



ICAPE HOLDING ANNOUNCES THE APPROVAL OF ITS REGISTRATION DOCUMENT BY THE FRENCH FINANCIAL MARKET AUTHORITY (AMF) AND ITS PLANNED IPO ON EURONEXT GROWTH® IN PARIS

- **One of the world's leading distributors of printed circuit boards, positioned on high-value-added market segments**
- **2021 revenues of €169 million, up by an increase of 34% versus 2020**
- **A worldwide organization, structured and scaled to absorb a new major growth phase**
- **Strong organic growth track record, now complemented by a targeted bolt-on acquisitions strategy**
- **Share capital wholly owned by the Group's founder, management and employees**
- **A robust growth model and favourable market trends underpinning ambitious commercial and financial objectives, including revenues of around €500 million by 2026**

Fontenay-aux-Roses, 20 April 2022 – ICAPE Holding, a worldwide technical provider of printed circuit boards, announces the approval of its registration document by the French financial markets authority (*Autorité des Marchés Financiers* - AMF) under number I.22-008 on 19 April, 2022.

The approval of the registration document marks the first step in ICAPE Holding's proposed Initial Public Offering on Euronext Growth® in Paris. The IPO remains subject to the AMF approval of the prospectus relating to the offering and the admission of ICAPE Holding's shares to trading on Euronext Growth® in Paris, as well as favourable market conditions.

Thierry Ballenghien, ICAPE Group's Founder and Chairman, said: *"For more than 20 years, ICAPE Group has been providing its customers with full services, acting as their single point of contact covering the whole printed circuit board (PCB) distribution chain. PCB are essential components for the vast majority of industries manufacturing daily used electronic products and over half of the world's PCB production is now located in China¹, where ICAPE Group has developed a major presence since its creation. The solid, balanced partnerships we have formed with Chinese suppliers give us a key advantage in serving the large*

¹ Prismark Partners LLC February 2022 estimates, "The Printed Circuit Report, Fourth Quarter" by Prismarck Partners LLC, February 2022.

international customer base we have developed over the years, allowing us to offer a broad range of products and services, combined with a well-known technical expertise. We have built a highly structured global organization, benefiting from a robust logistics platform and reinforced by the expertise of our procurement and sourcing office in China, which is a major pivotal component of the Group as it is located in the heart of China's main hub for the electronics industry. Based on these solid fundamentals and the support of our expert management team together with highly committed employee shareholders, ICAPE Group has been able to consistently deliver strong growth for more than 20 years, resulting in revenue of €169 million in 2021. The current pandemic has made clear that customers need to secure their PCB sourcing, and this has given us a further boost to our growth momentum. With this planned IPO, we are inviting you to take part in a new chapter in the Group's history, which will capitalize on its solid business model to generate an even stronger profitable growth in the coming years."

Cyril Calvignac, ICAPE Group's CEO, added: *"In a context of market consolidation supported by very favourable global trends, ICAPE Group's planned IPO will enable us to accelerate our ambitious external growth strategy. With a first track record of acquisitions achieved in 2021, we are planning to seize new external growth opportunities which have already been identified around the world, in order to increase our market leadership. At the same time, we are pursuing our long-standing strategy of strong organic growth, as well as optimizing our organization and synergies to increase profitability. Our financial targets notably include a dividend payout policy of 30% in the next few years."*

A worldwide technical provider of PCB

ICAPE Group was founded in 1999 and over the years has evolved into a leading distributor of printed circuit boards ("PCB") for small and medium volumes. It is one of the world's largest players in its market. In 2021, the Group generated consolidated revenues of €169 million, up by 34.1% compared with 2020.

Supported by favourable structural trends and a strong expertise in the PCB market, ICAPE Group has many major strengths to start a new period of strong growth.

An ideal position in a large and steadily growing market

PCB are essential components of the electronic industry's value chain and central to many industries manufacturing daily used products, such as automotive, consumer products, telecoms, computers, medical devices and connected objects.

The global market for PCB worthed \$68.5 billion in 2021 and is likely to grow at an average rate of 3.7% per year between 2021 and 2025², increasing its size up to \$79.4 billion by 2025. The market has a number of solid growth drivers, such as the growing pace of digital transition, the deployment of major new technologies (5G, e-mobility, connected objects, artificial intelligence), energy transition and increasing demand for equipment in emerging and developing countries.

As a specialist distributor of PCB, ICAPE Group benefits from a critical size, a strong and long-standing presence in China and an ideal position in order to carry on acquisition of new market shares.

This prime position results notably from the structural lack of PCB production capacity in Europe and the US, following the transfer of production facilities from those regions to Asia, and particularly to China over the last 30 years. In 2021, Asia – including China, Japan, Taiwan and South Korea – represented an estimated 93.4%³ of global PCB production (in value

² Technavio, October 2021, Printed Circuit Board Market by Product, End-user and Geography - Forecast and Analysis 2021-2025.

³ Prismark Partners LLC February 2022 estimates, "The Printed Circuit Report, Fourth Quarter" by Prismarck Partners LLC, February 2022.

terms). China alone accounted for 54.2%⁴ of global production, leading favourably to the development of intermediaries with a solid base in China such as ICAPE Group.

A key technical expertise in the PCB supply chain

Supported by a group of PCB specialists, ICAPE Group provides its clients with a comprehensive, turnkey PCB distribution services. It acts as a one-stop-shop and a single point of contact for its clients, handling the entire distribution chain including supplier selection and quality control, production monitoring, price optimisation, engineering and design assistance, as well as logistics management and optimisation.

The Group also stands out from its competitors through the extensive range of products and technologies it offers to its clients, which are divided into four categories:

- the distribution of **printed circuit boards**, which is its core business,
- the distribution of **custom-made electromechanical components**, which enlarge the Group's product offer,
- the distribution of **complete electronic products**, and
- the electronic assembly for the production of **prototypes and small batches**.

With its unique position as an intermediary between clients operating all over the world and suppliers based mainly in China, ICAPE Group offers a range of services that are essential for both sides. For its clients, the Group reduces both sourcing and logistics costs and time to market, while also ensuring the conformity and quality of products. Suppliers, meanwhile, benefit from the order consolidation, leading to larger volumes, and get access to the worldwide market resulting from ICAPE Group's global commercial organization.

A structured global organization with a major presence in China

ICAPE Group has created a global platform in order to serve its customers all around the world. This platform generated almost 88% of its consolidated revenue outside of France in the year ended 31 December 2021.

Therefore, the Group has more than 560 employees among 27 commercial subsidiaries and two service offices in China. In 2021, the Group delivered products to more than 2,000 customers in 63 countries. It has a local presence in 20 countries and a network of 75 qualified, approved and closely monitored suppliers⁵. The network is constantly being adjusted in order to connect customers with suppliers that are ever more competitive and focused on quality. ICAPE Group has a comprehensive, robust logistics organization comprising 10 local logistics platforms across all continents. It offers customers an express delivery service for PCB and custom-made technical components, alongside its e-commerce websites. It also has two laboratories for analysis, quality control and testing operations in China and in the United States.

The Group also operates two services offices and a laboratory located in the centre of the main hub for the Chinese electronics industry, along with a logistics platform in Hong Kong. These established positions provide a genuine competitive and strategic advantage over its competitors, allowing the Group to position itself as a major intermediary in the commercial relationship between Chinese suppliers and its international customer base. Those customers are very loyal, since 70% of them have been buying from the Group for more than five years.

⁴ Prismark Partners LLC February 2022 estimates, "The Printed Circuit Report, Fourth Quarter" by Prismarck Partners LLC, February 2022.

⁵ 28 for the ICAPE business and 47 for the CIPEM business.

A track record of strong organic growth

The Group's development model is based on a long and complex supplier selection process resulting in strong resilience from customers, thus setting high entry barrier for potential new entrants to its market. Existing customers have an incentive to use the same supplier for all of their orders. In addition, ICAPE Group is mainly fables⁶: expenditure on property, plant, equipment and intangible assets is low, representing around 1.25% of 2021 revenue.

On this basis, the Group has organically grown at an average annual rate of 19.1% since its creation⁷, and has seamlessly run and grown its business through the various crises that have occurred over the past 20 years. The Group's stable revenue between 2018 and 2020 despite a succession of exceptional crises (US/China trade war, slowdown in the automotive industry and global Covid-19 pandemic) proves the resilience of the Group's business model. In 2021, the Group revenue resumed growing organically by over 30%.

A pro-active, structured CSR approach awarded by a non-financial rating well above the industry average

As part of its planned IPO, ICAPE Group has decided to gain recognition for its commitment to CSR by requesting an Ethifinance rating. Its ESG score of 73/100 is a testimony of an advanced level of maturity, and is around twice the average score in its sector⁸ (34/100)⁹.

The Group's initiatives and commitments in the environmental, ethical and sustainability fields mainly include:

- the set-up and enforcement of an Environment and Ethics Code created in 2007 for the Group's suppliers, to ensure that they duly protect the environment, comply with international labour law and anti-corruption rules, and have good working conditions in their plants,
- a CSR structure reporting directly to the Group's Executive Committee, tasked for carrying out a detailed analysis of internal practices and developing an action plan in response,
- the creation of Icape Planète Bleue Corporate Foundation in early 2021 with an allocated budget of €1.5 million over the next five years with aims to pursue public-interest initiatives in the social, environmental, educational and humanitarian fields, in connection with the maritime world and for the ocean protection.

A planned IPO intended to strengthen an ambitious external growth strategy

The Group's strategy is built on three pillars. Firstly, the Group intends to maintain its strong, well-structured organic growth, supported by the Group's proven competitiveness. The second part of the strategy involves enhancing the Group's organization through operational initiatives aiming to improve profitability, including better amortization of fixed costs and human investments, and the adoption of new, stricter margin monitoring processes.

Thirdly, in a context of market consolidation, the Group intends to complete its organic investment strategy with acquisitions, and for that purpose has set up an internal M&A department. This new external growth policy is mainly targeting mid-sized companies (with revenue of less than €20 million), with a large portfolio of local customers and displaying a gross margin of over 25%, while being profitable at the recurring operating income level and

⁶ Without fabrication plants or units.

⁷ The Group's compound annual growth rate (CAGR) between 2001 and 2021, based on the Group's 2021 revenue excluding acquisitions.

⁸ Service and technology companies with fewer than 500 employees.

⁹ Ethifinance assessment based on 2021 figures and the Group's responses to the GaiaResearch questionnaire.

at the same time offering prospects of major synergies with the Group in terms of purchasing and sales activities.

Since its creation in 2021, the M&A department has completed seven acquisitions¹⁰, demonstrating the rapid build-up of the Group's strategy in this area. The five acquisitions completed in 2021 added €11.8 million to the Group's revenue last year¹¹. The last two acquisitions, completed in 2022, represent full-year revenues of €18.8 million. ICAPE Group expects strong synergies from these acquisitions, particularly from the most recent ones completed in the second half of 2021.

In order to accelerate its external growth strategy, the Group intends to capitalize on its global database which was implemented early 2021 by all of the Group's teams, and which includes today 450 identified targets, 100 targets contacted and 21 targets under discussion. To date, 10 international targets are in advanced discussions, for a potential of approximately €73.5 million in additional revenues.

Solid financial guidelines

ICAPE Group's ambitions are illustrated by several commercial and financial short- and medium-term targets:

	2022	2024	2026
Sales	~ €230 million		~€500 million
Annual organic growth¹²	-15%¹³	over 10% per year (23-24)	~8-10% per year (25-26)
External growth	~€35 million	~€30 million per year (23-24)	~€20 million per year (25-26)
Gross margin¹⁴	~22.5%	~23.5% in 2024 (+50 basis points/year)	~24.0%/year (2025-2026)
EBIT margin¹⁵	~4.5%	~8.0%	~9.5%
Dividend policy: pay-out ratio of c.30%			

¹⁰ Excluding acquisition by the Group in January 2022, through its German subsidiary Icape Deutschland, of the main assets of its German agent Birkner, with whom it shared a margin

¹¹ On a full-year basis.

¹² The organic growth rate here refers, for each year n, to the growth rate for year n calculated on the basis of the scope of consolidation at December 31 of year n-1

¹³ Based on the Group's scope at 1 January 2022

¹⁴ Gross margin refers here to gross sales margin, an alternative performance indicator within the meaning of AMF position no. 2015-12, which is equal to the Group's consolidated revenues adjusted for cost of sales. The cost of sales, an alternative performance indicator within the meaning of AMF position no. 2015-12, includes the following items: (i) purchases consumed, (ii) transport costs (included in "external expenses" in the income statement) and (iii) remuneration for agents' fees (included in "external expenses" in the income statement)

¹⁵ Earnings Before Interest and Taxes is the difference between a company's operating income and expenses. It corresponds to the result achieved through the usual use of the company's production factors. It is therefore operating income before other non-recurring operating income and expenses

Availability of the registration document

ICAPE Group's registration document is available from the Company's website dedicated to the operation (www.icape-finance.com) and AMF's website (www.amf-france.org/). It can also be obtained free of charge upon request from ICAPE Group, 33 avenue du Général Leclerc, 92260 Fontenay-aux-Roses, France.

Risk factors

The Company would like to draw potential investors' attention to Chapter 3 "Risk Factors" contained in the registration document approved by the AMF.

About ICAPE Group

Founded in 1999, ICAPE Group acts as a key technological expert in the PCB supply chain. With a global network of 27 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. In 2021, ICAPE Group generated consolidated revenue of €169 million.

For more information, visit www.icape-group.com

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any other circumstances, not requiring the Company to publish a prospectus as provided under Article 1(4) of the Prospectus Regulation; and provided that none of the offers mentioned in paragraphs (i) to (iii) above requires the publication of a prospectus by the Company pursuant to article 3 of the Prospectus Regulation, or a supplement to the Prospectus Regulation pursuant to article 23 of the Prospectus Regulation.

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