

Strong finances despite a weaker market

NCAB Q3 report

November 7, 2023



Today's presenters



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CEO



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KEY TAKE AWAYS IN Q3 2023

Strong margins and cash flow despite weak market

Markets generally weak in all regions

- Net sales and order intake decreasing because of lower prices and inventory normalization as well as a hesitant demand
- Order intake stabilizing and signs of more activity in China
- Automotive, EV charging markets and Aerospace & Defence perform well

Higher gross margins support strong EBITA margin

- Purchasing and logistics cost savings yield record Gross Margin and offset lower sales

Promising pipeline of M&A targets

- Acquisition in Spain and startup in Portugal

Cash flow continues to improve

- Additional reduction of Working capital



Q3 2023

In figures

Net Sales decreased by 14% to 1,005 (1,168) MSEK

- > Organic growth -27% in SEK.

Order intake decreased by 9% to 924 (1,011) MSEK.

- > The same level as in Q2.

EBITA amounted to 176 MSEK, a decrease by 4%.

- > Whereof 21 MSEK from lower additional consideration regarding Phase3 acquisition.

Strong operational EBITA margin of 15.4% (15.7)

- > Including additional consideration regarding Phase3 acquisition EBITA-margin of 17.5%.

Gross Margin at continued high level of 36.2% (32.2)

Operating cash flow strong at 260.4 MSEK (212.2)



ACQUISITION IN SPAIN AND STARTUP IN PORTUGAL

Stronger position on the Iberian peninsula

The Iberian peninsula of growing importance in the electronics market

Acquisition of Electronic Advanced Circuits in Spain

- > Mainly in telecom and industry sector.
- > Adding sales of 19 MSEK to the earlier 75 MSEK.

Startup of subsidiary in Portugal, 2 specialists recruited



16

companies

45

markets

613

specialists

31

factories

MISSION

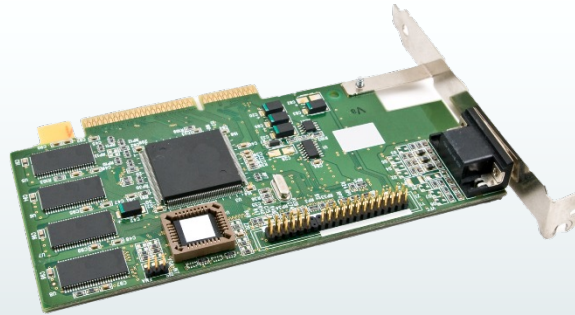
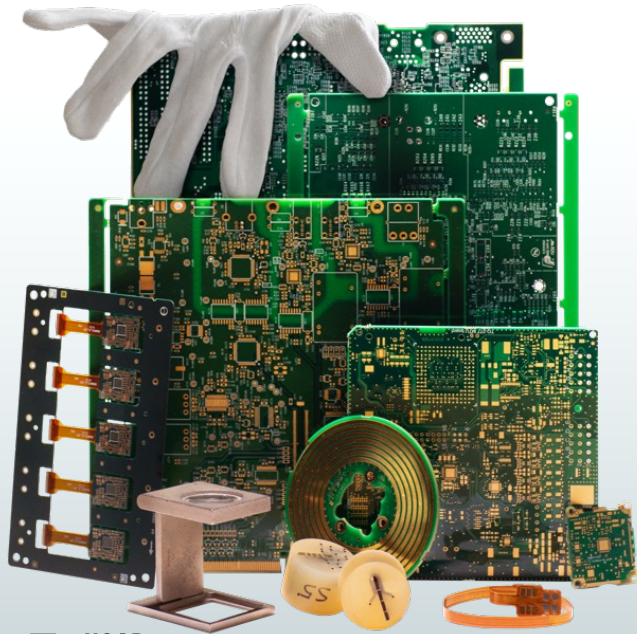
**PCBs for demanding customers,
on time with zero defects, produced
sustainably at the lowest total cost.**

VISION

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

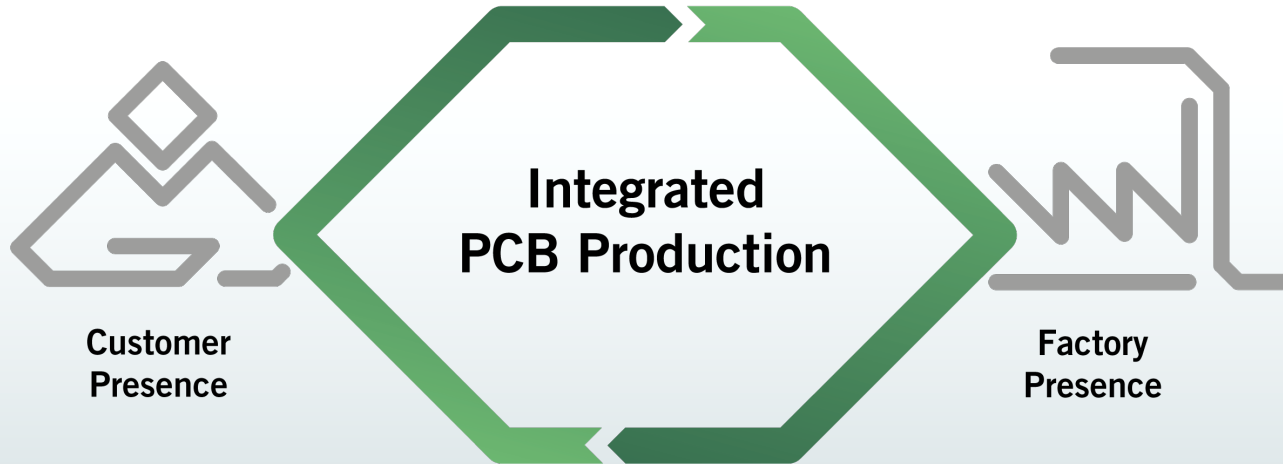
DIGITALIZATION, ELECTRIFICATION AND IOT...

Everything needs a PCB and each PCB is unique



BUSINESS MODEL

Integrated PCB production



Industries we serve



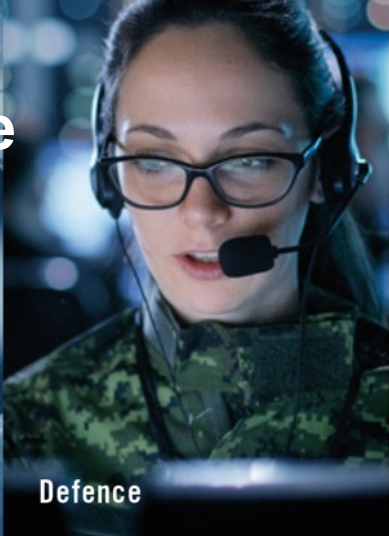
Aerospace



Automotive



Datacom



Defence



Industrial



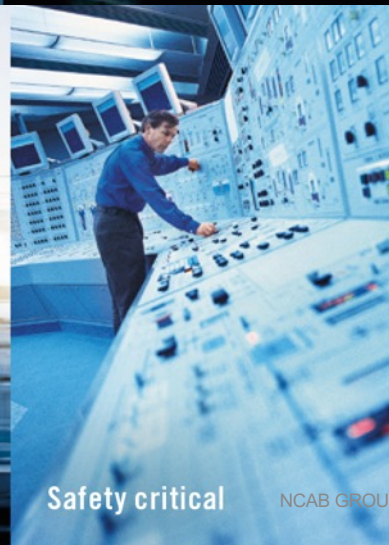
Medical



Power/energy



Railway



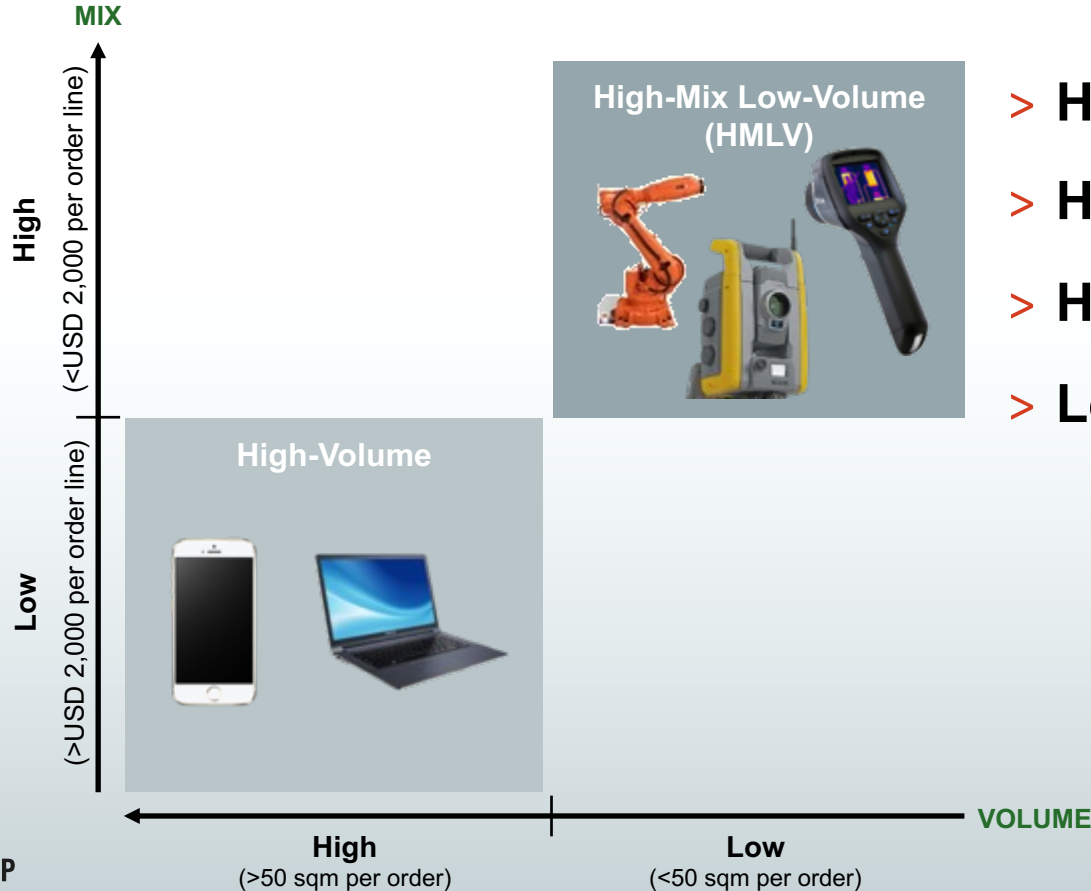
Safety critical



Telecom

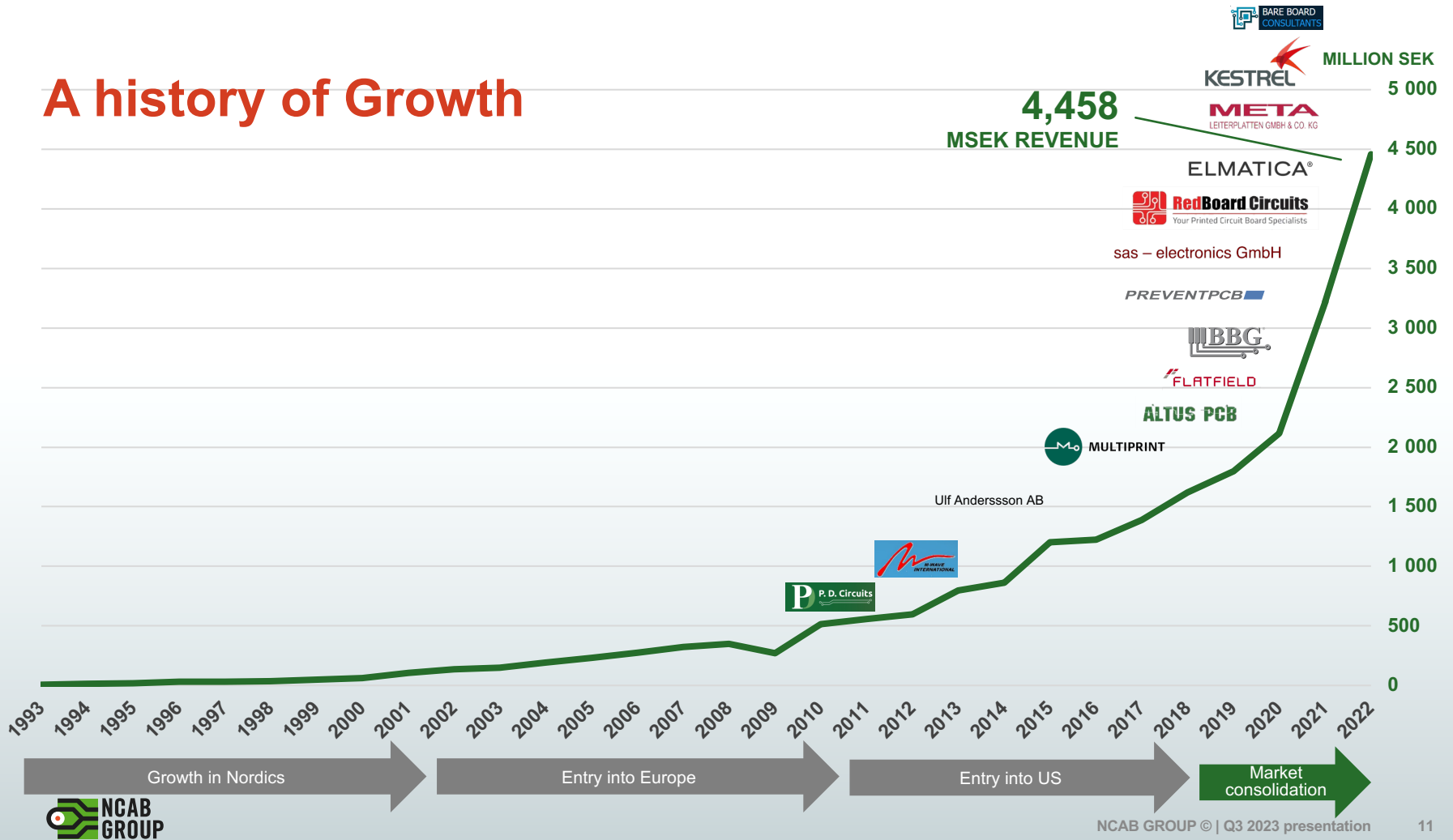
OUR MARKET

Our attractive niche – HMLV



- > Higher product value
- > Higher quality demand
- > Harder to buy direct
- > Less price pressure

A history of Growth



THE THIRD QUARTER IN NUMBERS

Performing well despite weaker market in the quarter

Q3
2023

1,005

Net sales, MSEK

92.6

Net sales, MUSD

176

EBITA, MSEK

17.5 %

EBITA margin

Change
vs
Q3 2022

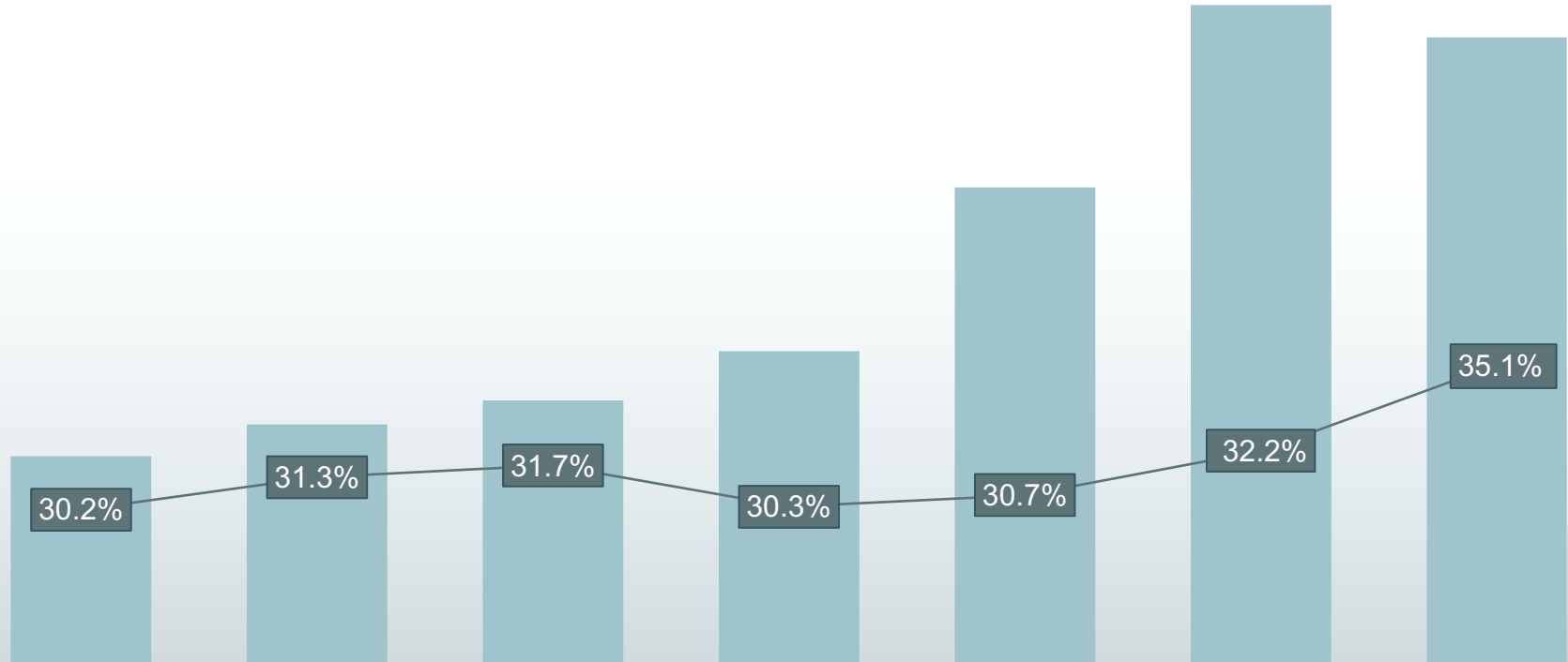
-14%

-16%

- 4%

+1.8 pp

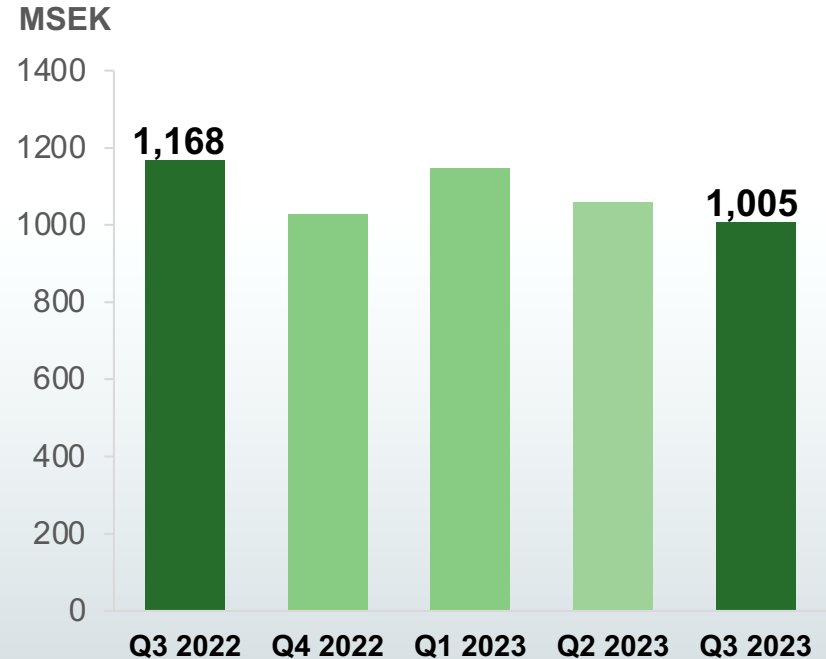
Record gross margin offset weaker top line



NET SALES

Tough comparables and weaker markets

- > Net sales decreased by 14% to 1,005 MSEK and for comparable units in USD decreased by 28%.
- > Order intake decreased by 9% to 924 MSEK and for comparable units in USD decreased by 15%.
- > Order intake in Q3 flat vs Q2.
- > Global PCB market impacted by lower demand, decreasing prices and customers normalizing inventory.



EBITA RESULT

Strong profitability despite lower top line

EBITA decreased by 4% to 176 MSEK (184).

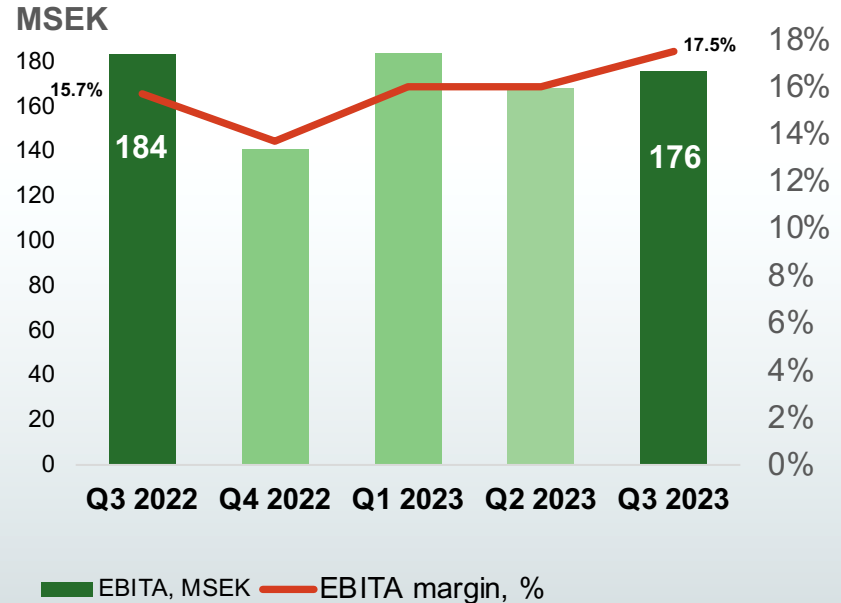
- Adjusted for costs for IT-platforms EBITA reached 161 MSEK.

The EBITA margin increased to 17.5% (15.7%).

- Adjusted margin 15.4%.
- Gross margin increased to 36.2% (32.2).
- Gross profit decreased by 3%.
- Scale advantages and improved cost structure.

Reduced working capital and increased result generated strong cash flow at 260 MSEK (212).

Earnings per share was 0.59 SEK (0.74).

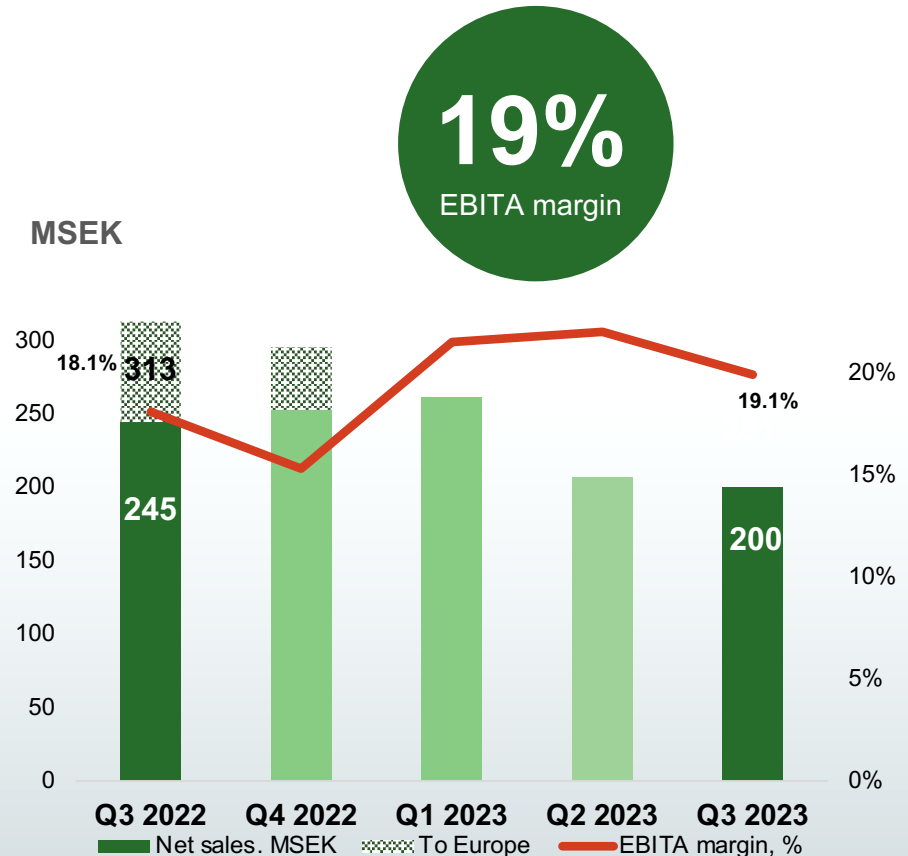


SEGMENTS

Nordic

- > Some business moved to segment Europe.
- > Adjusted* order intake decreased by 20% to 195 MSEK and by 21% in USD.
- > Net sales decreased to 200 MSEK (313), with adjusted* net sales decreasing by 18% in SEK and 20% in USD.
- > Norway with contribution from EV charging and Aerospace Defence doing better.
- > EBITA decreased to 38.3 MSEK (56.7), but EBITA margin improved to 19.1% (18.1).

* internal transfer of customers to segment Europe

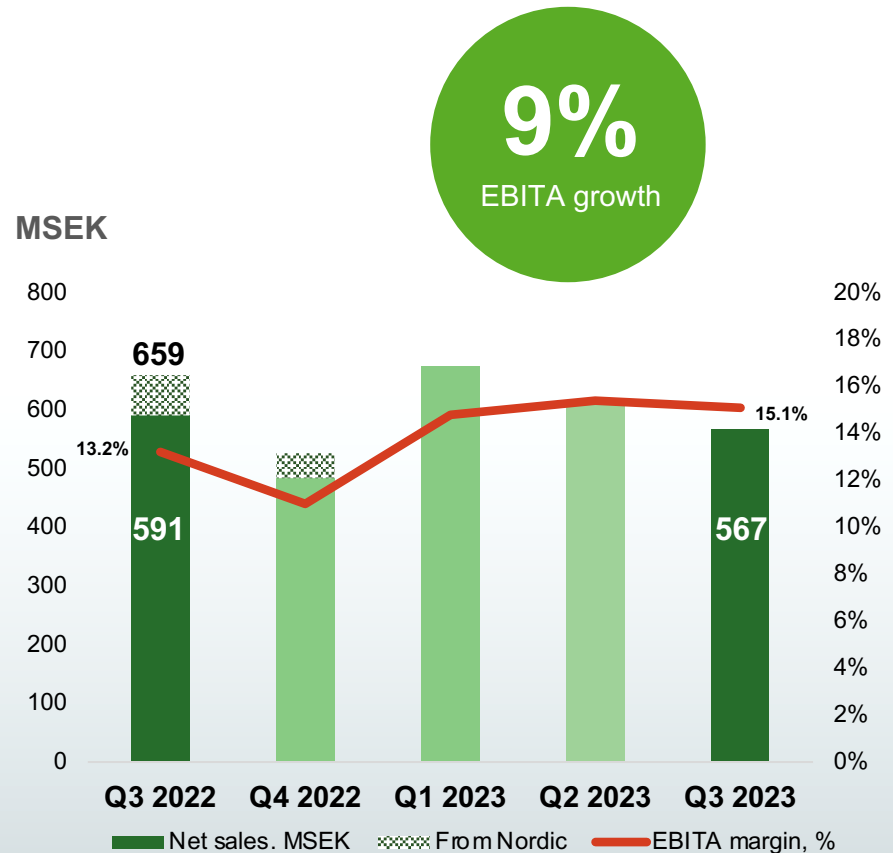


SEGMENTS

Europe

- > Net sales decreased by 4% to 567 MSEK (591).
- > Adjusted* net sales for comparable units decreased by 20% in SEK and 22% in USD.
- > Order intake 506 MSEK (500). Adjusted* order intake for comparable units decreased with 13% in SEK and with 14% in USD.
- > Automotive sector with positive trend.
- > EBITA increased to 85.7 MSEK (78.3), corresponding to a margin of 15.1% (13.2%).

* internal transfer of customers from segment Nordic and acquisitions

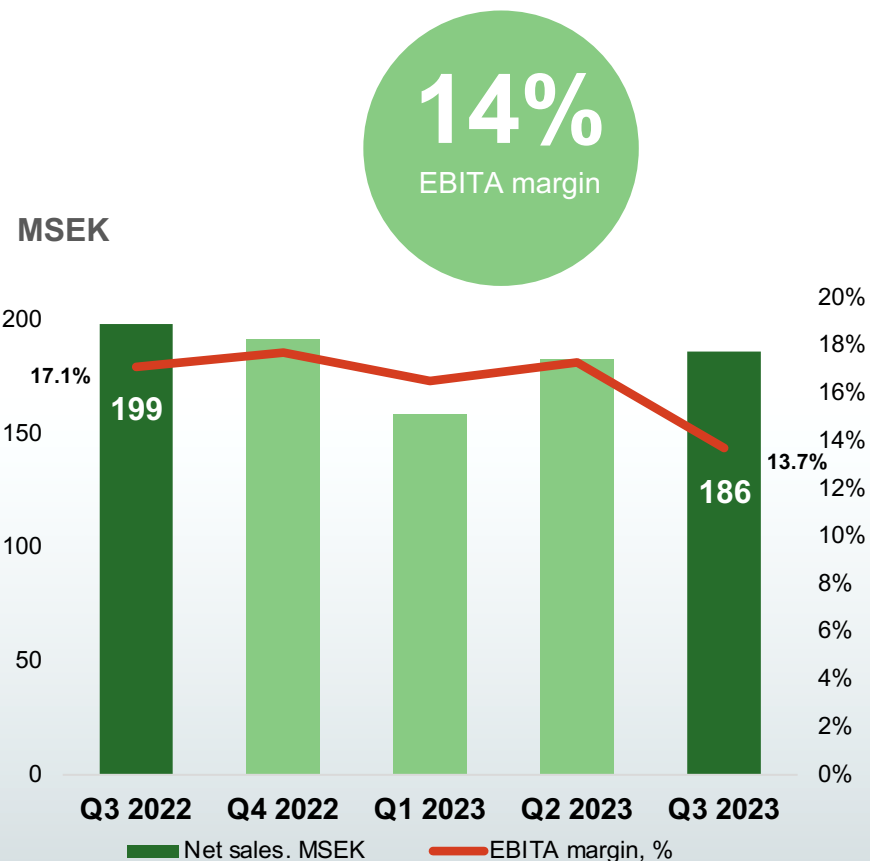


SEGMENTS

North America

- Order intake amounted to 176 MSEK, same level as last year. Adjusted* order intake for comparable units decreased by 27% in SEK and 28% in USD.
- Net sales decreased by 6% to 186 MSEK (199). Adjusted* net sales for comparable units decreased by 30% in SEK and 32% in USD.
- Weak performance of US EMS companies
- EBITA decreased to 25.6 MSEK (34.0).
- EBITA margin decreased to 13.7% (17.1%).

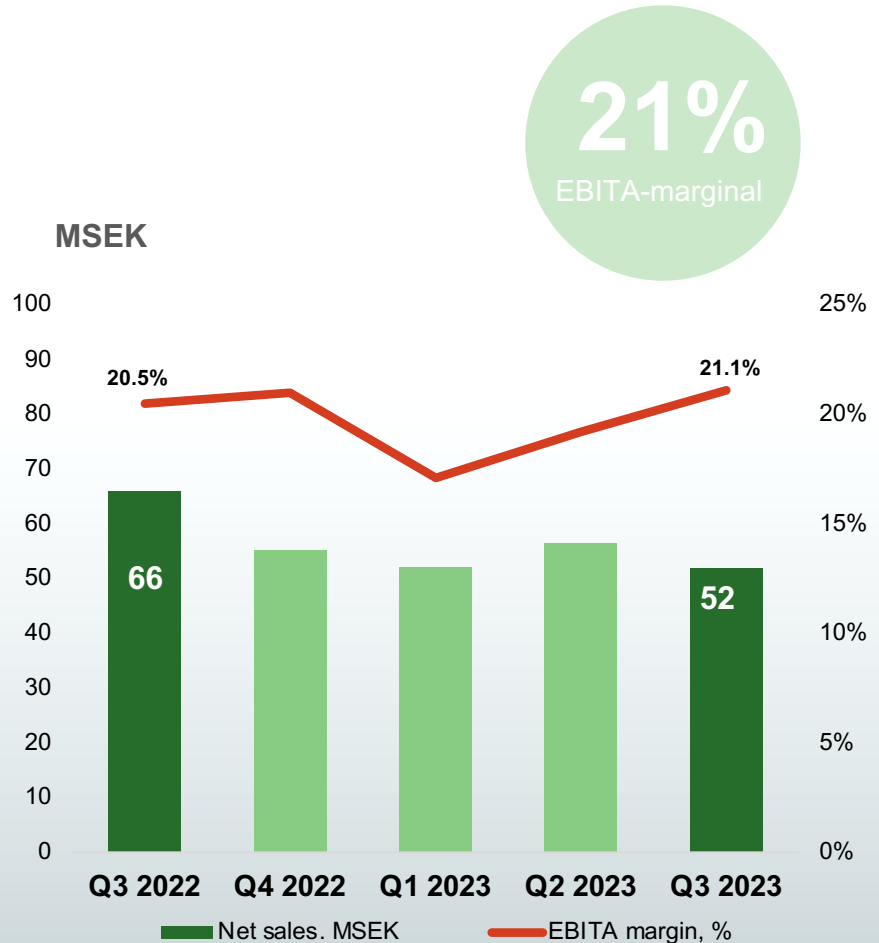
* adjusted for the acquisition of Phase 3



SEGMENTS

East

- > Market conditions in China remain muted but signs of increasing activity.
- > Order intake decreased to 48 MSEK (53).
- > Net sales decreased with 21 % to 52 MSEK (66) but decreased with 22% in USD.
- > EBITA decreased to 10.9 MSEK (13.5), but with EBITA-margin increasing to 21.1% (20.5).



NCAB ACQUISITION PROCESS

Good progress in our pipeline



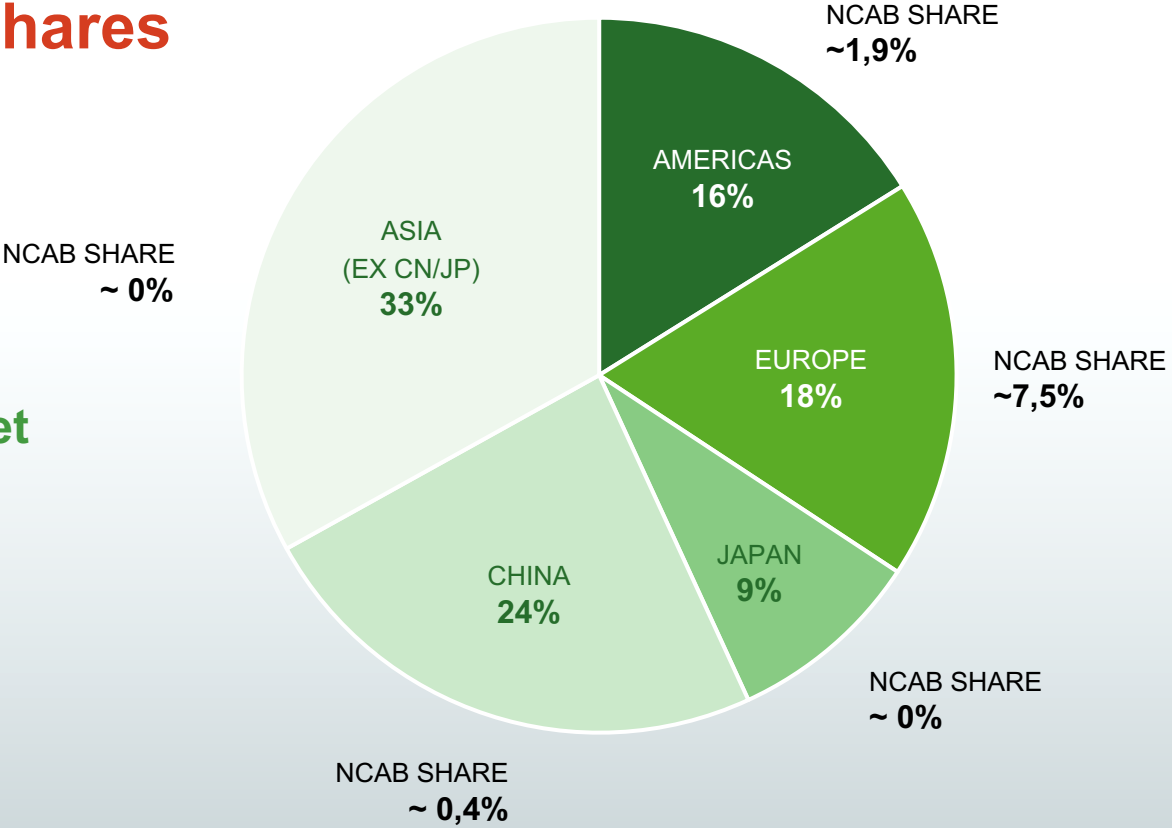
KPI:s

Strong finances support upcoming acquisitions

	Sept 2023	Sept 2022
ROE %	32.4	42.4
Net debt/EBITDA	0.9	1.0
Equity/Asset ratio %	40.5	35.5
Net working capital, MSEK	308	487
Net working capital/Net sales LTM %	5.3	10.6
Available liquidity, MSEK	962	950

HMLV market breakdown & NCAB market shares

Global HMLV market
of ~25 BUSD



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

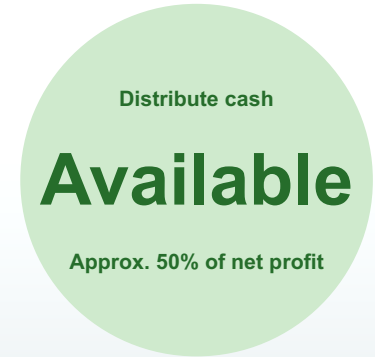
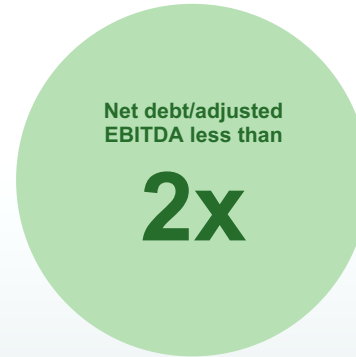
Maintain 100% focus on PCBs with an Asset Light model

INCREASE MARKET SHARES

Increase market shares and deepen customer relationships in existing markets

FINANCIAL TARGETS

This is where we are aiming





Questions?

Financial calendar 2024

Thursday, 15 Feb
Wednesday, 10 April

Q4 report
Annual Report 2023

Thursday, 25 April
Wednesday, 8 May 2024
Tuesday, 23 July
Tuesday, 5 November

Q1 Report 2024
AGM
Q2 report
Q3 report

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