



ICAPE GROUP ANNOUNCES ITS 2023 HALF-YEAR REVENUE AND GROSS MARGIN

- Revenue of €94.1 million in the first half of 2023, impacted by an adverse industrial context
- Gross margin improved to €24.2 million, representing 25.7% of revenue, because of changes in the product mix and improved operating efficiency
- Consolidating cash position for future acquisitions
- Continued post-integration synergies from acquisitions
- Reaffirmation of 2024 and 2026 objectives

Fontenay-aux-Roses, France, 5:45 p.m. CEST on July 26, 2023 - ICAPE Group (ISIN code: FR001400A3Q3 - Ticker: ALICA), a global technology distributor of printed circuit boards ("PCB"), today announced its 2023 half-year revenue and gross margin.

Yann Duigou, ICAPE Group's CEO, stated: *"The first six months of 2023 once again provided an opportunity to demonstrate the resilience of our business model in an adverse economic climate, as evidenced by the deterioration in industrial production indexes and leading us to revise our organic growth objective for this year. In fact, we were able to continue improving our gross margin, a remarkable performance given the economic conditions experienced by the sector which fully illustrates the relevance of the Group's strategy, based on a high value-added proposition and tangible synergies thanks to an offensive acquisition policy. The integration of the acquisitions made over the past two years is progressing well, and the resulting synergies are gradually coming on stream, with the potential to generate additional profitable revenue in the short to medium term. These various factors, coupled with a consolidating cash position, enable us to reaffirm all our objectives for 2024 and 2026."*

2023 half-year financial information

| In €m (IFRS standards) | H1 2022 published | H1 2022 restated ¹ | H1 2023 ¹ | Var. restated ¹ |
|------------------------|----------------------|----------------------------------|----------------------|-------------------------------|
| Revenue | 110.2 | 106.5 | 94.1 | -11.7% |
| <i>COGS</i> | -87.4 | -85.3 | -69.9 | -18.0% |
| Gross Margin | 22.8 | 21.3 | 24.2 | +13.6% |
| <i>% revenue</i> | 20.7% | 20.0% | 25.7% | +5.7 pts |

In the first half of 2023, Group revenue came to €94.1million, down 11.7% compared with the first half of 2022, restated for the disposal of the DIVSYS business in the United States and the Russian subsidiary. As explained at the time of publication of 2023 first quarter revenue, the adverse economic environment, marked by multiple exogenous factors (in particular, rising interest rates, persistent inflation, prolongation of the war in Ukraine and the components crisis), explains this level of activity.

The evolution of the product mix, including a greater proportion of higher-margin, smaller-volume orders, coupled with enhanced operating efficiency resulting from the acquisitions achieved, supported the fall in cost of goods sold to €69.9 million over the period, compared with €85.3 million in the first half of 2022. This strategy enabled the Group to improve its gross margin by +13.6% over the period, adjusted for the DIVSYS assets in the United States and the Group's Russian subsidiary currently being sold, to €24.2 million in 2023 first half-year, representing 25.7% of revenue.

Consolidating the Group's cash position for future acquisitions

At the end of June 2023, the Group received unanimous agreement from its banking syndicate to release a further €13 million in financing. With the consolidating of its cash position, the Group, which intends to pursue its external growth strategy, has already entered into advanced discussions with several international targets meeting the following criteria:

- moderate size;
- a large portfolio of local customers;
- a gross margin higher than 25% while remaining profitable;
- strong potential for commercial synergies with the Group.

Reaffirmation of 2024 and 2026 objectives

The current unfavourable environment, characterized by persistently high inventory levels among all industry players as well as numerous macro-economic trends impacting the PCB distribution sector, requires the Group to update its 2023 organic growth objective. ICAPE Group will therefore be unable to achieve organic growth in 2023 (vs. over 10% for 2023 and

¹ Including IFRS restatements related to the disposal of the Russian subsidiary and DIVSYS US

2024 as communicated within the framework of the IPO), while remaining confident in its external growth objective for 2023 of an additional €30 million in revenue.

In addition, the Group's strategy of capitalizing on a more favorable product mix and greater operating efficiency thanks to the acquisitions concluded over the past two years should generate a greater-than-expected improvement in gross sales margin. With its track-record of acquisitions and a continuing strong pipeline of targets for 2023 and beyond, ICAPE Group therefore expects to record a gross sales margin in 2023 of around 25.0%.

The Company also reaffirms all its other objectives announced for 2024 and 2026 as set out in its registration document, namely:

- revenue of around €500 million by 2026;
- more than 10% organic growth in 2024 and between 8 and 10% organic growth per year in 2025 and 2026;
- around €30 million of additional revenue per year through external growth in 2023 and 2024;
- around €20 million of additional revenue per year through external growth in 2025 and 2026;
- a gross margin of around 23.5% in 2024 and around 24.0% in 2026;
- an EBIT margin of around 8% in 2024 and around 9.5% in 2026.

Next financial release

- **2023 Half-Year Results**, on Wednesday, September 27, 2023, before market opening

About ICAPE Group

Founded in 1999, ICAPE Group acts as a key technological expert in the PCB 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, 2022, ICAPE Group recorded a consolidated revenue of nearly €220 million.

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

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