



## ICAPE GROUP REPORTS 2023 FULL-YEAR RESULTS CONFIRMING ITS PROFITABILITY IMPROVEMENT TRAJECTORY

- **EBITDA and EBIT margins increased to 7.7% vs. 6.6% in 2022 and to 5.0% vs. 4.5%**
- **Significant increase in operating cash flow to €8.2 million vs. €3.0 million in 2022 due to improved change in WCR**
- **Continuation and reinforcement of the operating cost rationalization policy**
- **Reaffirmation of all Group growth and profitability targets**
- **Proposal to distribute a dividend of €0.20 per share, i.e. a distribution rate of 39% of net income**

**Fontenay-aux-Roses, France, March 27, 2024, 08:00 am** – The ICAPE Group (ISIN code: FR001400A3Q3 - Ticker: ALICA), a global technology distributor of printed circuit boards ("PCB") and custom-made electromechanical parts, today announced its results for the year ended December 31, 2023, as approved by the Board of Directors on March 26, 2024.

**Yann DUGOU, ICAPE Group's CEO**, stated: *"The crisis in the components market during the pandemic, the shortage of containers, and various other factors pushed industrial companies to increase their orders as a precaution against possible shortages. After the pandemic, 2023 was a year of general decline for the global PCB market, largely due to this overstocking and the economic slowdown. Despite these adverse conditions, we managed to close the 2023 financial year with an improved EBIT margin. This performance, which reflects the deployment of purchasing synergies from acquisitions made since 2021, can also be seen at operational level, thanks to our policy of strict cost control. Our main financial indicators are showing significant progress, demonstrating the adaptability and resilience of our business model. Various signs point to the end of the downturn and, in 2024, the Group intends to reactivate its growth momentum while continuing to improve profitability, in particular by stepping up the rationalization of general operating costs. The Group's efforts will also focus on further improving WCR to strengthen cash generation. In addition, we recorded an increasing number of new references in 2023, a guarantee for our future growth. On these solid foundations, we are in a position to reiterate all our growth and profitability targets."*

## Simplified income statement

In €m (IFRS standards)	2022	2023	Var.
<b>Revenue</b>	<b>219.6</b>	<b>179.5</b>	<b>-18.3%</b>
<i>% growth</i>		-18.3%	
<i>Cost of goods sold</i>	(157.4)	(121.1)	-23.1%
<i>Transport</i>	(11.3)	(7.4)	-34.7%
<i>Agent fees</i>	(1.3)	(1.3)	+2.8%
<i>Payroll costs</i>	(26.5)	(25.8)	-2.6%
<i>G&amp;A</i>	(8.6)	(10.2)	+18.5%
<b>EBITDA</b>	<b>14.6</b>	<b>13.7</b>	<b>-5.6%</b>
<i>% revenue</i>	6.6%	7.7%	+1.0 pt
<i>D&amp;A of operating assets</i>	(3.7)	(3.8)	+0.4%
<b>EBITA</b>	<b>10.8</b>	<b>10.0</b>	<b>-7.7%</b>
<i>% revenue</i>	4.9%	5.6%	+0.6 pt
<i>D&amp;A of intangible assets related to acquisitions</i>	(0.9)	(1.1)	+24%
<b>EBIT</b>	<b>10.0</b>	<b>8.9</b>	<b>-10.4%</b>
<i>% revenue</i>	4.5%	5.0%	+0.4 pt
<i>Other income and expenses</i>	0.1	(0.4)	n.a
Financial Result	(2.3)	(2.3)	-2.1%
Income Tax	(0.4)	(1.1)	+141.2%
Income from discontinued activities	(2.0)	(1.0)	-49.2%
<b>Net Income</b>	<b>5.3</b>	<b>4.2</b>	<b>-20.1%</b>
<i>% revenue</i>	2.4%	2.4%	0.1 pt

## Improving profitability in an adverse environment

As of December 31, 2023, the Group's revenue amounted to €179.5 million, down 18.3% compared to 2022. The deflationary effects on PCB manufacturing prices in China in 2023 accounted for around 45% of this decline. Falling global demand for electronic products and the environment of high central bank interest rates in the West explain the fall in order volumes, which accounted for 55% of this decline of revenue.

The ICAPE business, dedicated to the distribution of PCB, represented 83% of full-year revenue, and the CIPEM business, dedicated to the distribution of electromechanical parts, accounts for 17%.

At the end of December 2023, the ICAPE Group recorded an order backlog of €50.9 million.

The policy of activating purchasing synergies, enabled by the M&A strategy pursued by the Group, contributed to optimize the weight of purchases consumed over the period, both in value and as a proportion of revenue (67.5% in 2023 vs. 71.7% in 2022). This improvement,

together with a reduction of almost 35% in transportation fees over 2023, enabled the Group to stabilize its gross margin in value, at €49.8 million.

Payroll costs are slightly down by 2.6% compared with 2022, reaching €25.8 million. This reduction is due to the rationalization of organizations following the various integrations. Administrative expenses, on the other hand, are up by 18.5%, due to a broader scope of activity than in 2022 and costs associated with the rationalization of the Group's legal structure.

In line with the improved gross margin as a percentage of revenue, and thanks to the success of the cost control strategy, EBITDA and EBITA rose slightly as a percentage of revenue, by around 1 point for the former and 0.6 for the latter. EBIT follows the same trend, rising as a percentage of revenue by 0.4 points to 5.0%, for a total of €8.9 million, compared with €10.0 million in 2022.

After considering financial income of -€2.3 million, stable compared with 2022, a higher tax charge of - €1.1 million, and net income from discontinued operations of - €1.1 million, net income reached €4.2 million on December 31, 2023, compared with €5.3 million in 2022, remaining stable as a percentage of revenue.

As of December 31, 2023, the ICAPE Group's gross cash position improved significantly to €32.7 million, compared with €27.9 million at the end of 2022, thanks in particular to a significant improvement in WCR. Financial debt amounted to €49.2 million, compared with €36.0 million at the end of 2022, bringing the Group's net debt as of December 31, 2023, to €16.5 million, compared with €8.0 million a year earlier. This increase stems from the successful placement in December 2023 of a €47 million financing package, including €41 million in senior debt (€21 million as a Refinancing Loan and €20 million external growth credit facility) and €6 million in Recovery Bonds, with a pool of 9 European banks. These new resources, which testify to the trust of the Group's financial partners, reinforce the Group's short- and medium-term external growth strategy.

## 2023 Highlights

In 2023, the ICAPE Group pursued its policy of offensive external growth, reinforcing its role as a key technological expert in the supply chain for printed circuit boards and custom-made electromechanical parts, with the following acquisitions:

- FIMOR Electronics, French distributor of custom-made technical parts;
- HLT, German PCB distributor;
- Princitec, a high value-added German supplier of PCB;
- PCB Solutions, Ustek Incorporated and Nujay Technologies Inc, three US companies specialized in PCB trading in the United States for over twenty years;
- Bordan, a German supplier specializing in the design of custom-made technical parts.

These various operations were 85% financed from the Company's own funds and integrated to various ICAPE Group subsidiaries.

In parallel with these acquisitions, the ICAPE Group strengthened its fundamentals in 2023. On one hand, by consolidating its supply chain through the deployment of a new European logistics solution in Modena (Italy), a strategic location, and, on the other, by diversifying its sources of supply and investing in its network of factories.

## Post-closing events

On February 12, 2024, the ICAPE Group announced the acquisition of the operating assets of Italian distributor P.C.S. and the design company Studio E2. Like all the Group's acquisitions, P.C.S. offers strong potential in terms of purchasing and commercial synergies with the Group's local subsidiary, while benefiting from a high level of profitability. The integration of

Studio E2 completes the already extensive range of services provided by the ICAPE Group to its customers, with the addition of printed circuit board design. The Group thus now enjoys proven expertise across the entire printed circuit board value chain, from design to delivery to the end customer.

### **Dividend distribution policy**

The ICAPE Group intends to continue its dividend distribution policy initiated in 2022. To this end, the Board of Directors decided to propose to the Annual General Meeting to be held on Wednesday, May 22, 2024, the distribution of an ordinary dividend in respect of the 2023 financial year of €0.20 per share, representing 39% of the consolidated net income generated in 2023. The detachment date for this dividend is scheduled for June 19, 2024, with payment on June 21, 2024.

### **Reaffirmation of growth and profitability financial targets**

As announced with the publication of 2023 full-year revenue on February 8, 2024, the objective of achieving revenue of around €500 million by 2026 is now expected to be achieved in the medium term, due to the persistence of an adverse economic environment. However, as the fundamentals remain strong, the Group reaffirms all its targets for 2026, namely:

- an average annual organic growth rate of 10% between 2023 and 2026;
- around €120 million in additional revenue from external growth between July 1<sup>st</sup>, 2023, and the end of 2026;
- an EBIT margin of around 9.5% by 2026.

The Board of Directors of Icape Holding, which met on March 26, 2024, reviewed and approved the Group's consolidated financial statements for the year ended December 31, 2023. The audit procedures have been performed and the audit report relating to the certification is in the process of being issued.

### **Information available on the Company's website**

The 2023 full-year financial report will be available on April 5, 2024 on the Company's website.

### **Next Financial release**

- **2024 First Quarter Revenue**, Wednesday, May 15<sup>th</sup>, 2024, after market close

## About the ICAPE Group

Founded in 1999, the ICAPE Group acts as a key technological expert in the PCB and technical parts supply chain. With a global network of 35 subsidiaries and a major presence in China, where most of the world's PCB production is done, the Group is a one-stop-shop provider for the products and services which are essentials for customers. As of December 31, 2023, the ICAPE Group recorded a consolidated revenue of €179.5 million.

For more information: [icafe-group.com](https://www.icafe-group.com)

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## Appendices – Financial Statements (IFRS)

### CONSOLIDATED BALANCE SHEET

<i>in €m (IFRS standards)</i>	<b>2022</b>	<b>2023</b>
Goodwill	20.9	23.7
Intangible Assets	16.4	23.3
Tangible Assets	3.7	3.8
Other non-current assets (incl. Rights of use)	9.3	7.5
<b>Total fixed Assets</b>	<b>50.4</b>	<b>58.2</b>
Inventories	13.9	11.4
Accounts Receivable	45.3	41.9
Other Receivables	1.2	1.5
Cash	28.0	32.7
<b>Total Current Assets</b>	<b>88.3</b>	<b>87.5</b>
<b>Total Assets to be Divested</b>	<b>6.0</b>	<b>5.1</b>
<b>Total Assets</b>	<b>144.7</b>	<b>150.8</b>
Equity	20.0	19.8
Reserves	3.0	7.1
Net Income / (loss)	5.5	4.5
Shareholdings	0.6	0.3
<b>Total Equity</b>	<b>29.1</b>	<b>31.7</b>
Loans and financial liabilities (incl. non-current leases)	43.6	59.5
Trade and other payables	56.6	48.7
Other liabilities	12.1	9.4
<b>Total Liabilities</b>	<b>112.2</b>	<b>117.5</b>
<b>Total Liabilities to be Divested</b>	<b>3.5</b>	<b>1.6</b>
<b>Total Liabilities and Equity</b>	<b>144.7</b>	<b>150.8</b>

CONSOLIDATED CASH FLOW STATEMENT

<i>in €m (IFRS standards)</i>	<b>2022</b>	<b>2023</b>
Net Income	5.3	4.2
Depreciation and amortization	3.3	5.4
<b>Operating cash flow after cost of net financial debt and tax</b>	<b>8.6</b>	<b>9.6</b>
Less tax and expenses (income)	0.2	-1.1
Less cost of net financial debt	0.7	0.9
<b>Operating cash flow before cost of net financial debt and tax</b>	<b>9.5</b>	<b>9.4</b>
Change in working capital requirements	-6.7	-1.2
Other Operating Impacts	0.2	0
<b>Cash flows from operating activities</b>	<b>3.0</b>	<b>8.2</b>
Purchases of subsidiaries	-16.5	-11.2
Acquisition /disposal of tangible and intangible assets	-4.5	-1.6
Other impacts of investment operations	0	-2.5
Other impacts of Investments	0.6	0.2
<b>Cash Flow from Investing Activities</b>	<b>-20.4</b>	<b>-15.2</b>
Increase (decrease) in capital	17.7	0
Net Sales of treasury shares	-0.2	-0.1
Long-term debts of issuance	16.0	45.6
Repayments of long-term debts	-13.5	-30.3
Financial interests paid	-0.9	-1.7
Dividends	0	-1.6
<b>Cash flows from investing activities</b>	<b>19.0</b>	<b>11.8</b>
Foreign currency effects and IFRS 5	0.5	-0.1
<b>Change in Cash</b>	<b>2.0</b>	<b>4.7</b>
Cash at the beginning of the period	25.9	27.9
Cash at the end of the period	27.9	32.7