



INCAP

INCAP ANNUAL GENERAL MEETING

27 April 2021



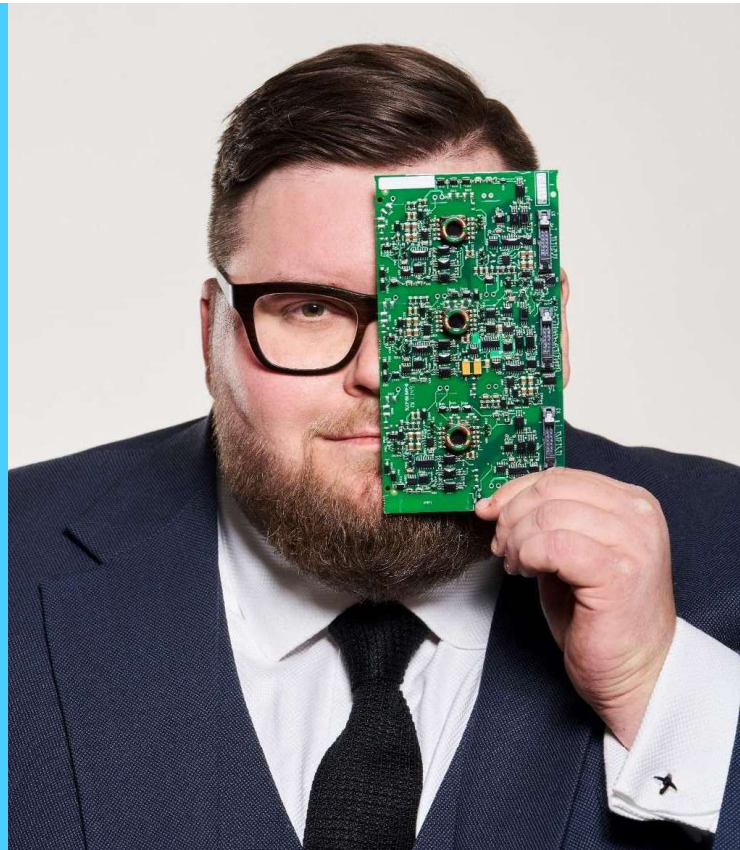
INCap

CEO REVIEW

27 April 2021

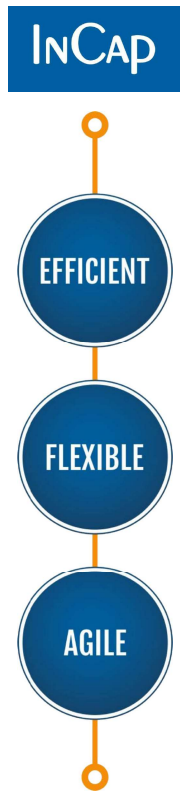
**2020 - STRONG
YEAR FOR INCAP**

OTTO RICHARD PUKK
President and CEO



INCAP – A TRUSTED PARTNER IN EMS

- As a global EMS company Incap supports customers ranging from large multinationals and mid-sized companies to small start-ups in their complete manufacturing value chain.
- Incap offers state-of-the-art technology backed up by an entrepreneurial culture and highly qualified personnel.
- The company has operations in Finland, Estonia, India, the UK, Slovakia and Hong Kong and employs approximately 1,900 people.
- Incap's share has been listed on Nasdaq Helsinki Ltd stock exchange since 1997.





INCAP

GROWING EMS INDUSTRY

Incap operates in the growing electronics manufacturing services (EMS) industry. The growth is driven by the increasing use of electronics and global outsourcing trends.

Incap also benefits from megatrends, such as:

- Globalisation and localisation
- Climate change and energy transition
- Ageing population, changes in health care
- Industry 4.0 and 5G



STRONG GROWTH CONTINUED DURING 2020

- Revenue increased organically by 50 % to EUR 106.5 million.
 - Growth was driven by the AWS Electronics Group acquisition, but the second half of the year also showed organic growth. Good demand from existing and new customers continued, especially in India.
- Operating profit (EBIT) increased to EUR 12.6 million, corresponding to 11.8 % of revenues.

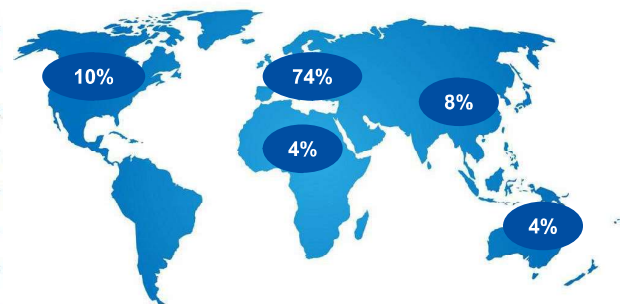


2020 GROWTH IN VOLUMES

- Growing demand from both established and new customers.
- Growth driven by the growing use of electronics supported with megatrends such as digitalisation.
- Europe remains our main market. Sales to other markets have remained the same.

Geographic division of external customers' revenue	1.1.-31.12.2020	1.1.-31.12.2019
Europe	78,418	46,844
North-America	10,574	10,315
South-America	15	0
Asia	8,297	8,239
Africa	4,849	3,143
Australia	4,342	2,481
	106,494	71,022

Share of revenue per region in 2020



CONTINUOUS IMPROVEMENT IN 2020

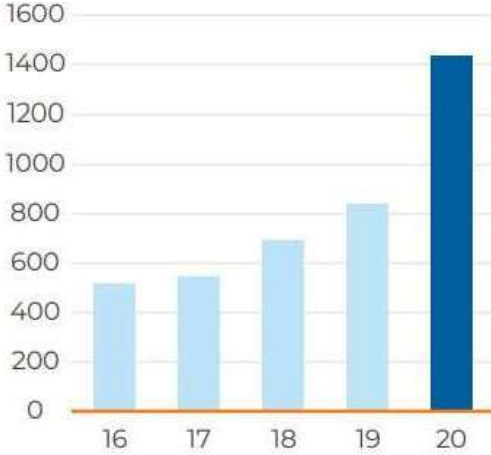
- Focus on keeping **personnel safe** during pandemic and **deliveries** to customers **running** smoothly.
- Navigating through the crisis and staying on the path with growth strategy.
- Good development at the Indian factory improving the profitability - **investments in capacity**.
- Synergy effects from the **successful integration** of AWS.
- **Good demand** from existing and new customers.
- **Investments** in new machinery in Slovakia and new assembly lines in Estonia.



HR IN NUMBERS AND BY LOCATION



AVERAGE NUMBER OF PERSONNEL



A GREAT TEAM

- Great results achieved with a **highly professional and entrepreneurial team.**
- Incap's top-quality and efficiency are based on seamless **teamwork** throughout the whole production and delivery chain.
- The dedicated team spirit can also be seen in our **low employee turnover rate.**
- We aim to keep the best professionals at Incap by providing **equal opportunities**, good **training** possibilities and **family friendly** working atmosphere.



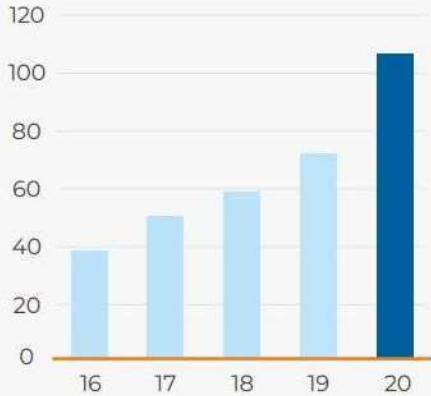
CR PROGRAM

- Sustainable operations are a must in achieving our goals and reason for initiating **Incap's Corporate Responsibility program** during 2020.
- We take the needs and expectations of our stakeholders better into account and aim at maximising the positive impacts and minimising the negative economic, social and environmental impacts of Incap's activities.
- Renewal of **Code of Conduct** in 2020.

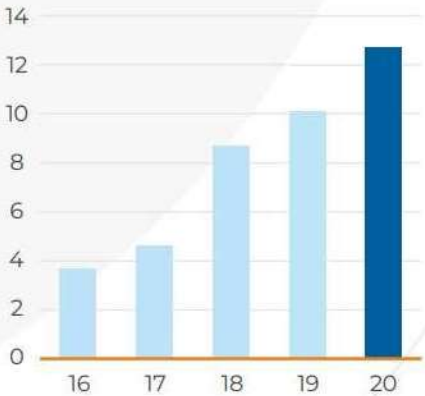


FIVE YEARS IN NUMBERS

REVENUE, EUR MILLION



OPERATING PROFIT (EBIT), EUR MILLION



SHARE INFORMATION



IFRS		2020	2019	2018	2017	2016*
Per-share data						
Earnings per share	EUR ²	2.02	1.44	1.34	0.72	0.49
Equity per share	EUR ²	6.59	5.01	3.61	2.39	1.82
Dividend per share	EUR ²	0.00	0.00	0.00	0.00	0.00
Dividend out of profit	% ¹	0	0	0	0	0
Effective dividend yield	% ¹	0	0	0	0	0
P/E ratio		9.1	11.8	5.4	8.6	11.2

¹ The Board of Directors proposes to the Annual General Meeting that no dividend be paid out.

² In 2020, the number of shares increased due to the purchase price to be paid in shares related to the acquisition of AWS and the rights issue in November. In accordance with the resolution of the Annual General Meeting, the quantity of the company's shares was reduced during the financial period 2016 so that each of previous 50 shares correspond to one share of the company. In practice, the number of shares was divided by 50. Comparison periods have adjusted accordingly.

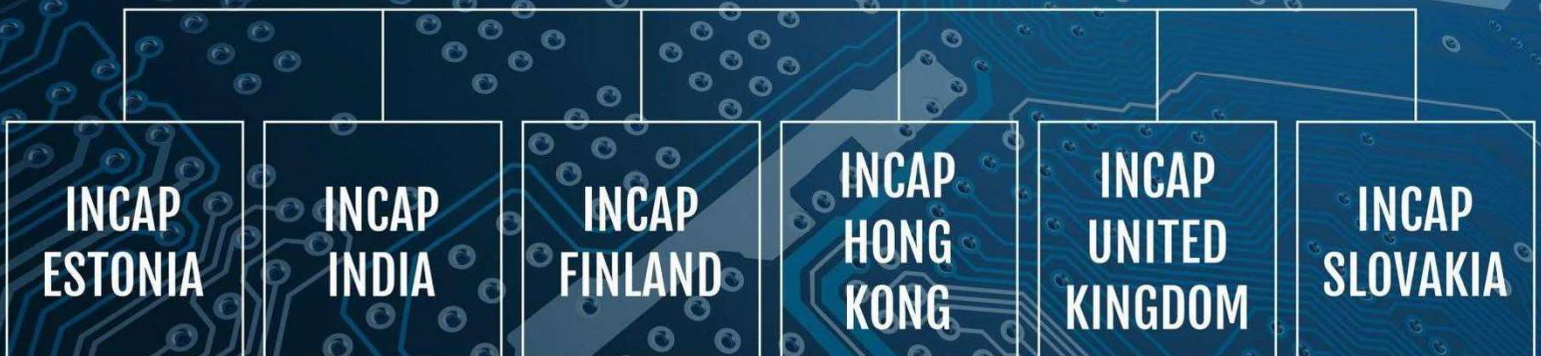
* The 2016 key figures have been adjusted to reflect the adjusted result and the corresponding balance sheet.

RIGHTS ISSUE 2020

- Successful rights issue of **10.9 million euros** in November 2020.
- Stronger capital structure, balance sheet and financial position = **great conditions** for implementing the growth strategy.
- **Oversubscribed offering** indicates a strong confidence in Incap's strategy.



INCAP



EUROPEAN EMS MARKET IS CHANGING

- A paradigm shift in the EMS market since 2018.
- The game changer: the US-China trade war.
- Geographic change ongoing in manufacturing: production moving from China to other Asian countries as well as Eastern Europe
- Customer desire to bring production closer to design and end-user.
- Big European EMS companies have acquired market share on the global market.
- The COVID-19 pandemic partly intensifies these changes.

Market data based on EMS market statistics report by in4ma.

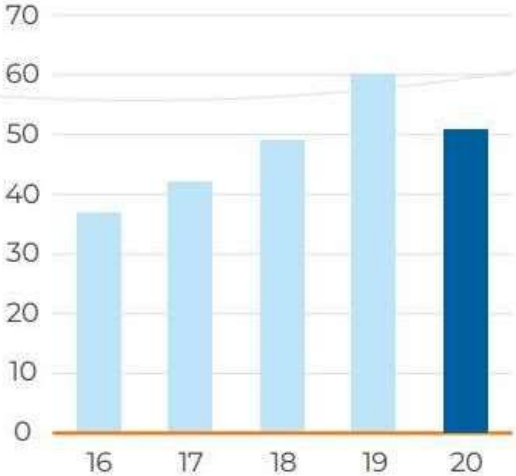
THE MARKET IS GROWING AND CONSOLIDATING

- Clear growth trend in the European EMS market: the European EMS market exceeded EUR 40 billion in 2018 and is forecasted to be EUR 53.5 billion in 2022.
- Most of the growth is driven by the biggest EMS companies and smaller EMS companies find it harder to stay competitive.
- The market is consolidating: over 25 M&A per year in Europe (2018 – 2019).
- Valuation of pure Printed Circuit Board Assembly (PCBA) manufacturers is deteriorating.

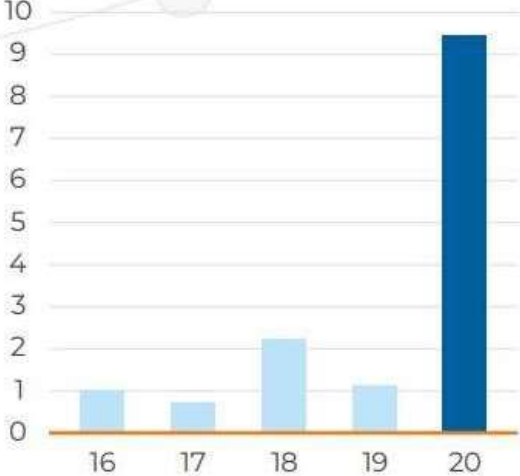
Market data based on EMS market statistics report by in4ma

STRONG BALANCE SHEET AND MODERN MACHINERY

EQUITY RATIO, %



INVESTMENTS, EUR MILLION



MOVING FORWARD

- As an Electronic Manufacturing Service provider we always need to **be prepared to adjust quickly** to changes in the market.
- 5G and other megatrends support **growth in EMS business** in general.
- Component crisis, current pandemic and other factors present **opportunities for growth in our units both in India and Europe.**
- Incap will continue to focus on both **organic growth and growth through M&A to remain competitive** on the market.
- We continue our work to **expand** our **customers base** and harvest **cross-selling synergies** from AWS acquisition.
- We are financially well positioned for future M&A activity.

THANK YOU!

AT YOUR SERVICE

OTTO PUKK
President and CEO
at Incap Corporation
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FINANCIAL STATEMENTS 2020

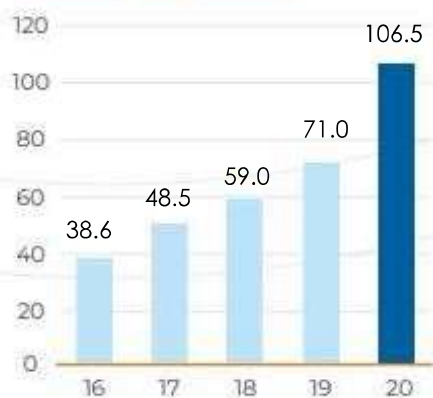
ANTTI PYNNÖNEN
CFO

27 April 2021

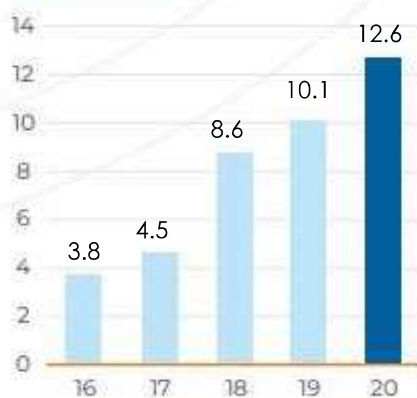


A YEAR OF GROWTH FOR INCAP

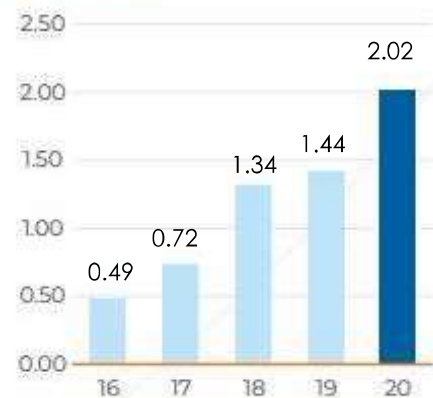
REVENUE, EUR MILLION



OPERATING PROFIT (EBIT), EUR MILLION

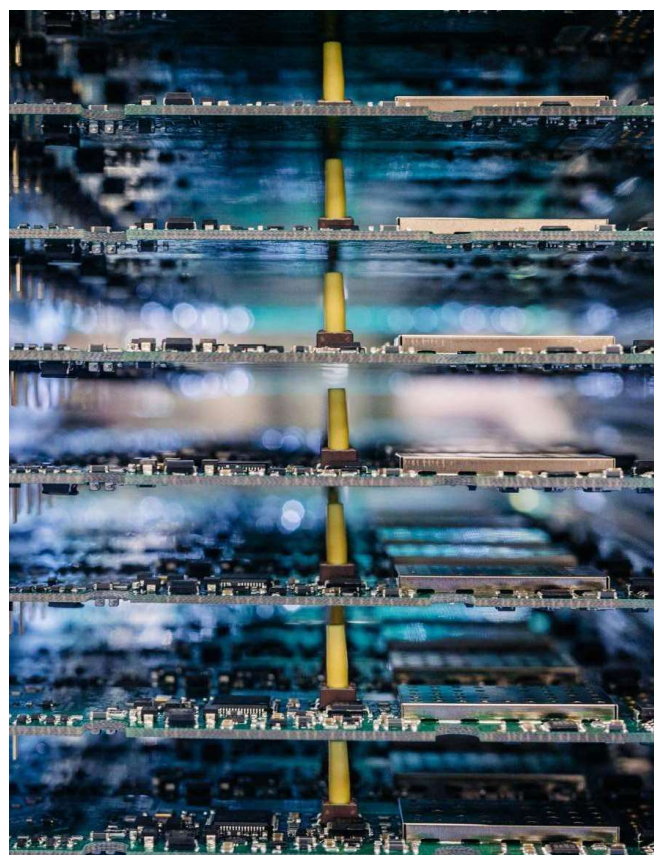


EARNINGS PER SHARE (EPS), EUR



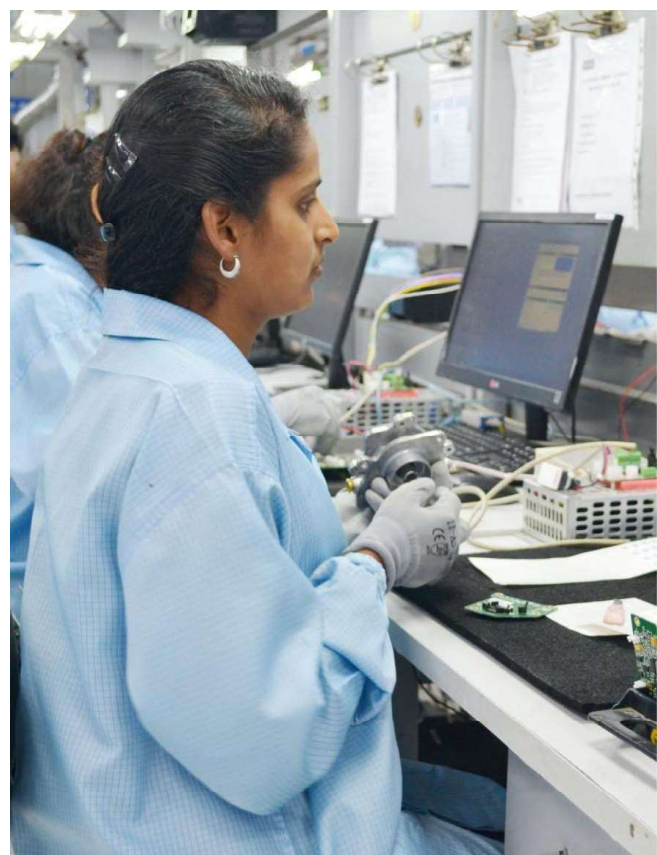
CONSOLIDATED INCOME STATEMENT

1 000 euros	Note	1 Jan-31 Dec 2020	1 Jan-31 Dec 2019
Revenue	3	106,494	71,022
Other operating income	4	1,062	1,004
Changes in inventories of finished goods and work in progress	5	723	-408
Raw materials and consumables used	5	73,617	50,987
Personnel expenses	8	14,315	5,178
Depreciation and amortisation	7	3,347	1,384
Other operating expenses	6	4,406	3,983
Operating profit		12,594	10,086
Financial income and expenses	9	-1,086	-422
Profit before tax		11,508	9,664
Income tax	10	-2,290	-3,390
Profit for the year		9,218	6,274
Consolidated statement of comprehensive income			
Other comprehensive income:			
Items that are not transferred to the statement of income			
Revaluation of employee benefits		-14	-34
Items that may be reclassified subsequently to profit or loss			
Translation differences from foreign units		-2,965	-95
Other comprehensive income, net		-2,980	-128
Total comprehensive income		6,239	6,146



CONSOLIDATED BALANCE SHEET

1 000 euros	Note	1 Jan-31 Dec 2020	1 Jan-31 Dec 2019
ASSETS			
Non-current assets			
Property, plant and equipment	12	6,825	4,853
Right-of-use assets	12	4,584	2,463
Goodwill	13	7,086	894
Other intangible assets	13	4,640	13
Other financial assets	14	4	4
Deferred tax assets	15	744	147
Other receivables	17	205	203
Total non-current assets		24,087	8,576
Current assets			
Inventories	16	24,176	10,845
Trade and other receivables	17	24,202	10,891
Cash and cash equivalents	18	3,899	6,163
Total current assets		52,278	27,899
Total assets		76,365	36,475



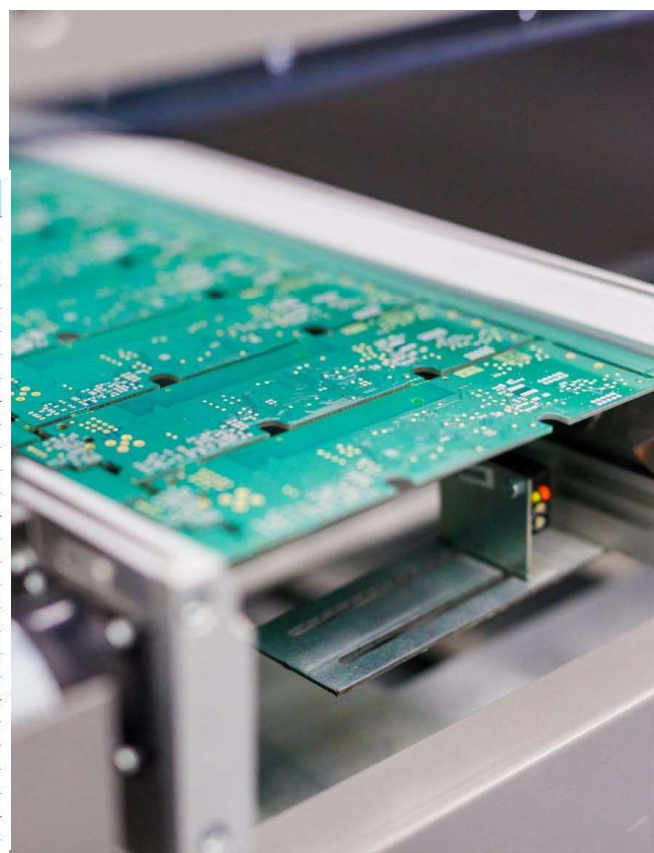
CONSOLIDATED BALANCE SHEET

1 000 euros	Note	1 Jan-31 Dec 2020	1 Jan-31 Dec 2019
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	19		
Share capital		1,000	1,000
Exchange differences		-4,629	-1,664
Unrestricted equity reserve		21,491	11,028
Retained earnings		20,719	11,519
Total equity		38,580	21,883
Non-current liabilities			
Non-Interest-bearing liabilities	24	1,619	1,619
Interest-bearing liabilities	23	6,103	2,333
Deferred tax liabilities	15	881	0
Current liabilities			
Trade and other payables	24	25,494	7,405
Interest-bearing loans and borrowings	23	3,687	3,234
Total liabilities		37,785	14,592
Total equity and liabilities		76,365	36,475



CONSOLIDATED CASH FLOW STATEMENT

1 000 euros	Note	1 Jan-31 Dec 2020	1 Jan-31 Dec 2019
Cash flow from operations			
Operating profit, in total		12,594	10,086
Adjustments to operating profit	27	3,667	1,431
Change in working capital		-7,850	-1,260
Interest paid		-954	-407
Interest received		5	2
Tax paid and tax refund		-2,752	-2,537
Cash flow from operations		4,709	7,315
Cash flow from investing activities			
Capital expenditure on tangible and intangible assets		-2,793	-1,123
Acquisitions	2	-6,679	-
Cash flow from investing activities		-9,471	-1,123
Cash flow from financing activities			
Share issue	19	10,913	-
Share issue transaction costs	19	-563	-
Drawdown of loans		14,456	3,507
Repayments of loans		-20,693	-5,895
Right-of-use asset payments	28	-1,188	-561
Cash flow from financing activities		2,926	-2,949
Change in cash and cash equivalents			
Cash and cash equivalents at beginning of period		6,163	2,894
Effects of changes in exchange rates		-428	27
Cash and cash equivalents at end of period	18	3,899	6,163



FIVE-YEAR KEY FIGURES

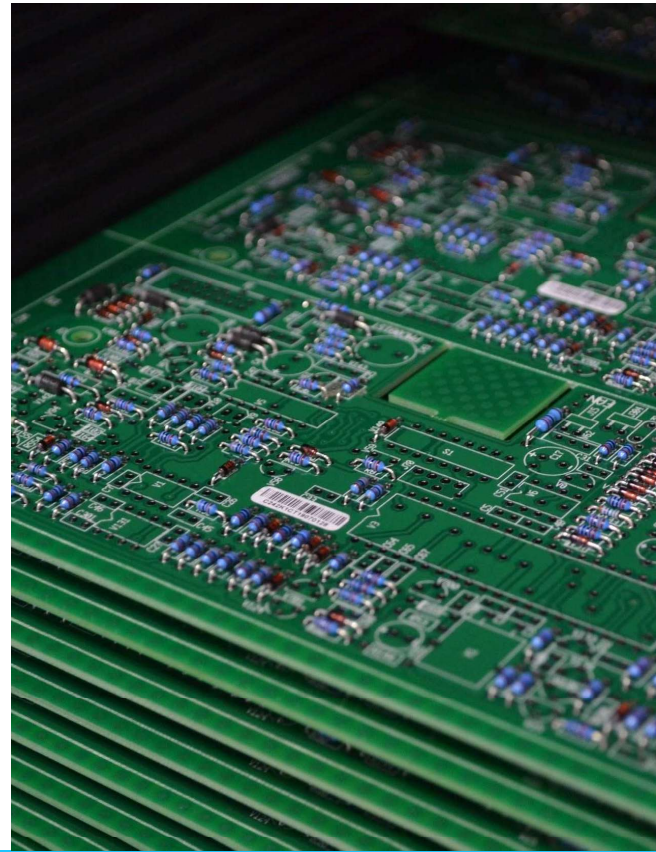
IFRS		2020	2019	2018	2017	2016*
Revenue	EUR million	106.5	71.0	59.0	48.5	38.6
Growth/change	%	50	20	21	26	26
Operating profit/loss	EUR million	12.6	10.1	8.6	4.5	3.8
Share of revenue	%	11.8	14.2	14.6	9.4	9.8
Profit/loss before tax	EUR million	11.5	9.7	7.9	4.0	3.2
Share of revenue	%	10.8	13.6	13.5	8.2	8.3
Return on equity (ROE)	%	30.5	33.4	44.7	34.2	31.3
Return on investment (ROI)	%	34.8	43.4	46.8	28.4	26.0
Total assets	EUR million	76.4	36.5	32.1	24.8	21.1
Equity ratio	%	50.5	60.0	49.1	42.0	37.6
Net gearing	%	15.3	-2.7	16.6	41.9	71.0
Interest-bearing net debt	EUR million	5.9	-0.6	2.6	4.4	5.6
Quick ratio		1.0	1.6	1.0	1.0	1.1
Current ratio		1.8	2.6	1.8	1.6	1.7
Investments	EUR million	9.5	1.1	2.2	0.7	1.0
Share of revenue	%	8.9	1.6	3.7	1.4	2.5
R&D expenditure	EUR million	0	0	0	0	0
Share of revenue	%	0	0	0	0	0
Average number of employees		1,424	830	684	535	511
Dividends	EUR million ¹	0	0	0	0	0

* The 2016 key figures have been adjusted to reflect the adjusted result and the corresponding balance sheet.



DIVIDEND PROPOSAL

- The Annual General Meeting resolved in accordance with the Board's proposal that no dividend will be paid from the profits of the financial year 2020 and that the profit for the financial period be recognised in equity.





INCAP

THANK YOU

27 April 2021



Incap Corporation

More information:
www.incapcorp.com