



ICAPE GROUP ANNOUNCES STRONG IMPROVEMENT IN 2023 HALF-YEAR RESULTS

- **EBITDA margin up significantly by +3.4 basis points to 7.5% and operating income up 78% to €4.8 million**
- **Significant increase in net income, +118%**
- **Advanced discussions with several potential targets as part of the Group's external growth strategy**
- **Continuation of the Group's development trajectory, in line with the profitability indicators communicated within the framework of the IPO**

Fontenay-aux-Roses, France, 7:30 am CEST September 27, 2023 – ICAPE Group (ISIN code: FR001400A3Q3 - Ticker: ALICA), a global technology distributor of printed circuit boards ("PCB"), today announced its half-year results for the first half of 2023, ended on June 30, 2023, and approved by the Board of Directors on September 26, 2023.

Yann Duigou, ICAPE Group's CEO, stated: *"ICAPE Group delivered a notable performance in the first half of the year, with a marked improvement in results despite the difficult context that affected the whole sector. Despite the current industrial environment, we maintain our profitability indicators while pursuing our growth trajectory. Achievements in the first half are the result of the gradual activation of synergies arising from our acquisition strategy. With a stronger cash position, ICAPE Group intends to pursue this policy of external growth, which will provide us with substantial additional revenue in the short and medium term. Advanced discussions are in progress with several players in the PCB industry, some of which should be finalized before the end of 2023."*

Simplified income statement

In €m (IFRS)	H1 2022	H1 2023	Var.
Revenue	107.5	94.5	-12.1%
<i>% growth</i>		-12.1%	
<i>Cost of goods sold</i>	(79.8)	(65.1)	(18.4%)
<i>Transportation fees</i>	(5.8)	(4.3)	(25.9%)
<i>Agent fees</i>	(0.6)	(0.7)	16.7%
Gross Margin	21.3	24.4	14.6%
<i>% revenue</i>	19.8%	25.8%	
<i>Salary</i>	(12.2)	(13.1)	(7.4%)
<i>G&A</i>	(4.7)	(4.2)	(10.6%)
EBITDA	4.4	7.1	61.4%
<i>% revenue</i>	4.1%	7.5%	
<i>D&A</i>	(1.7)	(2.3)	35.3%
Current operating income	2.7	4.8	77.8%
<i>% revenue</i>	2.5%	5.1%	
<i>Other operating income and expenses</i>	(0.9)	(1.0)	(10.0%)
EBIT	1.7	3.9	133.5%
<i>% revenue</i>	1.6%	4.1%	
<i>Financial result</i>	(0.8)	(1.3)	62.5%
<i>Income before tax</i>	(0.3)	(1.1)	266.7%
<i>Income tax</i>	0.3	0.4	33.3%
Net income	0.9	1.9	118.4%
<i>% revenue</i>	0.8%	2.0%	

Commercial activity and financial results

As of June 30, 2023, half-year revenue went down by 12.1% compared to the first half of 2022 and reached €94.5 million, restated for the disposal of DIVSYS activities in the United States and of the Russian subsidiary. An unfavorable economic context, which impacted the entire industry, justifies this lower level of activity. According to the latest study published by Prismark¹, its evolution remains significantly higher than that of the PCB market, which declined by 20.9%.

¹ PrismarkPartners LLC, The Printed Circuit Report, August 2023

The evolution of the product mix, together with enhanced operating efficiency following the acquisitions made, ensured a reduction in the cost of good sold, and enabled the Group to record an increase in its gross margin of +6 basis points over the period, restated for assets being sold, to €24.4 million in the first half of 2023, representing 25.8% of revenue.

Expenses allocated to salary amounted to €13.1 million, up by 7.5% compared to the first half of 2022, reflecting the various acquisitions made over the past two years. At the same time, administrative expenses fell by a net 10.6% to €4.2 million, reflecting the Group's improved operating efficiency.

Taking all these factors into account, EBITDA margin improved by 3.4 basis points over the period, to 7.5%. Operating income recurring and net income are on a similar positive trajectory, reaching €4.8 million (+78%) and €1.9 million (+118%) respectively by the end of June 2023.

As of June 30, 2023, the Group's cash position stood at €25.3 million, consolidated by the unanimous agreement obtained from its banking syndicate to release €13 million in financing, of which €5 million had been drawn down by June 30, 2023. With financial debts of €48.9 million, ICAPE Group had net financial debt of €23.6 million as of June 30.

2023 first-half highlights and post-closing events

On June 19, 2023, ICAPE Group announced the strengthening of its governance with the appointment of Mr. Yann Duigou as Chief Executive Officer, the extension of the scope granted to Ms. Shora Rokni, appointed Chief Strategy and M&A Officer, the appointment of Mr. Arnaud Le Coguic as Chief Financial Officer and that of Ms. Bingling Li Sellam as Chief marketing Officer.

In line with the strategy presented within the framework of its IPO, the Group also pursued its policy of selective acquisitions during the first half of 2023. Fimor Electronics, a French manufacturer of human-machine interface solutions and distributor of custom-made technical parts, and Heissenberger Leiterplattentechnik, a German PCB distributor, joined ICAPE Group and were integrated into accounts as of January 1st, 2023. Princitec, a German high value-added supplier of PCB, was acquired in September 2023 and integrated into the Group's accounts from September 1st, 2023.

The Group intends to pursue its external growth strategy, and discussions are at an advanced stage with several targets meeting the following criteria:

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

Continuation of the Group's development trajectory, in line with the profitability indicators communicated within the framework of the IPO

As announced on the occasion of the announcement of 2023 1st half-year revenue on July 26, 2023, ICAPE Group considers that it will not be able to achieve organic growth in 2023 due to the current unfavorable environment and has therefore revised its organic growth target for this year. However, ICAPE Group remains fully confident in its external growth objective for the current year, namely the acquisition of an additional €30 million in revenue. Moreover, a more favorable product mix and improved operating efficiency thanks to the acquisitions concluded over the past two years should enable the Group to record a gross margin of around 25.0% in 2023. The gross margin indicator will no longer be the subject of specific communication in the future, as this decision was taken in order not to disrupt commercial

relations with the Group's existing and future partners. Consequently, from 2024 onwards, this indicator will no longer be communicated in revenue releases, and is no longer included in the Group's targets.

The Company maintains all its other indicators for 2026, namely:

- revenue of approximately €500 million by 2026 (unchanged);
- an average annual organic growth rate of 10% between 2023 and 2026 (vs. over 10% organic growth in 2024 and between 8 and 10% organic growth per year in 2025 and 2026);
- around €120 million in additional revenue from external growth by 2026² (vs. around €30 million in additional revenue per year from external growth in 2023 and 2024, and around €20 million in additional revenue per year in 2025 and 2026);
- an EBIT margin of around 9.5% by 2026 (vs. an EBIT margin of around 8% in 2024 and around 9.5% in 2026).

Next financial press release

- **2023 Third-Quarter Revenue**, on Wednesday, October 25, 2023.

About ICAPE Group

Founded in 1999, ICAPE Group acts as a key technological expert in the PCB supply chain. With a global network of 36 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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² From July 1, 2023 to the end of 2026

Appendices – Financial Statements (IFRS)

CONSOLIDATED BALANCE SHEET

In €m (IFRS)	H1 2022	H1 2023
Goodwill	11.8	23.3
Intangible assets	9.7	16.4
Tangible assets	2.1	3.8
Rights of use	6.7	6.4
Financial assets	1.5	1.4
Total non-current assets	31.8	51.3
Inventories	14.6	11.4
Accounts receivable	47.8	45.0
Other debtors	1.8	1.5
Cash	16.1	25.3
Total current assets	80.3	83.2
Total assets classified as held for sale	7.1	5.0
Total Assets	119.2	139.5
Equity	2.3	3.2
Reserves	3.0	23.1
Foreign exchange reserves	0.6	-0.2
Profit/(loss)	1.0	2.4
Equity interests	0.8	0.2
Total Equity	7.7	28.7
Borrowings and bank overdrafts	35.0	48.9
Current lease liabilities	6.5	6.9
Accounts payable and other creditors	53.0	44.1
Other current liabilities	14.0	9.4
Total liabilities	108.5	109.3
Total liabilities classified as held for sale	3.0	1.5
Total liabilities and equity	119.2	139.5

CONSOLIDATED CASH FLOWS

In €m (IFRS)	H1 2022	H1 2023
Net income	0.9	1.9
Elimination of depreciation, amortisation and provisions	2.0	2.7
Cash flow after net borrowing cost and tax	2.9	4.6
Elimination of tax expense (income)	0.1	-0.1
Elimination of the net borrowing cost	0.3	0.7
Cash flow before cost of net borrowing cost and tax	3.3	5.2
Change in working capital requirement	-9.5	-9.7
Cash flow from operating activities	-6.2	-4.5
Acquisition of subsidiaries	-3.8	-4.7
Acquisition of property, plant and equipment and intangible assets	-1.9	-2.3
Cash flow from investment activities	-5.7	-7.0
Capital increase	0.0	0.0
Net disposal (acquisition) of treasury shares	0.0	-1.6
Borrowings	3.7	16.8
Repayment of borrowings	-1.7	-5.4
Financial interest paid	-0.3	-0.9
Cash flow from financing activities	1.7	8.9
Impact of exchange rate fluctuations	0.9	-0.2
Impact of discontinued operations	-0.5	0.2
Change in cash	-9.8	-2.6
Opening cash position	25.9	27.9
Closing cash	16.1	25.3