of NCAB, has announced that he wishes to leave his position at NCAB during the autumn of 2024. A recruitment process has been initiated.
- > The Board of Directors proposes a dividend of SEK 1.10 (1.10) per share to be paid in May.

Key performance indicators

	Oct-Dec			Jan-Dec		
	2023	2022	%	2023	2022	%
Order intake, SEK million	872.7	1,009.2	-13.5	3,750.8	4,227.2	-11.3
Order intake, USD million	81.6	93.2	-12.4	353.4	417.5	-15.4
Net sales, SEK million	878.6	1,026.1	-14.4	4,087.8	4,457.7	-8.3
Net sales, USD million	82.1	94.4	-13.0	385.2	440.3	-12.5
Gross margin, %	38.2	34.1		36.0	32.2	
EBITA, SEK million	119.0	141.0	-15.6	646.9	630.9	2.5
EBITA margin, %	13.5	13.7		15.8	14.2	
Operating profit, SEK million	103.8	129.3	-19.8	591.4	546.4	8.2
Operating margin, %	11.8	12.6		14.5	12.3	
Profit after tax, SEK million	67.2	71.3	-5.7	403.9	417.1	-3.2
Earnings per share before dilution, SEK	0.36	0.38	-5.7	2.16	2.23	-3.2
Earnings per share after dilution, SEK	0.36	0.38	-5.9	2.15	2.23	-3.3
Cash flow from operating activities, SEK million	85.5	189.4	-54.9	700.4	568.1	23.3
Return on capital employed, %				26.1	29.0	
Return on equity, %				31.9	42.4	
USD/SEK - average	10.67	10.73		10.61	10.12	
EUR/SEK - average	11.47	10.94		11.48	10.63	

MESSAGE FROM THE CEO

Strong resilience in a weak market

After a few years of highly robust growth during the pandemic, the global PCB market took a downward turn in 2022 and declined further in 2023 in line with the weaker economy. The decrease in 2023 was significant and is expected to be on par with the downturn in 2009. During the pandemic years, inventory was accumulated at several levels due to such factors as component shortages. The weaker economy, combined with inventory adjustments and lower prices in the market, led to reduced net sales for NCAB.

NCAB brings unique values to customers and the manufacturers of PCBs and we are satisfied that in 2023 we were able to see healthy growth in new part numbers, which is the driving force for future revenue, and that more than 200 new customers were added. In line with our earlier communication, we see signs of the decline bottoming out. Net sales for the quarter, when adjusted for currency effects and the customary inventory optimisation by customers at year-end, were in line with the order intake we recorded in quarters two and three.

Over time, the electronics sector has displayed steady growth, driven by everyday products and industrial products becoming increasingly intelligent and connected. With increasingly rapid product development and requirements for enhanced performance, the demands on printed circuit boards (PCBs) and the importance of being able to assure the quality of design are increasing. This also applies to finding reliable manufacturers who meet the sustainability requirements of today and tomorrow.

In the various regions, we can see that Asia and the USA, which were regions affected early by the weakened market, are now showing signs that the bottom has been reached and gradual improvements can be discerned. However, Europe, and in particular, Germany, have taken a downturn with weak demand. We do not expect a rapid positive rebound at the beginning of 2024, but instead that improvements will occur gradually as inventory adjustment effects wane and an economic improvement is established.

We are proud that we were able to maintain our EBITA result at a high level despite this challenging market. In spite of weaker net sales, our EBITA margin reached record levels of just over 15 per cent for the full year and a healthy 13.5 per cent for the quarter. Apart from good cost control, through proactive sourcing work, we were able to increase our customers' competitiveness through lower prices and at the same time cover our costs for securing quality and service.

The price decrease in the PCB sector, which is largely related to surplus capacity among manufacturers, was greatest in the first half of the year. During the third quarter, the prices again fell slightly due to the stronger USD rate against the CNY, but stabilised during the fourth quarter. We currently see no sign that prices will continue downward.

Despite a difficult market, I am proud that we continue to invest in our long-term growth and to develop leadership in technology and sustainability. During the year, we were awarded the Ecovadis Gold rating for our sustainability work and we are pleased to once again be awarded as the best employer according to the Brilliant Awards. During the quarter, we launched our new business system, which will be rolled out to all NCAB companies in 2024 and 2025.

Our acquisitions, which in 2023 occurred in Italy, the USA, Germany and Spain, have been integrated and will contribute annual sales of nearly SEK 400 million. We have a highly interesting pipeline of acquisition candidates, with several at the discussion stage.

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We are proud that we were able to maintain our EBITA result at a high level despite this challenging market ”

Peter Kruk

President and CEO, NCAB Group AB



Q4 2023

-14%

Sales growth

878.6

Net sales, SEK
million

119.0

EBITA, SEK
million

13.5%

EBITA margin

OCTOBER–DECEMBER 2023

ORDER INTAKE

A weak global economy, continued destocking by many customers, and customers' customers, as well as lower market prices impacted order intake. Compared with the third quarter, order intake levelled off in most markets or began to increase. The German economy however weakened, which led to weaker order intake in Germany. Capacity utilisation in the Chinese manufacturing industry for PCBs remains at a low level, which impacted the market prices.

Order intake for the quarter amounted to SEK 873 million (1,009). Order intake for comparable units decreased 22 per cent in both SEK and USD. Book to bill was 99 per cent. Developments displayed a stable or positive trend in *Nordic*, *North America* and *East*, while the *Europe* segment was weaker, primarily in relation to the performance in Germany.

NET SALES

Net sales decreased 14 per cent during the quarter to SEK 878.6 million (1,026.1). December ended on a weak note, as many deliveries were postponed until after the end of the year. In USD, net sales decreased 13 per cent. The decrease occurred in all segments and followed the order intake in recent quarters. With lead times back at normal levels, the relation between a quarter's order intake and the following quarter's net sales are once again at parity. Net sales in comparable units decreased 23 per cent and net sales in USD decreased 22 per cent.

GROSS PROFIT

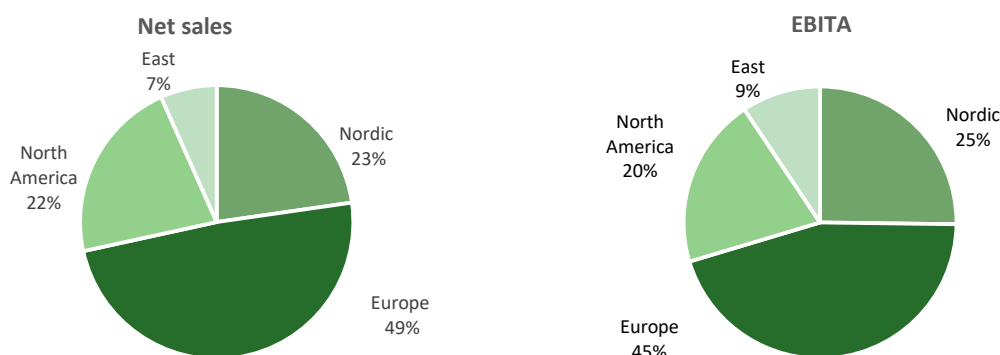
NCAB has continued to offset lower market prices with increased gross margin, which during the quarter amounted to 38.2 per cent (34.1), despite lower prices to customers. This meant gross profit only decreased 4.0 per cent despite a significantly larger drop in net sales.

EARNINGS

Healthy gross profit and cost adjustments to prevailing market conditions produced another good EBITA result that amounted to SEK 119.0 million (141.0). Adjusted for the dissolution of additional purchase considerations, EBITA amounted to SEK 116.1 million (131.4), corresponding to an EBITA margin of 13.3 per cent (12.8). The EBITA margin improved in all segments, except in *North America*. Operating profit for the quarter decreased to SEK 103.8 million (129.3).

Net financial items amounted to -3.3 million (-22.2), interest expenses exclusive IFRS 16 increased to SEK -18.1 million (-10.5) while foreign currency conversion rates generated foreign exchange gains of SEK 5.0 million (-13.2). Tax amounted to SEK -33.2 million (-35.8). The average tax rate was 33.1 per cent (33.4). The high tax rate for the quarter was due to adjustments from earlier quarters. Profit after tax for the period totalled SEK 67.2 million (71.3). Earnings per share was SEK 0.36 (0.38) both before as well as after dilution. Working capital was at the same level as in the third quarter, despite an increase in inventory in December to support deliveries at the beginning of January. Cash flow amounted to SEK 46.9 million (189.4).

BREAKDOWN BY SEGMENT, OCTOBER–DECEMBER 2023



JANUARY–DECEMBER 2023

ORDER INTAKE

The year was largely characterised by a weak economy and inventory adjustments by customers and customers' customers. Together with shortened lead times and lower market prices, this had a negative impact on order intake. Order intake for 2023 amounted to SEK 3,751 million (4,227), a decrease of 11 per cent. Order intake for comparable units decreased 18 per cent. The decrease in USD was 22 per cent. Book to bill was 92 per cent. *North America* was the segment with the largest negative deviation. Quarter-on-quarter, order intake was on a par with the second and third quarters. The fourth quarter was somewhat lower due to a weak market in Germany, while most other markets displayed a weak positive trend compared with prior quarters.

NET SALES

Net sales declined to SEK 4,087.8 million (4,457.7). In USD, net sales decreased 13 per cent. Compared with the year-earlier period, net sales decreased in all segments, with the largest decline in *North America* while the segments that fell the least were *Nordic* and *East*. In comparable units, net sales decreased 15 per cent and in USD the decrease was 19 per cent. The lower net sales are due to price and volume in approximately equal measure.

GROSS PROFIT

The gross margin improved significantly during the year and amounted to 36.0 per cent (32.2). The low utilisation levels for factories in China, and the sharp drop in freight costs, have created good opportunities for NCAB to secure both lower prices to customers and a higher gross margin. Despite the reduction in net sales, gross profit increased for 2023 by 2.5 per cent.

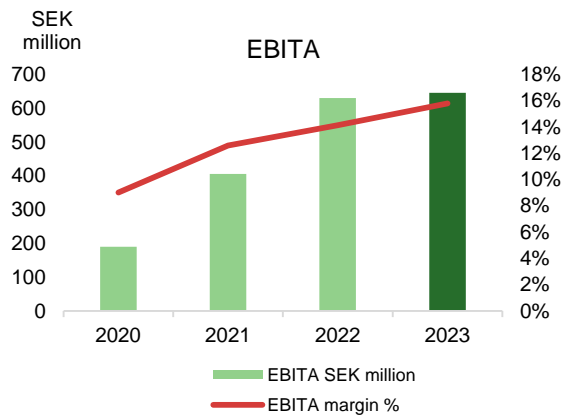
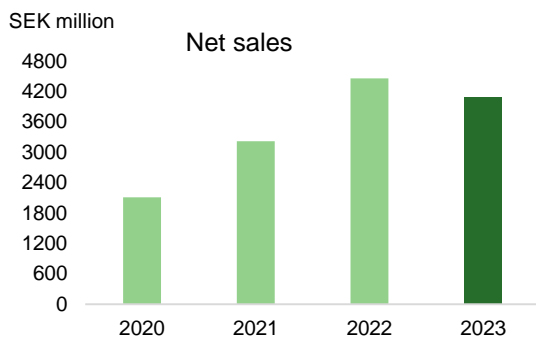
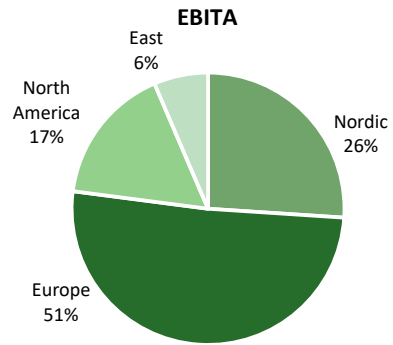
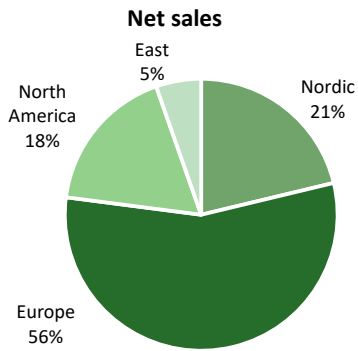
EARNINGS

During 2023, EBITA increased to SEK 646.9 million (630.9), corresponding to an EBITA margin of 15.8 per cent (14.2). The EBITA margin improved in the *Nordic*, *Europe* and *East* segments, while it was unchanged in the *North America* segment. Improved gross margins from lower purchase prices, lower freight costs, flexible cost structure and economies of scale in the Group contributed to the improvement in earnings. During the year, EBITA was impacted by transaction costs of SEK -10.3 million (-8.1) for the acquisitions conducted, dissolved additional purchase considerations of SEK 23.9 million (9.7), and development costs of SEK -27.3 million for the Group's IT platforms. Operating profit for 2023 increased 8 per cent to SEK 591.4 million (546.4). Operating profit for 2022 was charged with SEK 43.2 million in impairment losses for the Russian operations, which were sold in 2022.

The development of the Group's new IT platforms has now moved into an implementation phase. The first launch has been carried out in the UK and the roll-out will occur in other companies during 2024 and 2025. The implementation costs will be charged in their entirety to earnings. The costs for 2024 are expected to be in line with expensed development costs for 2023. The new platform will enable further improved customer service as well as increase the group's efficiency, and support continued growth and integration of new companies.

Net financial items amounted to 57.8 million (3.8), interest expenses exclusive IFRS 16 increased to SEK -63.5 million (-26.9) while foreign currency conversion rates generated foreign exchange losses of SEK -1.0 million (31.9). Tax amounted to SEK -129.7 million (-133.0). The average tax rate was 24.3 per cent (24.2). Profit after tax for the period totalled SEK 403.9 million (417.1). Earnings per share was SEK 2.16 (2.23) before dilution and SEK 2.15 (2.23) after dilution. Active work to optimise the balance sheet and focus on working capital at all stages, together with strong earnings, led to a cash flow from operating activities of SEK 661.8 million (568.1).

BREAKDOWN BY SEGMENT, JANUARY–DECEMBER 2023



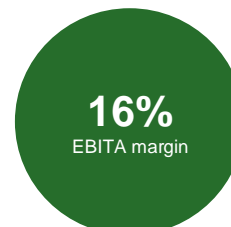
PERFORMANCE BY SEGMENT

NORDIC

Denmark, Finland, Norway, Sweden. The margin in this segment is high due to a high technology content and generally lower volumes per order. Sales in the acquired company Elmatica were integrated into each country's operations, meaning net sales from customers outside *Nordic* are now reported in the *Europe* segment.

Fourth quarter 2023

Order intake decreased compared with the year-earlier period and amounted to SEK 188 million (256). Adjusted for the transfer of customers to the *Europe* segment, order intake for the fourth quarter of 2022 was SEK 231 million, which meant a decrease of 19 per cent and in USD a decrease of 17 per cent. Order intake was lower in all companies, except Norway.



Net sales amounted to SEK 199.7 million (295.6). Adjusted for the transfer of customers to the *Europe* segment, the decrease in net sales for the quarter was 21 per cent, and in USD the decrease was 20 per cent. All companies had lower net sales than in the preceding year. December concluded on a weak note due to the postponement of many deliveries until after the end of the year, although closing net sales were in line with the third quarter. For customer segments, sales of PCBs for electric car chargers and the defence industry were positive, while PCBs to the construction sector were weak.

The segment reported sustained high profitability and the EBITA margin improved year-on-year. However, EBITA decreased to SEK 31.5 million (45.2) due to lower net sales and the transfer of customers to the *Europe* segment. The EBITA margin amounted to 15.8 per cent (15.3).

January to December 2023

Adjusted for the transfer of customers to the *Europe* segment, order intake decreased 15 per cent to SEK 826 million during the period. A weak economy, adjustments to customer inventory volumes, shorter lead times and lower market prices impacted order intake.

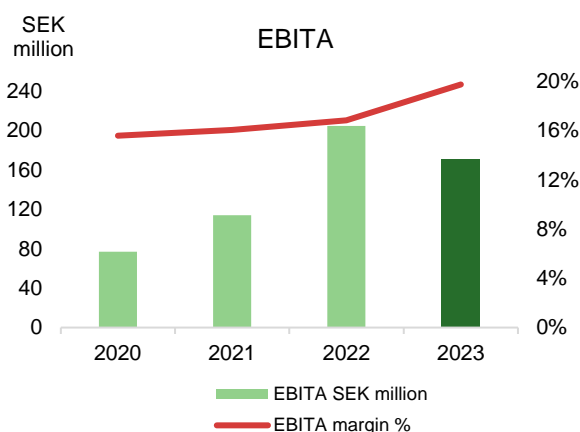
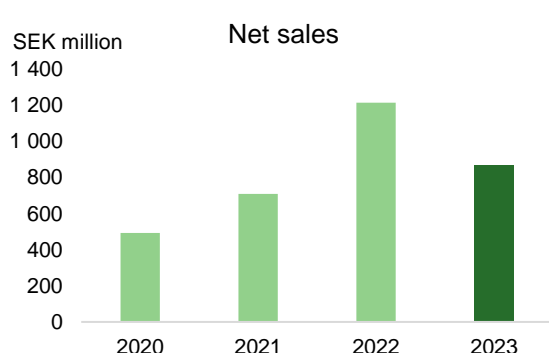
Net sales, adjusted for the transfer of customers, decreased 11 per cent during the period to SEK 868.2 million (976.0). EBITA was SEK 171.5 million (204.8), which was lower than in the preceding year. The decrease was due in its entirety to the transfer of net sales to the *Europe* segment. EBITA margin rose to 19.8 per cent (16.8).

NORDIC

SEK million

	Oct-Dec			Jan-Dec		
	2023	2022	%	2023	2022	%
Net sales	199.7	295.6	-32.5	868.2	1,216.3	-28.6
Adjusted Net sales*	199.7	253.1	-21.1	868.2	976.0	-11.0
EBITA	31.5	45.2	-30.4	171.5	204.8	-16.3
EBITA margin, %	15.8	15.3		19.8	16.8	

*) Net sales for 2022 has been adjusted for Sales that was moved to segment Europe in 2023

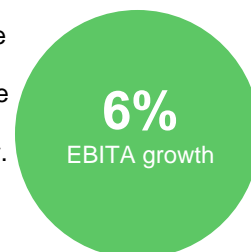


EUROPE

France, Germany, Italy, the Netherlands, North Macedonia, Poland, Portugal, Switzerland, Spain and the United Kingdom. All companies in the Europe segment have a strategic focus on continued growth. The *Europe* segment has been strengthened through a number of acquisitions in recent years. META Leiterplatten in Germany and Kestrel International Circuits in the UK were acquired in 2022. In January 2023, the acquisition of Bare Board Consultants (BBC) in Italy was completed and in May, db electronic with companies in Germany, Switzerland and France was acquired. In November, Advanced Electronic Circuits (EAC) in Spain was acquired, at the same time as a new company was opened in Portugal. As of 2023, Elmatica's customers from outside the Nordic region are reported in the *Europe* segment.

Fourth quarter 2023

Order intake for the quarter amounted to SEK 445 million (536). Order intake in comparable units and adjusted for the transfer of customers to the *Europe segment* from *Nordic* decreased 26 per cent, measured in SEK and USD. In general, order intake continued to be impacted by lower prices and customer destocking. The German market was particularly weak, while other companies had an order intake in line with or better than the third quarter.



Net sales in the fourth quarter decreased 11 per cent to SEK 429.3 million (483.8). In comparable units and adjusted for customers transferred to the segment, net sales decreased by 24 per cent and in USD by 23 per cent.

Despite the decrease in net sales, earnings continued to improve and EBITA amounted to SEK 56.4 million (53.2), corresponding to an EBITA margin of 13.1 per cent (11.0). Increased gross margin as well as synergies from acquired companies contributed to increased profitability. The acquisition of EAC in Spain will together with the establishment in Portugal strengthen NCAB's position on the Iberian peninsula.

January to December 2023

Order intake during year decreased to SEK 2,023 million (2,083), but adjusted for acquisitions and the transfer of customers from the *Nordic* segment, order intake decreased 19 per cent and by 22 per cent measured in USD.

Net sales increased to SEK 2,281.8 million (2,192.6), but adjusted for acquisitions and the transfer of customers, net sales decreased 14 per cent and by 17 per cent measured in USD.

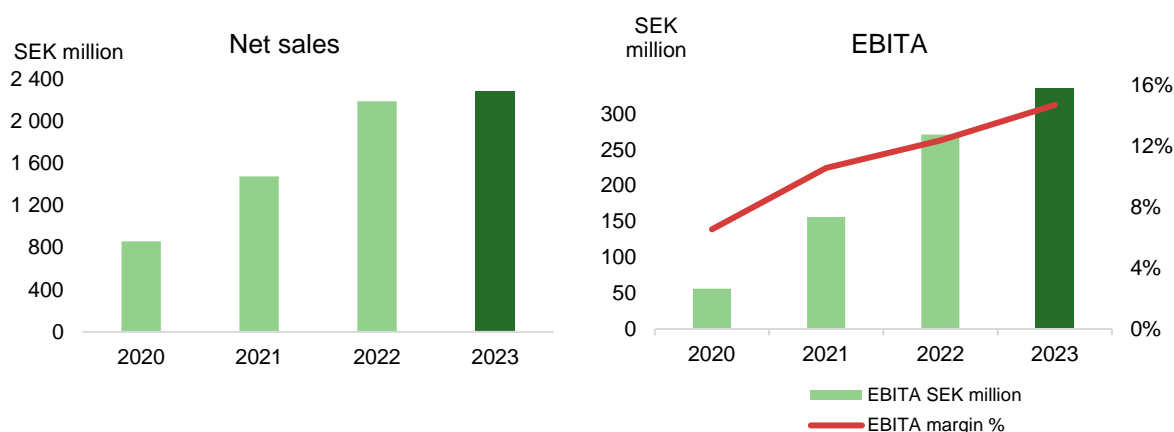
Earnings continued to strengthen, through increased gross margin resulting from factory procurement processes in Asia, lower freight costs and economies of scale. EBITA for the period increased to SEK 335.9 million (271.8) and EBITA margin grew to 14.7 per cent (12.4).

EUROPE

SEK million

	Oct-Dec			Jan-Dec		
	2023	2022	%	2023	2022	%
Net sales	429.3	483.8	-11.3	2,281.8	2,192.6	4.1
Adjusted Net sales*	429.3	526.4	-18.4	2,281.8	2,432.9	-6.2
EBITA	56.4	53.2	5.9	335.9	271.8	23.6
EBITA margin, %	13.1	11.0		14.7	12.4	

*) Net sales for 2022 has been adjusted for Sales that was moved from segment Nordic in 2023

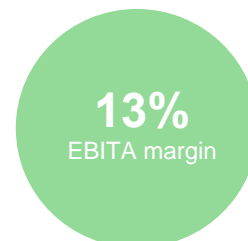


NORTH AMERICA

NCAB has six offices in the USA that cover the country from east to west. In May 2023, Phase 3 Technologies in San Jose was acquired, further strengthening NCAB's presence on the west coast.

Fourth quarter 2023

Following a weak start to 2023, the trend turned around somewhat during the fourth quarter and order intake increased compared with earlier quarters. NCAB's many EMS customers were more severely affected by fluctuations than the market in general, with inventory adjustments at several levels. Order intake increased to SEK 190 million (166), although adjusted for the acquisition of Phase 3 Technologies, it was 19 per cent lower than in the preceding year and 18 per cent lower measured in USD.



Net sales for the segment were SEK 191.0 million (191.5) due to the weaker order intake in recent quarters. Adjusted for the acquisition, net sales decreased 31 per cent and net sales in USD decreased 30 per cent. The reduced net sales had a negative impact on earnings and the EBITA margin. However, *North America* has – similar to other segments – improved its gross margins. EBITA decreased to SEK 25.3 million (33.9) and the EBITA margin declined to 13.3 per cent (17.7). However, the fourth quarter of 2022 was unusually strong.

In December, Howard Goff, former VP Sales for NCAB, assumed the role as new President of NCAB *North America*.

January to December 2023

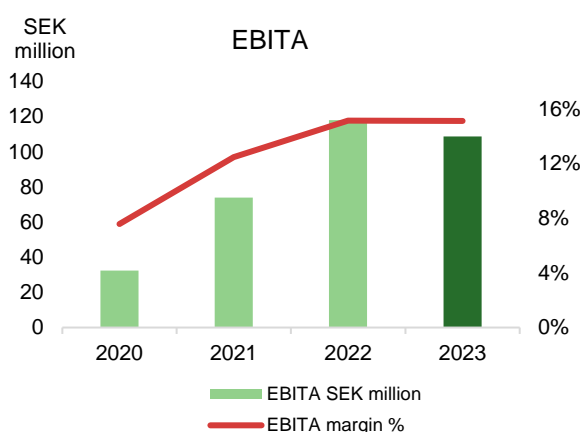
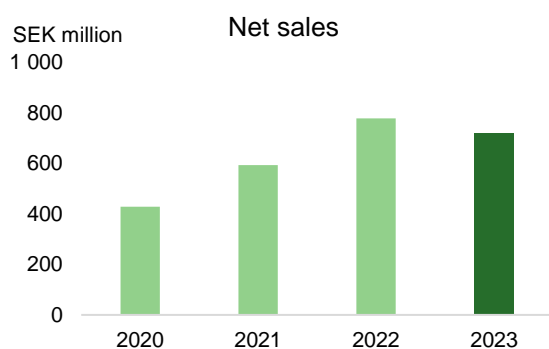
During the year, order intake decreased by 4 per cent to 699 million, but adjusted for the acquisition, the decrease was 23 per cent, or 26 per cent measured in USD. During the year, net sales decreased 8 per cent and adjusted for the acquisition by 25 per cent and by 28 per cent in USD.

Lower net sales impacted EBITA, which amounted to SEK 108.7 million (118.0); however, the EBITA margin was unchanged at 15.1.

NORTH AMERICA

SEK million

	Oct-Dec			Jan-Dec		
	2023	2022	%	2023	2022	%
Net sales	191.0	191.5	-0.3	718.8	778.8	-7.7
EBITA	25.3	33.9	-25.2	108.7	118.0	-7.8
EBITA margin, %	13.3	17.7		15.1	15.1	



EAST

China and Malaysia. In China, NCAB has sales offices in Shenzhen, Beijing, Suzhou and Wuhan. Operations in Malaysia started in 2019. The *East* segment had long-standing operations in Russia that were discontinued in 2022.

Fourth quarter 2023

The Chinese market remained weak with lower domestic demand. Customer activities increased and order intake has slowly begun to turn upwards quarter-by-quarter. Order intake during the quarter amounted to SEK 49 million (51).

20%
EBITA
margin

Net sales for the quarter amounted to SEK 58.6 million (55.2), entailing an increase of 6 per cent and 8 per cent measured in USD.

NCAB has consistently focused on demanding customers with a significant need for service and high complexity. This meant that profitability could be kept at a high level. EBITA for the quarter amounted to SEK 11.7 million (11.6), corresponding to an EBITA margin of 20.0 per cent (21.0).

January to December 2023

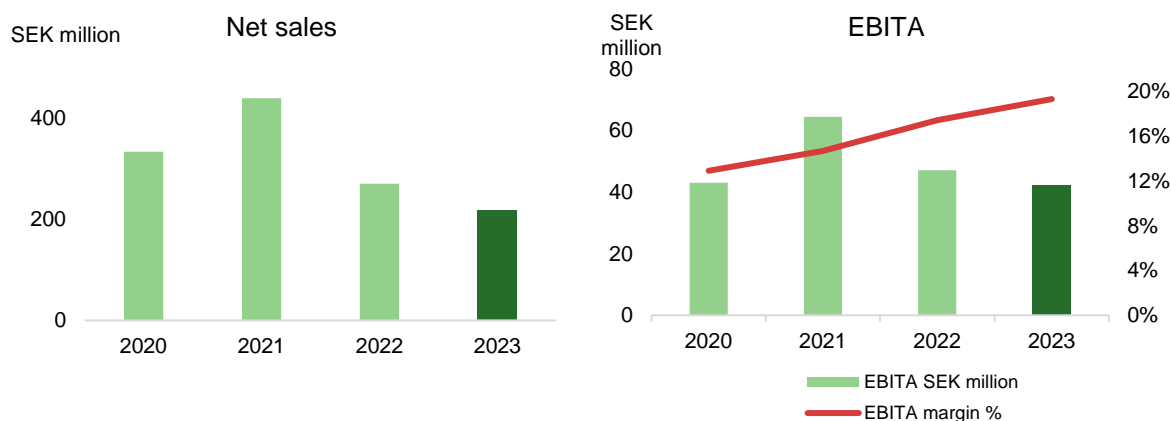
Order intake during the period amounted to SEK 202 million (249). Adjusted for the Russian operations, which was divested in the spring of 2022, order intake decreased by 9 per cent and by 12 per cent in USD. Net sales decreased 19 per cent till SEK 219.1 million (270.0). Adjusted for the Russian operations, the decrease was 11 per cent and 14 per cent in USD.

EBITA margin continued to increase to 19.3 per cent from 17.5 per cent and EBITA for full-year 2023 amounted to SEK 42.3 million (47.1).

EAST

SEK million

	Oct-Dec			Jan-Dec		
	2023	2022	%	2023	2022	%
Net sales	58.6	55.2	6.2	219.1	270.0	-18.9
EBITA	11.7	11.6	1.0	42.3	47.1	-10.2
EBITA margin, %	20.0	21.0		19.3	17.5	



FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

NCAB has had particular focus on working capital during the year and is actively endeavouring to reduce inventory as well as reviewing payment terms to customers and suppliers. Even though a larger share of deliveries are now taking place by ocean freight and transit traffic has increased, inventories have decreased sharply. Working capital is not expected to decrease further. Since the third quarter, NCAB has achieved a long-term sustainable level of working capital, which is why reduced working capital no longer affects cash flow. Cash flow from operating activities in the fourth quarter was SEK 85.5 million (189.4). For the full year, January to December, cash flow from operating activities amounted to SEK 700.4 million (568.1). Tied-up working capital for the Group on 31 December 2023 corresponded to 5.4 per cent (8.8) of net sales over the past 12 months. NCAB has credit insurance for most of the trade receivables outstanding.

Cash flow from investing activities was SEK -490.7 million (-218.4) during the year. Non-acquisition-related investments amounted to SEK -10.3 million (-18.8) for the quarter. For the year, non-acquisition-related investments totalled SEK -54.5 million (-40.0). The increase is due to investments in the new IT platform that was developed during the year. The roll-out will be executed in all companies during 2024 and 2025. The costs for this will be expensed. In total, the capitalised IT investments amounted to SEK 76 million, for which depreciation will commence in 2024.

LIQUIDITY AND FINANCIAL POSITION

Net debt at the end of the year was SEK 591.9 million (565.5). The equity/assets ratio was 41.5 per cent (39.3) and equity was SEK 1,335.3 million (1,195.8). At the end of the period, the Group had available liquidity, including undrawn acquisition credits and overdraft facilities, of SEK 994 million (1,033).

At 31 December 2023, NCAB had loans including the utilised overdraft facility totalling SEK 995 million. The loans comprised a loan of SEK 545 million and two acquisition credits totalling SEK 750 million (of which SEK 450 million was drawn). In addition, there was a utilised overdraft facility of SEK 215 million. The credit of SEK 550 million is free of instalments and expires in 2026. The other credits are free of instalments until the end of June 2024. As of the second quarter of 2024, NCAB will amortise SEK 22.5 million per quarter. At the balance sheet date of 31 December 2023, the company complied 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 an 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.

Regarding financial risks, the Group is exposed to currency risk, primarily the exchange rates between USD, EUR and SEK, 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.

There are also geopolitical risks, for example as a result of the large share of factories used by NCAB being located in China. See NCAB's 2022 Annual Report for a more detailed description of the Group's risk exposure and risk management.

EFFECTS OF CONFLICT BETWEEN RUSSIA AND UKRAINE

Following Russia's invasion of Ukraine, NCAB chose to halt all deliveries to customers in Russia from 28 February 2022. After considering future opportunities and risks, NCAB decided to discontinue its operations in the country and therefore sold the company on 8 April 2022.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- > On 31 October, it was announced that an agreement had been signed to acquire 100 per cent of the shares in Electronic Advanced Circuits S.L in Spain and that a company was opened in Portugal.
- > In December, Howard Goff was appointed President of NCAB North America. Howard Goff has extensive experience within NCAB, including as President of NCAB Europe and most recently as VP Sales.
- > Anders Forsén, CFO of NCAB, has announced that he wishes to leave his position at NCAB during the autumn of 2024. A recruitment process has been initiated.
- > The Board of Directors proposes a dividend of SEK 1.10 (1.10) per share to be paid in May.

RELATED-PARTY TRANSACTIONS

No material related-party transactions took place during the period.

ORGANISATION

At 31 December 2023, the number of employees was 603 (587), of whom 264 (261) were women and 339 (326) were men. The average number of employees in the organisation during the quarter was 608 (583), of whom 268 (261) were women and 340 (322) were men.

PARENT COMPANY

The Parent Company's net sales for the fourth quarter were SEK 55.2 million (68.9). Sales consist exclusively of internal billing. Loss after financial items was SEK -15.6 million (profit: 73.5) for the quarter. Net sales for the year amounted to SEK 185.9 million (143.3) and profit after financial items was SEK 224.0 million (141.8). The earnings improvement was mainly due to increased dividends from subsidiaries. The preceding year's earnings were also charged with costs for the impairment of assets in subsidiaries of SEK 9.9 million in conjunction with the sale of the Russian subsidiary.

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.

Sundbyberg, 14 February 2024

Christian Salamon
Chairman of the Board

Hans Ramel
Director

Magdalena Persson
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
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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 15 February 2024, at 7:30 a.m.

NCAB Group AB (publ)

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NCAB Group is publishing the year-end report for the full-year 2023 on Thursday 15 February at 7:30 a.m. A web-cast teleconference will be held at 10:00 a.m. CET on the same date, where 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. For those who wish to participate via webcast, please use the link below: <https://ir.financialhearings.com/ncab-group-q4-2023>

For those who wish to participate via teleconference, please register on the link below. After registration, you will be provided with phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=50046057>

FINANCIAL CALENDAR

Annual Report	10 April 2024
Interim report first quarter	25 April 2024
Annual General Meeting	8 May 2024
Interim report second quarter	23 July 2024
Interim report third quarter	5 November 2024

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 17 countries in Europe, Asia and North America. Net sales in 2023 amounted to SEK 4,088 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	
	2023	2022	2023	2022
Operating revenue				
Net sales	878.6	1,026.1	4,087.8	4,457.7
Other operating income	-0.3	9.6	33.9	20.9
Total	878.3	1,035.7	4,121.7	4,478.6
Raw materials and consumables	-540.7	-686.2	-2,627.0	-3,043.3
Other external expenses	-61.7	-58.3	-236.3	-218.6
Staff costs	-145.6	-141.0	-558.0	-542.3
Dep. and amort of fixed assets	-26.7	-20.8	-98.6	-76.8
Divestment of NCAB Russia	-	-	-	-43.2
Other operating expenses	0.2	-0.2	-10.3	-8.0
Total operating expenses	-774.5	-906.4	-3,530.3	-3,932.2
Operating profit	103.8	129.3	591.4	546.4
Net financial income/expense	-3.3	-22.2	-57.8	3.8
Profit before tax	100.4	107.1	533.6	550.2
Income tax	-33.2	-35.8	-129.7	-133.0
Profit for the period	67.2	71.3	403.9	417.1
Profit attributable to:				
Shareholders of the Parent Company	67.2	71.3	403.7	417.0
Non-controlling interests	-0.0	0.0	0.1	0.2
Average number of shares before dilution	186,958,090	186,935,340	186,951,183	186,928,204
Average number of shares after dilution	187,751,446	187,429,601	187,552,145	187,279,557
Earnings per share before dilution	0.36	0.38	2.16	2.23
Earnings per share after dilution	0.36	0.38	2.15	2.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Profit for the period	67.2	71.3	403.9	417.1
Other comprehensive income, items that can subsequently be reclassified to profit or loss:				
Foreign exchange differences	-115.9	-13.5	-70.6	119.2
	-	-	-	-8.2
Total comprehensive income	-48.6	57.8	333.2	528.1
Profit attributable to:				
Shareholders of the Parent Company	-48.6	57.8	333.1	527.9
Non-controlling interests	-0.0	0.0	0.1	0.2

CONSOLIDATED BALANCE SHEET

SEK million

ASSETS	31 Dec 2023	31 Dec 2022
Non-current assets		
Goodwill	1,345.8	1,057.5
Other intangible assets	251.6	171.7
Leasehold improvement costs	6.8	7.2
Right-of-use Office and Cars	70.4	85.5
Plant and equipment	13.0	11.0
Financial assets	7.3	5.5
Deferred tax assets	20.8	12.2
Total non-current assets	1,715.7	1,350.6
Current assets		
Inventories	315.2	504.9
Trade receivables	655.0	760.7
Other current receivables	31.8	39.2
Prepaid expenses and accrued income	25.0	27.8
Cash and cash equivalents	478.6	357.8
Total current assets	1,505.6	1,690.5
TOTAL ASSETS	3,221.3	3,041.1
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	53.4	124.0
Retained earnings	801.7	591.5
Non-controlling interests	0.2	0.3
Total equity	1,335.3	1,195.8
Non-current liabilities		
Borrowings	927.8	833.8
Leased liabilities	42.8	57.6
Deferred tax	76.9	62.1
Total non-current liabilities	1,047.5	953.4
Current liabilities		
Current liabilities	67.5	0.3
Current right-of-use liabilities	32.4	31.8
Trade payables	445.0	518.5
Current tax liabilities	81.7	108.9
Other current liabilities	80.7	83.5
Accrued expenses and deferred income	131.2	148.8
Total current liabilities	838.5	891.8
TOTAL EQUITY AND LIABILITIES	3,221.3	3,041.1

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 2022	1.9	478.1	13.1	280.3	773.4	0.4	773.8
Profit for the period				417.0	417.0	0.2	345.8
Other comprehensive income for the period	-	-	110.9	-	110.9	-	124.4
income	-	-	110.9	417.0	527.9	0.2	528.1
Dividend	-	-	-	-112.2	-112.2	-0.3	-112.5
Own shares	-	-	-	0.7	0.7	-	0.7
Cost for Warrants	-	-	-	5.7	5.7	-	5.7
Total transactions with shareholders, recognised directly in equity	-	-	-	-105.8	-105.8	-0.3	-106.1
31 Dec 2022	1.9	478.1	124.0	591.5	1,195.6	0.3	1,195.8

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 2023	1.9	478.1	124.0	591.5	1,195.6	0.3	1,195.8
Profit for the period				403.7	403.7	0.1	403.9
Other comprehensive income for the period	-	-	-70.6	-	-70.6	-	-70.6
income	-	-	-70.6	403.7	333.1	0.1	333.2
Dividend	-	-	-	-205.7	-205.7	-0.2	-205.8
Own shares	-	-	-	3.0	3.0	-	3.0
Cost for Warrants	-	-	-	9.1	9.1	-	9.1
Total transactions with shareholders, recognised directly in equity	-	-	-	-193.5	-193.5	-0.2	-193.7
31 Dec 2023	1.9	478.1	53.4	801.7	1,335.1	0.2	1,335.3

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Cash flow from operating activities				
Profit before net financial income/expense	103.8	129.3	591.4	546.4
Adjustment for non-cash items	9.2	29.9	66.4	59.5
Interest received	10.6	2.3	10.9	2.6
Interest paid	-18.1	-10.5	-63.5	-26.9
Income taxes paid	-77.2	-56.2	-175.7	-91.2
Cash flow from operating activities before changes in working capital	28.2	94.9	429.4	490.3
Change in inventories	17.7	5.8	193.3	44.3
Change in current receivables	145.3	215.9	234.6	70.3
Change in current operating liabilities	-105.8	-127.1	-156.9	-36.8
Total changes in working capital	57.3	94.5	271.0	77.8
Cash flow from operating activities	85.5	189.4	700.4	568.1
Cash flow from investing activities				
Investments in property, plant and equipment	-0.6	-0.4	-4.8	-10.4
Investments in intangible assets	-7.9	-19.0	-47.8	-32.4
Investments in subsidiaries	-19.2	-3.6	-436.3	-178.3
Investments in financial assets	-1.8	0.5	-1.8	2.7
Cash flow from investing activities	-29.4	-22.4	-490.7	-218.4
Cash flow from financing activities				
Change in overdraft facility	-	-15.5	-	-189.0
Borrowings	-	-	160.0	190.0
Transaction cost, loans	-	-	-	-
Repayment of loans	-	-	-	-
Repayment of leased liabilities	-4.7	-8.4	-32.6	-29.6
Dividend	-	-56.1	-205.7	-112.2
Cash flow from financing activities	-4.7	-80.0	-78.2	-140.8
Decrease/increase in cash and cash equivalents				
Cash flow for the period	51.3	87.0	131.5	208.9
Foreign exchange difference in cash and cash equivalents	-19.9	-19.3	-10.7	12.2
Cash and cash equivalents at beginning of period	447.2	290.2	357.8	136.7
Cash and cash equivalents at end of period	478.6	357.8	478.6	357.8

Parent Company

PARENT COMPANY INCOME STATEMENT

Mkr	Okt-dec		Jan-dec	
	2023	2022	2023	2022
Rörelsens intäkter				
Nettoomsättning	55,2	68,9	185,9	143,3
Summa	55,2	68,9	185,9	143,3
Övriga externa kostnader	-37,3	-48,1	-128,2	-89,7
Personalkostnader	-18,6	-13,6	-60,0	-56,2
Avskrivning av materiella och immateriella anläggningstillgångar	-0,0	-0,1	-0,0	-0,5
Nedskrivningar	-	-	-	-9,9
Summa rörelsens kostnader	-55,9	-61,8	-188,2	-156,3
Rörelseresultat	-0,7	7,1	-2,3	-13,0
Resultat från andelar i koncernföretag	26,2	67,9	285,5	158,3
Finansiella poster - netto	-41,1	-1,5	-59,3	-3,6
Summa resultat från finansiella poster	-14,9	66,5	226,3	154,8
Resultat före skatt	-15,6	73,5	224,0	141,8
Bokslutsdispositioner	28,9	8,8	28,9	8,8
Skatt på periodens resultat	-1,6	0,2	-4,3	-0,2
Periodens resultat	11,8	82,5	248,6	150,3

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

Mkr

TILLGÅNGAR	31 dec 2023	31 dec 2022
Anläggningstillgångar		
Balanserade utgifter för utvecklingsarbeten	76,0	28,6
Maskiner och inventarier	0,1	0,1
Finansiella anläggningstillgångar	910,8	909,8
Långfristiga fordringar hos koncernföretag	482,2	267,4
Summa anläggningstillgångar	1 469,1	1 205,9
Omsättningstillgångar		
Fordringar hos koncernföretag	42,4	164,1
Övriga kortfristiga fordringar	4,1	3,2
Förutbetalda kostnader och upplupna intäkter	4,8	4,0
Likvida medel	116,7	42,9
Summa omsättningstillgångar	168,0	214,1
SUMMA TILLGÅNGAR	1 637,1	1 420,0
EGET KAPITAL OCH SKULDER		
Eget kapital		
Bundet eget kapital		
Aktiekapital (186 971 240 aktier)	1,9	1,9
Fritt eget kapital		
Överkursfond	478,1	478,1
Balanserad vinst eller förlust	-408,8	-353,5
Periodens resultat	248,6	150,3
Summa eget kapital	319,8	276,9
Obeskattade reserver	-	1,0
Långfristiga skulder		
Skulder till kreditinstitut	927,8	833,8
Övriga avsättningar	2,0	-
Summa långfristiga skulder	929,8	833,8
Kortfristiga skulder		
Skulder till kreditinstitut	67,5	-
Leverantörsskulder	7,3	14,1
Skulder till koncernföretag	284,9	273,3
Aktuella skatteskulder	4,2	0,4
Övriga kortfristiga skulder	0,8	2,0
Upplupna kostnader och förutbetalda intäkter	22,7	18,5
Summa kortfristiga skulder	387,5	308,3
SUMMA SKULDER OCH EGET KAPITAL	1 637,1	1 420,0

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Mkr	Bundet eget kapital	Fritt eget kapital		Summa
	Aktiekapital	Överkursfond	Balanserad vinst	
2022-01-01	1,9	478,1	-241,3	238,7
Periodens resultat	-	-	150,3	150,3
Summa totalresultat	-	-	150,3	150,3
Utdelning aktier			-112,2	-112,2
Summa transaktioner med aktieägare, redovisade direkt i eget kapital	-	-	-112,2	-112,2
2022-12-31	1,9	478,1	-203,1	276,9

Mkr	Bundet eget kapital	Fritt eget kapital		Summa
	Aktiekapital	Överkursfond	Balanserad vinst	
2023-01-01	1,9	478,1	-203,1	276,9
Årets resultat	-	-	248,6	248,6
Summa totalresultat	-	-	248,6	248,6
Utdelning aktier			-205,7	-205,7
Summa transaktioner med aktieägare, redovisade direkt i eget kapital	-	-	-205,7	-205,7
2023-12-31	1,9	478,1	-160,2	319,9

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 2022 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 2022, 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 2023 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 4 of the 2022 Annual Report.

Note 2 Information on financial assets and liabilities

For more information on financial assets and liabilities, see the 2022 Annual Report, Note 2. The Group's financial assets and liabilities are measured at amortised cost. There are temporary financial liabilities that are measured at fair value. For acquisitions, the purchase consideration may be determined based on future outcomes in the acquired company. The part of the consideration that is dependent on the future outcome of the acquired company is determined by earnings forecasts and is recognised at fair value. No change in the value took place in the period. 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". Most of the company's financial liabilities are recognised in the category "Other financial liabilities", and any additional purchase considerations are recognised at fair value.

Note 3 Pledged assets and contingent liabilities

As of December 2022, the Group no longer has any material 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 Denmark, Finland, Norway and Sweden. 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 France, Italy, the Netherlands, North Macedonia, Poland, Portugal, Switzerland, Spain, UK and Germany. 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 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 2023

Quarter	Nordic		Europe		North America		East		Central functions		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	200	296	429	484	191	191	59	55	-	-	879	1,026
EBITA	31	45	56	53	25	34	12	12	-6	-3	119	141
EBITA margin, %	15.8	15.3	13.1	11.0	13.3	17.7	20.0	21.0			13.5	13.7
Amortis. intangible assets											-15	-12
Operating profit											104	129
Operating margin, %											11.8	12.6
Net financial expense											-3	-22
Profit before tax											100	107
Net working capital	83	118	173	324	39	14	42	62	-48	-45	288	473

Net sales and earnings of segments, January–December 2023

SEK million	Nordic		Europe		North America		East		Central functions		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	868	1,216	2,282	2,193	719	779	219	270	0	-	4,088	4,458
EBITA	171	205	336	272	109	118	42	47	-12	-11	647	631
EBITA margin, %	19.8	16.8	14.7	12.4	15.1	15.1	19.3	17.5			15.8	14.2
Amortis. intangible assets											-55	-41
Write down Russia											-	-43
Operating profit											591	546
Operating margin, %											14.5	12.3
Net financial expense											-58	4
Profit before tax											534	550
Fixed assets	19	23	35	40	15	11	8	10	14	20	90	104
Intangible assets	402	445	574	434	537	313	8	8	76	29	1,597	1,229

Note 5

Quarterly summary

	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22	Q4 21
Order intake, SEK million	873	924	924	1,030	1,009	1,011	1,036	1,171	1,067
Order intake, USD million	81.6	85.2	87.9	98.7	93.2	94.1	104.9	125.3	120.6
Net sales, SEK million	879	1,005	1,057	1,146	1,026	1,168	1,122	1,141	977
SEK annual growth, %	-14.4	-13.9	-5.7	0.4	5.1	35.3	47.2	84.9	89.7
Net sales, USD million	82.1	92.6	100.5	109.9	94.4	109.8	114.0	122.1	111.3
USD annual growth, %	-13.0	-15.6	-11.8	-10.0	-15.2	10.0	25.4	66.2	87.1
Gross margin, %	38.2	36.2	36.4	33.6	34.1	32.2	31.3	30.2	30.6
EBITA, SEK million	119.0	176.0	168.2	183.7	141.0	183.5	160.2	146.3	121.0
EBITA margin, %	13.5	17.5	15.9	16.0	13.7	15.7	14.3	12.8	12.4
Operating profit/loss, SEK million	103.8	160.5	154.5	172.6	129.3	172.3	150.9	93.8	113.7
Total assets, SEK million	3,221	3,415	3,408	3,176	3,041	3,195	3,034	2,733	2,661
Cash flow from operating activities, SEK million	85.5	260.4	152.7	201.9	189.4	212.2	148.2	24.2	19.8
Equity/assets ratio, %	41.5	40.5	37.8	40.9	39.3	35.5	30.6	32.0	29.1
Number of employees	603	613	614	587	587	578	574	603	562
Average exchange rate, SEK/USD	10.67	10.81	10.51	10.42	10.73	10.55	9.83	9.33	8.86
Average exchange rate, SEK/EUR	11.47	11.76	11.43	11.20	10.94	10.63	10.47	10.48	10.13

Note 6 Acquisitions

Bare Board Consultants

On 24 November 2022, an agreement was signed to acquire 100 per cent of the shares in Bare Board Consultants (BBC) in Italy. The transaction was completed on 10 January 2023. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. The company reported net sales of just over SEK 90 million and EBITA of slightly more than SEK 9 million in 2022. The purchase consideration for the shares amounted to SEK 71.7 million and goodwill of SEK 18.9 million arose. As a result of the acquisition, three new employees joined us in Italy.

db electronic

On 2 May 2023, 100 per cent of the shares was acquired in db electronic, with companies in Germany, Switzerland and France. Operating profit together with assets and liabilities associated with the acquired companies were consolidated from the transaction date. The companies reported net sales of SEK 125 million and EBITA of slightly more than SEK 19 million in 2022. The purchase consideration for the shares amounted to SEK 124.7 million and goodwill of SEK 101.2 million arose. Through the acquisition, some 20 new employees were added.

Phase 3 Technologies

On 4 May 2023, 100 per cent of the shares were acquired in Phase 3 Technologies (Phase 3) in San Jose, USA. Operating profit together with assets and liabilities associated with the acquired companies were consolidated from the transaction date. The companies reported net sales of SEK 247 million and EBITA of slightly more than SEK 37 million in 2022. The purchase consideration for the shares is estimated at SEK 291.3 million and goodwill of SEK 196.3 million arose. The purchase consideration comprised SEK 268 million paid on transfer and a potential additional purchase consideration estimated at SEK 23 million on the acquisition date, based on the development of gross profit in 2023 compared with the gross profit for 2022. Gross profit was slightly less than in 2022, which is why no payment will be made and the provision for the additional purchase consideration was dissolved in its entirety, which impacted the fourth quarter in an amount of SEK 2.9 million. Through the acquisition, 17 employees were added.

Electronic Advanced Circuits

On 15 November, 100 per cent of the shares were acquired in Electronic Advanced Circuits (EAC), with offices in Madrid, Spain. Operating profit together with assets and liabilities associated with the acquired company were consolidated from the transaction date. The company reached net sales of approximately SEK 19 million in 2023 with an EBITA margin of about 15 per cent. The purchase consideration for the shares, including a minor additional purchase consideration, amounted to SEK 20.1 million and goodwill of SEK 11.2 million arose. The company has two employees who will immediately join other NCAB employees in Spain.

Contribution in 2023

During the year, BBC, db electronic, Phase 3 and EAC made a combined contribution of SEK 246 million in net sales and SEK 41 million in EBITA. If all of the companies had been consolidated on 1 January 2023, the Group's net sales for the January–December period 2023 would have increased by SEK 121 million to SEK 4,226 million and EBITA by SEK 22.7 million to SEK 669.6 million.

Total transaction costs of SEK 10.3 million were paid in conjunction with these four acquisitions, all of which were booked as central costs. During the fourth quarter, acquisition investments impacted cash flow by SEK -19.2 million (-3.6) and full year 2023 by SEK -436.3 million (-178.3).

Acquisitions	BBC 10 January 2023	db electronic 2 May 2023	Phase 3 4 May 2023	EAC 16 November 2023
Total purchase consideration	71.7	124.7	291.3	20.1
Acquired assets and assumed liabilities				
Non-current assets	0.3	2.7	1.8	0.1
Customer relationships	17.1	12.2	58.2	4.9
Other current assets	42.9	20.5	52.0	6.7
Cash and cash equivalents	15.5	7.5	25.6	1.7
Other operating liabilities	-17.3	-15.9	-28.1	-3.3
Deferred tax	-5.7	-3.5	-14.6	-1.2
Total net assets	52.8	23.5	95.0	8.9
Goodwill	18.9	101.2	196.3	11.2

Amounts reported in the table above are preliminary values.

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	
	2023	2022	2023	2022
Net sales	878.6	1,026.1	4,087.8	4,457.7
Other operating income	4.8	20.5	27.3	21.4
Cost of goods sold	-540.7	-686.2	-2,627.0	-3,043.3
Translation differences	-4.4	-1.2	6.6	9.1
Revaluation of purchase price	-2.9	-9.6	-23.9	-9.6
Total gross profit	335.4	349.5	1,470.8	1,435.3
Gross margin, %	38.2	34.1	36.0	32.2

EBITA

SEK million	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Operating profit	103.8	129.3	591.4	546.4
Amortisation and impairment of intangible assets	15.2	11.7	55.5	41.3
Divestment Russia	-	-	-	43.2
EBITA	119.0	141.0	646.9	630.9
EBITA margin, %	13.5	13.7	15.8	14.2

EBITDA

SEK million	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Operating profit	103.8	129.3	591.4	546.4
and intangible assets	26.7	20.8	98.6	76.8
Divestment Russia	-	-	-	43.2
EBITDA	130.5	150.1	690.0	666.4
EBITDA margin, %	14.8	14.6	16.9	14.9

Return on equity

SEK million	Dec 2023	Dec 2022
Profit for the period — LTM	403.9	417.1
Equity (average)	1,265.6	984.8
Return on equity, %	31.9	42.4

Net working capital and capital employed

SEK million	31 Dec 2023	31 Dec 2022
Inventories	315.2	504.9
Trade receivables	655.0	760.7
Other current receivables	31.8	39.2
Prepaid expenses and accrued income	25.0	27.8
Trade payables	-445.0	-518.5
Current tax liabilities	-81.7	-108.9
Other current liabilities	-80.7	-83.5
Accrued expenses and deferred income	-131.2	-148.8
Net working capital	288.4	472.9
Non-current assets	1,715.7	1,350.6
Likvida medel	478.6	357.8
Deferred tax	-76.9	-62.1
Capital employed	2,405.8	2,119.3

Return on capital employed

SEK million	Dec 2023	Dec 2022
Operating profit/loss — LTM	591.4	546.4
Capital employed (average)	2,262.6	1,882.2
Return on capital employed, %	26.1	29.0

Equity/assets ratio

SEK million	31 Dec 2023	31 Dec 2022
Equity	1,335.3	1,195.8
Untaxed reserves	-	-
Total	1,335.3	1,195.8
Total assets	3,221.3	3,041.1
Equity/assets ratio, %	41.5	39.3

Net debt

SEK million	31 Dec 2023	31 Dec 2022
Interest-bearing liabilities	1,070.5	923.5
Cash and cash equivalents	-478.6	-357.8
Total net debt	591.9	565.6
EBITDA LTM	690.0	666.4
Net debt / EBITDA	0.9	0.8

Net debt excl. IFRS 16 adjustment

SEK million	31 Dec 2023	31 Dec 2022
Interest-bearing liabilities excl IFRS 16	995.3	834.1
Cash and cash equivalents	-478.6	-357.8
Total net debt excl IFRS16	516.7	476.2
EBITDA LTM excl IFRS 16	652.9	636.8
Net debt excl IFRS 16/ EBITDA excl IFRS 16	0.8	0.7

Alternative performance measure	Definition	Purpose
Gross profit	Net sales less raw materials and consumables and with the addition of other operating income, which includes translation differences on trade receivables and trade payables, but does not include other operating income pertaining to the remeasurement of acquisition price at fair value	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.
Book to bill	Order intake for the period divided by net sales for the period	This provides a picture of how the order backlog changes over the period regardless of the effects of acquisitions or currency

ABOUT NCAB

A leading supplier of PCBs

NCAB is one of the world's leading suppliers of printed circuit boards (PCBs) with some 3,350 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.

FINANCIAL TARGETS

On 27 April 2022, NCAB set new financial objectives in the medium term.

- > Net sales of SEK 8 billion in 2026, achieved by approximately equal part organic and acquired growth.
- > EBITA of SEK 1 billion in 2026.
- > Net debt less than 2x EBITDA.
- > Dividend based on available cash flow amounting to approximately 50 per cent of net profit.

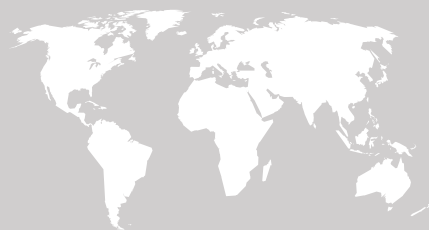
3,650
CUSTOMERS



17
COUNTRIES WITH
LOCAL PRESENCE



32
MANUFACTURERS



603
SPECIALISTS



325
MILLION PCBs
MANUFACTURED PER YEAR

