



Strong resilience in a weak market

NCAB Q4 report

February 15, 2024

Today's presenters



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CEO



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KEY TAKE AWAYS IN Q4 2023

Resilience in a weak market

Markets remain weak in all regions

- > Net sales and order intake impacted by continued inventory normalization as well as weak demand at customers
- > Order intake stabilizing with Book-to-Bill close to 1 and signs of more activity in China and North America
- > Automotive, EV charging markets and Aerospace & Defence perform well

Improved gross margins support strong EBITA margin

- > Purchasing and logistics cost savings safe-guard Gross Profit and offset lower sales

Promising pipeline of M&A targets

- > Progressing pipeline in Europe and North America, and building pipeline in East



Q4 2023

In figures

Net Sales decreased by 14% to 879 (1,026) MSEK

- > Organic growth -23% in SEK

Order intake decreased by 9% to 873 (1,009) MSEK.

- > Down 21% organic vs LY in SEK and USD
- > Down 5% vs Q2 and Q3
- > Book-to-Bill at 0.99

EBITA amounted to 119 MSEK, a decrease by 16%.

- > Strong EBITA margin of 13.5% (13.7)
- > Adjusted EBITA margin of 13.3% (12.8%)
- > Gross Margin at continued high level of 38.2% (34.1)

Operating cash flow at 86 MSEK (189)

- > Working capital stable on low level 5.4%

Proposed dividend 1.10 SEK per share (1.10)



2023

In figures

Net Sales decreased by 8% to 4,088 (4,458) MSEK

- Organic growth -15% in SEK

Order intake decreased by 11% to 3,751 (4,227) MSEK

- Organic growth -18% in SEK

EBITA amounted to 647 MSEK, an increase by 3%

- Strong EBITA margin of 15.8% (14.2)
- Gross Margin at an improved level of 36.0% (32.2)

Operating cash flow at 700 MSEK (568)

- Significant Working capital improvement during 2023



ACQUISITIONS DURING 2023

Four acquisitions and one start up

During the spring 3 companies were acquired

- > BBC in Italy



- > Phase 3 in California



- > db electronic in Germany

After the summer

- > Electronic Advanced Circuits in Spain



- > Start-up of subsidiary in Portugal

In total close to 400 MSEK of yearly turnover added



17

companies

45

markets

603

specialists

32

factories

MISSION

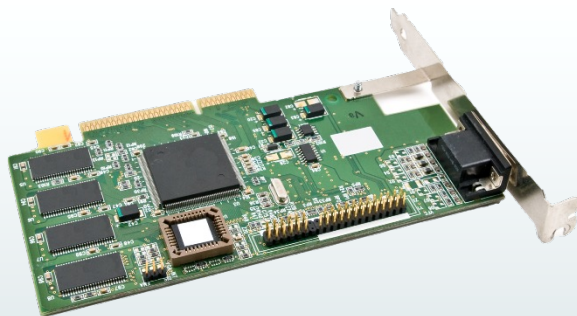
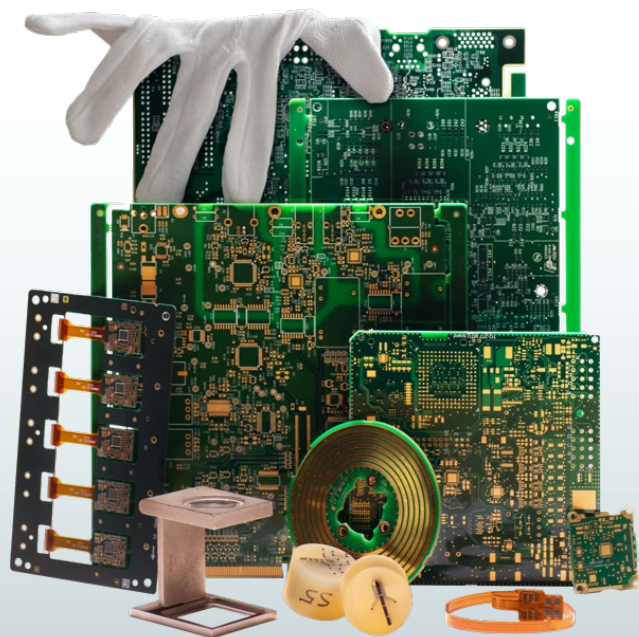
**PCBs for demanding customers,
on time with zero defects, produced
sustainably at the lowest total cost**

VISION

**The Number 1 PCB Producer
wherever we are**

DIGITALIZATION, ELECTRIFICATION AND IOT...

**Everything needs a PCB
and each PCB is unique**



Industries we serve



Aerospace



Automotive



Datacom



Defence



Industrial



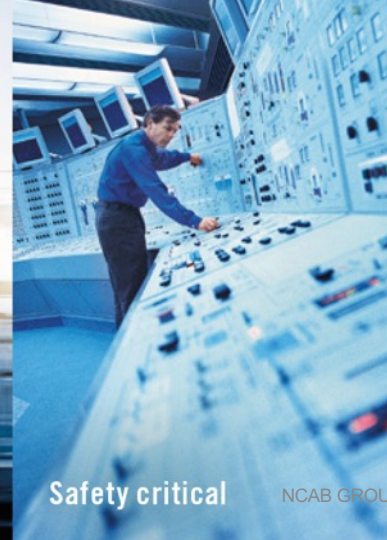
Medical



Power/energy



Railway

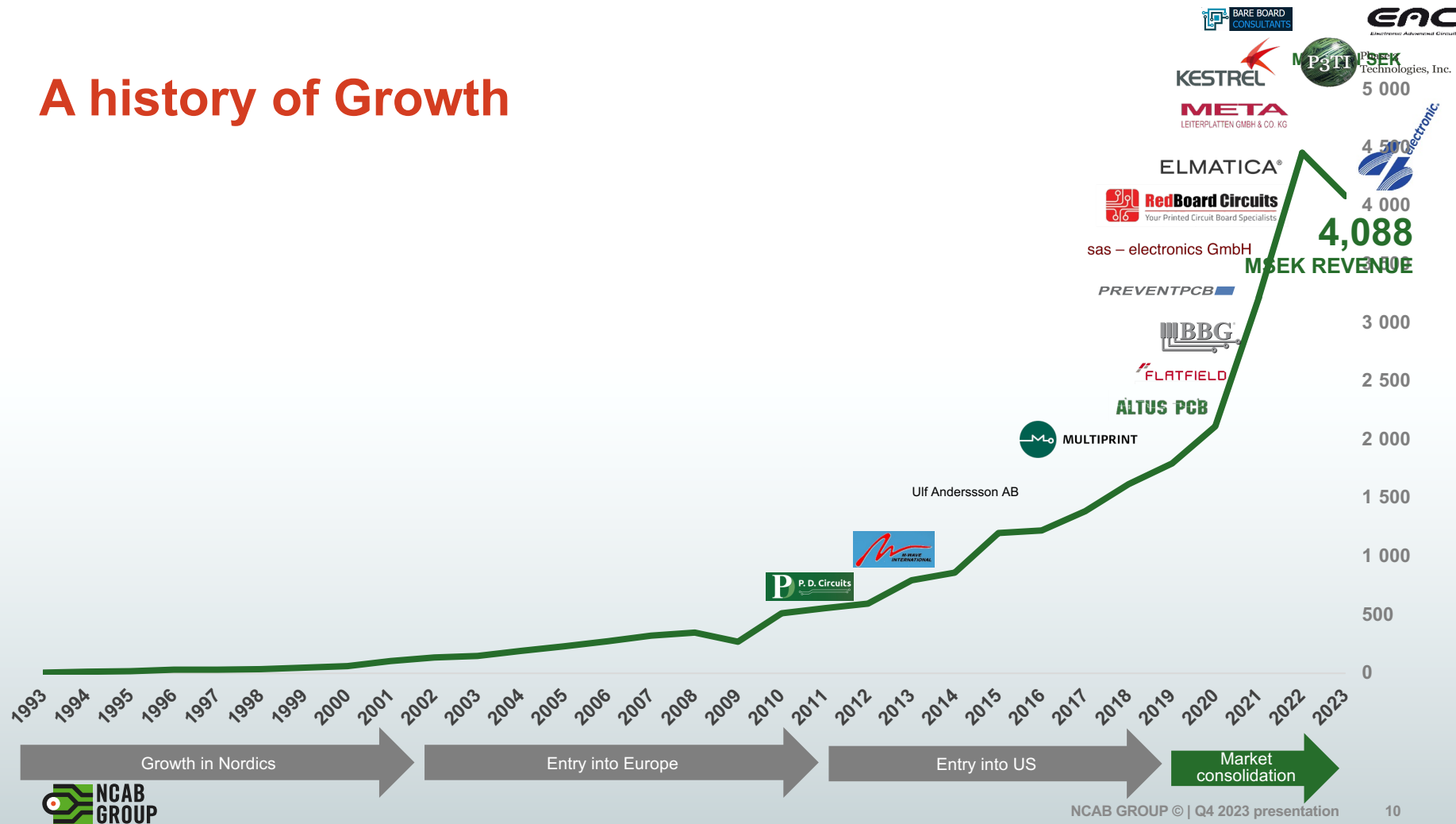


Safety critical



Telecom

A history of Growth



THE FOURTH QUARTER IN NUMBERS

A weak market in the quarter

Q4
2023

879

Net sales, MSEK

82

Net sales, MUSD

119

EBITA, MSEK

13.5 %

EBITA margin

Change
vs
Q4 2022

-14%

-13%

-16%

-0.2 pp

THE FULL 2023 IN NUMBERS

Strong result for the full year

2023

4,088

Net sales, MSEK

385

Net sales, MUSD

647

EBITA, MSEK

15.8 %

EBITA margin

Change
vs
2022

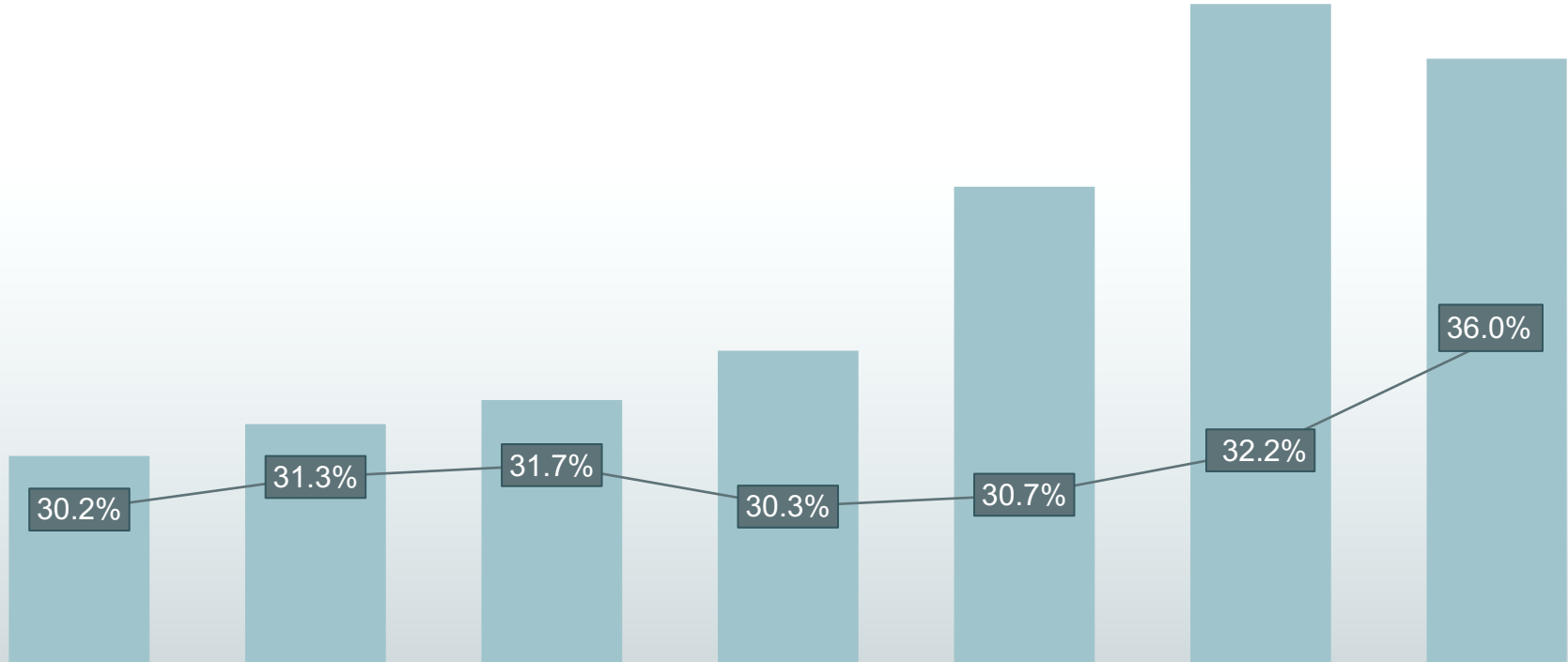
-8%

-13%

3%

1.6 pp

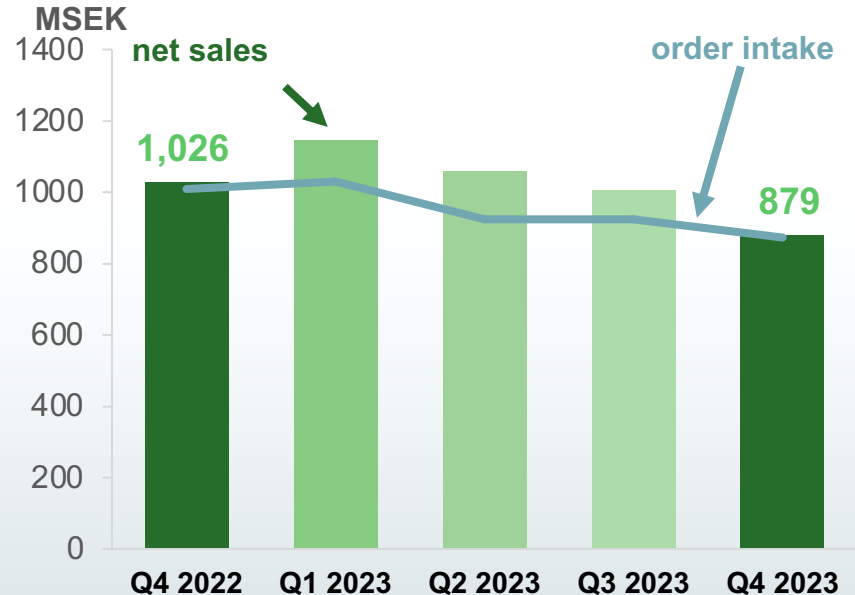
Improved gross margin offset weaker top line



NET SALES

Weak markets but order intake flattening out

- Net sales decreased by 14% to 879 MSEK in the quarter and for comparable units in USD decreased by 28%
- Order intake decreased by 14% to 873 MSEK and for comparable units in USD decreased by 12%
- Order trend flat when adjusting for seasonality and FX movement
 - Book to bill now at 0.99
- No orderbook left from 2022



EBITA RESULT

Operating EBITA margin improving despite weak sales

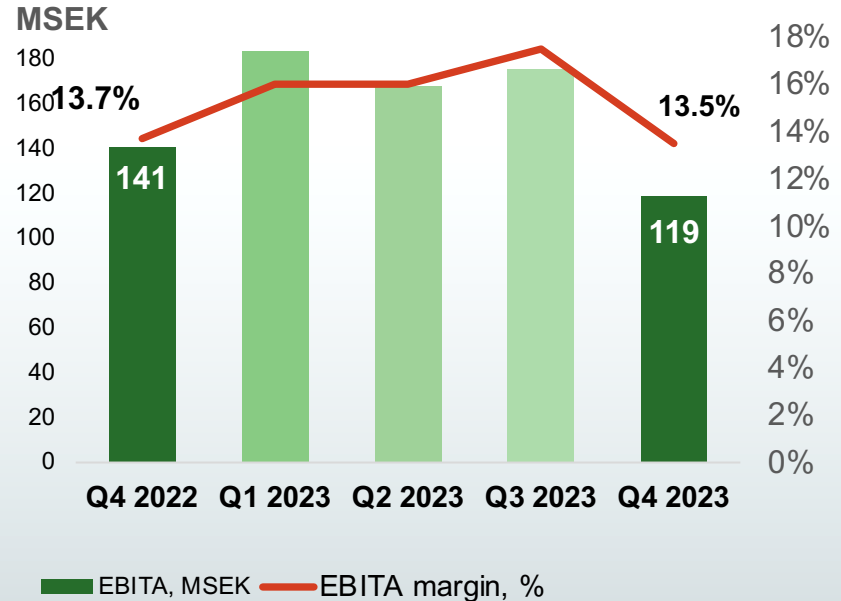
EBITA decreased by 16% in the quarter to 119 MSEK (141)

The EBITA margin decreased to 13.5% (13.7).

- > Gross margin increased to 38.2% (34.1).
- > Gross profit amounted to 335 MSEK (349)

Operating EBITA margin with adjustments resulting from dissolved additional purchase consideration and transaction cost increased to 13.3% (12.8).

Full year earnings per share was 2.15 SEK (2.23).

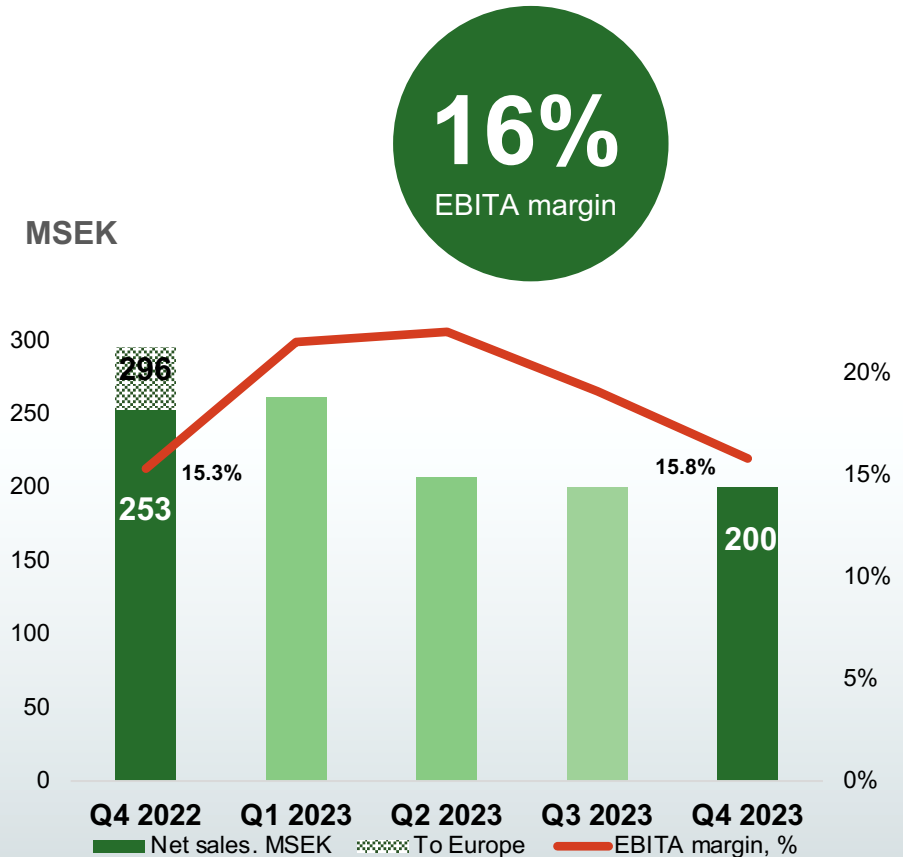


SEGMENTS

Nordic

- > Some business moved to segment Europe
- > Adjusted* order intake decreased by 19% to 188 MSEK and by 17% in USD
- > Net sales decreased to 200 MSEK (296), with adjusted* net sales decreasing by 21% in SEK and 20% in USD
- > Norway and Sweden with contribution from EV charging and Aerospace & Defence doing better
- > EBITA decreased to 31.5 MSEK (45.2), but EBITA margin improved to 15.8% (15.3)

* internal transfer of customers to segment Europe

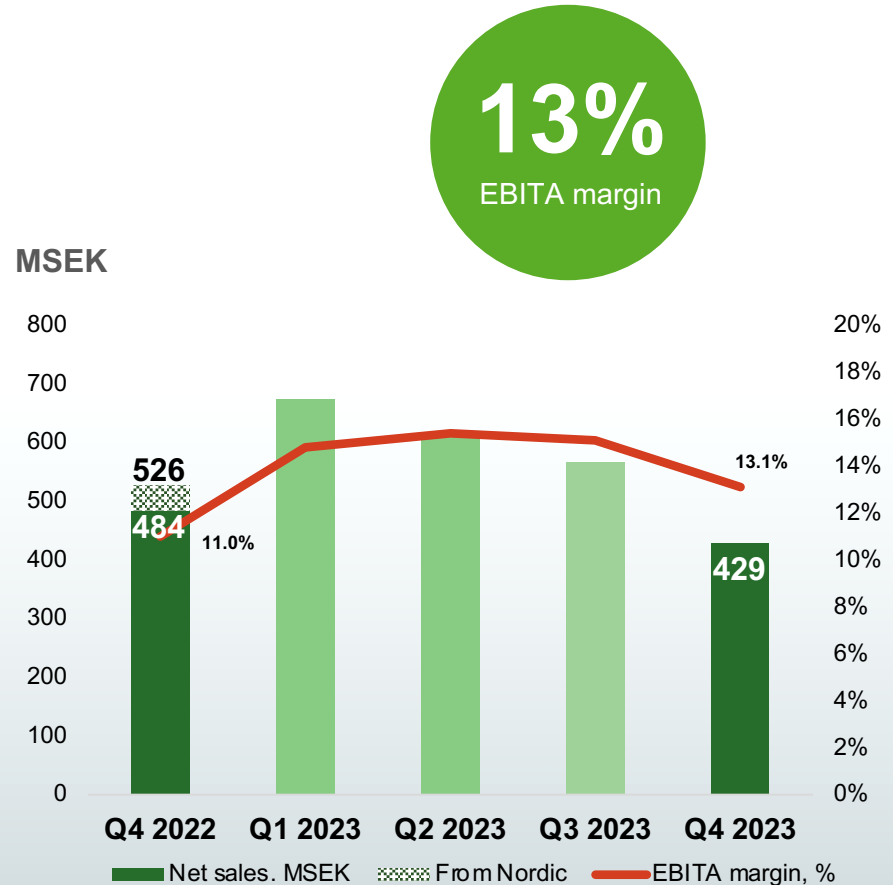


SEGMENTS

Europe

- Net sales decreased by 11% to 429 MSEK (484)
 - Adjusted* net sales for comparable units decreased by 24% in SEK and 23% in USD
- Order intake reached 445 MSEK (536)
 - Adjusted* order intake for comparable units decreased with 26% in SEK and USD
- German market weaker, other markets more stable and positive development in Automotive
- EBITA increased to 56.4 MSEK (53.2), corresponding to a margin of 13.1% (11.0%)

* internal transfer of customers from segment Nordic and acquisitions



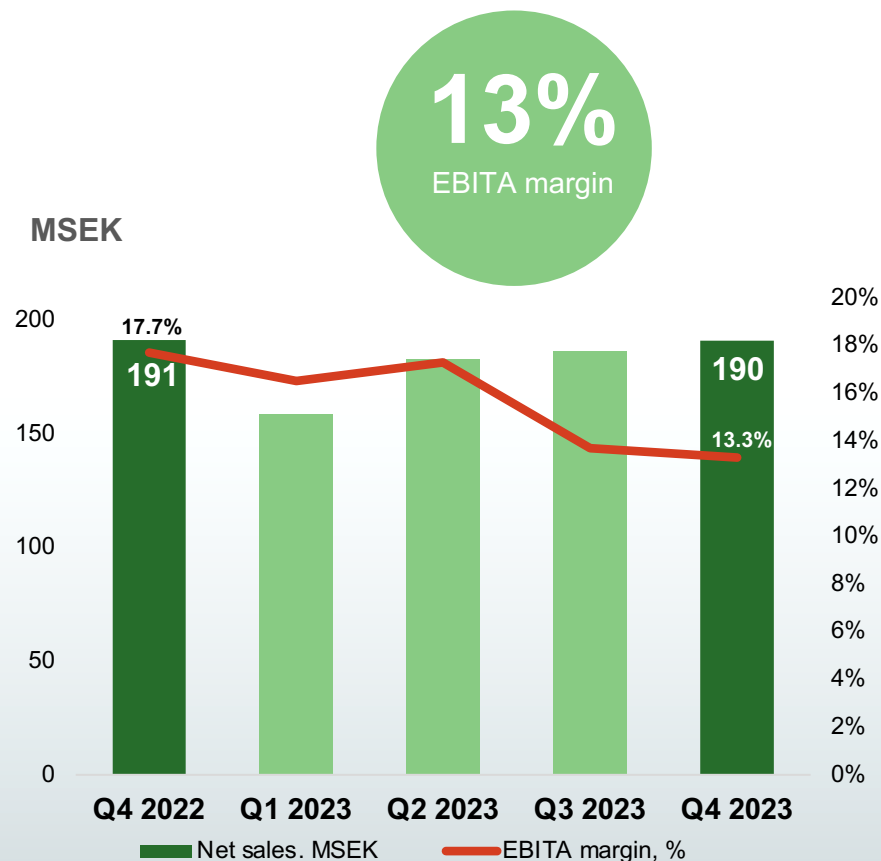
SEGMENTS

North America

- Order intake amounted to 190 MSEK (166)
 - Adjusted* order intake for comparable units decreased by 19% in SEK and 18% in USD
- Net sales in level with prior year at 191 MSEK (191)
 - Adjusted* net sales for comparable units decreased by 31% in SEK and 30% in USD
- Somewhat improved market and sales since Q2 and Q3
- EBITA decreased to 25.3 MSEK (33.9)
- EBITA margin decreased to 13.3% (17.7%)

* adjusted for the acquisition of Phase 3

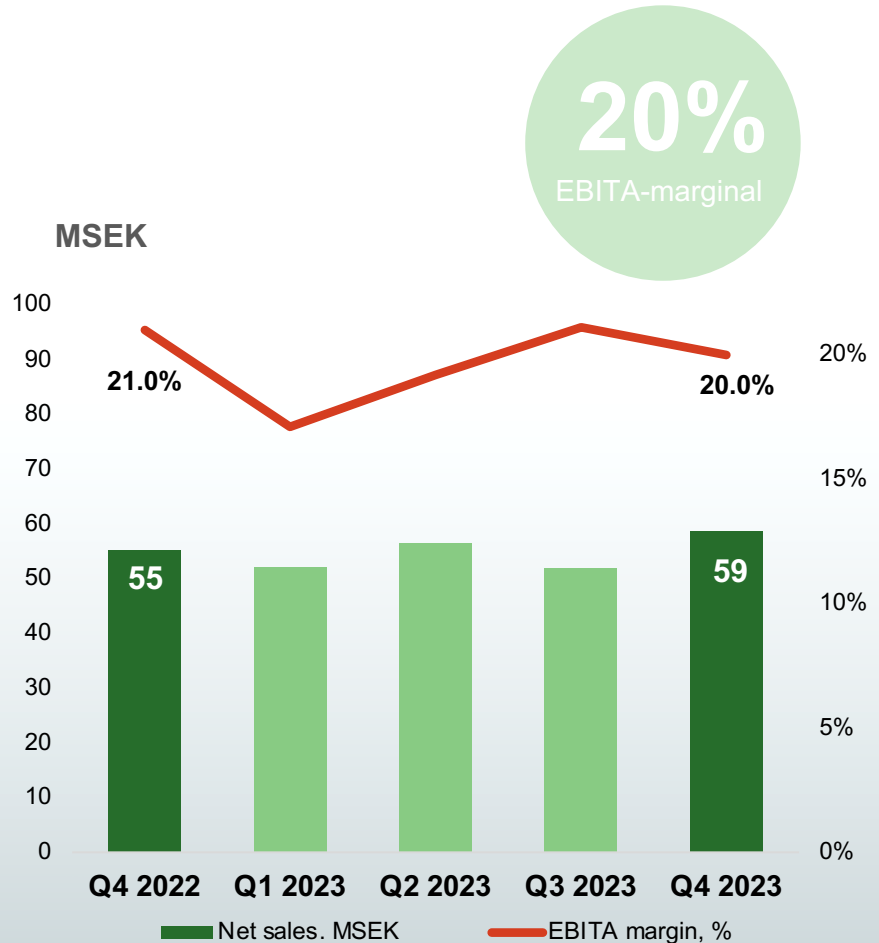
MSEK



SEGMENTS

East

- Market conditions in China remain muted but with some signs of increasing activity
 - Sharp focus on niche applications
- Order intake decreased to 49 MSEK (51), but increasing vs Q2 and Q3
- Net sales increased with 6% to 59 MSEK (55)
- EBITA increased to 11.7 MSEK (11.6), with strong EBITA-margin at 20.0% (21.0%)



NCAB ACQUISITION PROCESS

Good progress in our pipeline



KPI:s

Strong finances support upcoming acquisitions

	2023	2022
ROE %	31.9	42.4
Net debt/EBITDA	0.9	0.8
Equity/Asset ratio %	41.5	39.3
Net working capital, MSEK	288	473
Net working capital/Net sales LTM %	5.4	8.8
Available liquidity, MSEK	994	1033

Our sustainability work continues



A clear strategy for high-pace profitable growth!

GEOGRAPHICAL EXPANSION

Expand geographically to new markets using M&A to accelerate process

MARKET CONSOLIDATION

Consolidate market and explore economies of scale for cost and capability advantages

100% FOCUS ON PCBs

Maintain 100% focus on PCBs with an Asset Light model

INCREASE MARKET SHARES

Increase market shares and deepen customer relationships in existing markets

FINANCIAL TARGETS

This is where we are aiming



Net sales (MSEK)

8,000

in 2026

EBITA (MSEK)

1,000

in 2026

Net debt/adjusted EBITDA less than

2x

Distribute cash

Available

Approx. 50% of net profit



A photograph of an office interior. Two men are sitting on a windowsill, looking out at a city view. A woman in a plaid shirt is standing on the right, smiling. In the foreground, the back of a person's head and some out-of-focus flowers are visible. The word "Questions?" is overlaid in large black text.

Questions?

Financial calendar 2024

Wednesday, 10 April

Annual Report 2023

Thursday, 25 April

Q1 Report 2024

Wednesday, 8 May

AGM

Tuesday, 23 July

Q2 report

Tuesday, 5 November

Q3 report

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