



INCAP ANNUAL GENERAL MEETING

10 MAY 2024

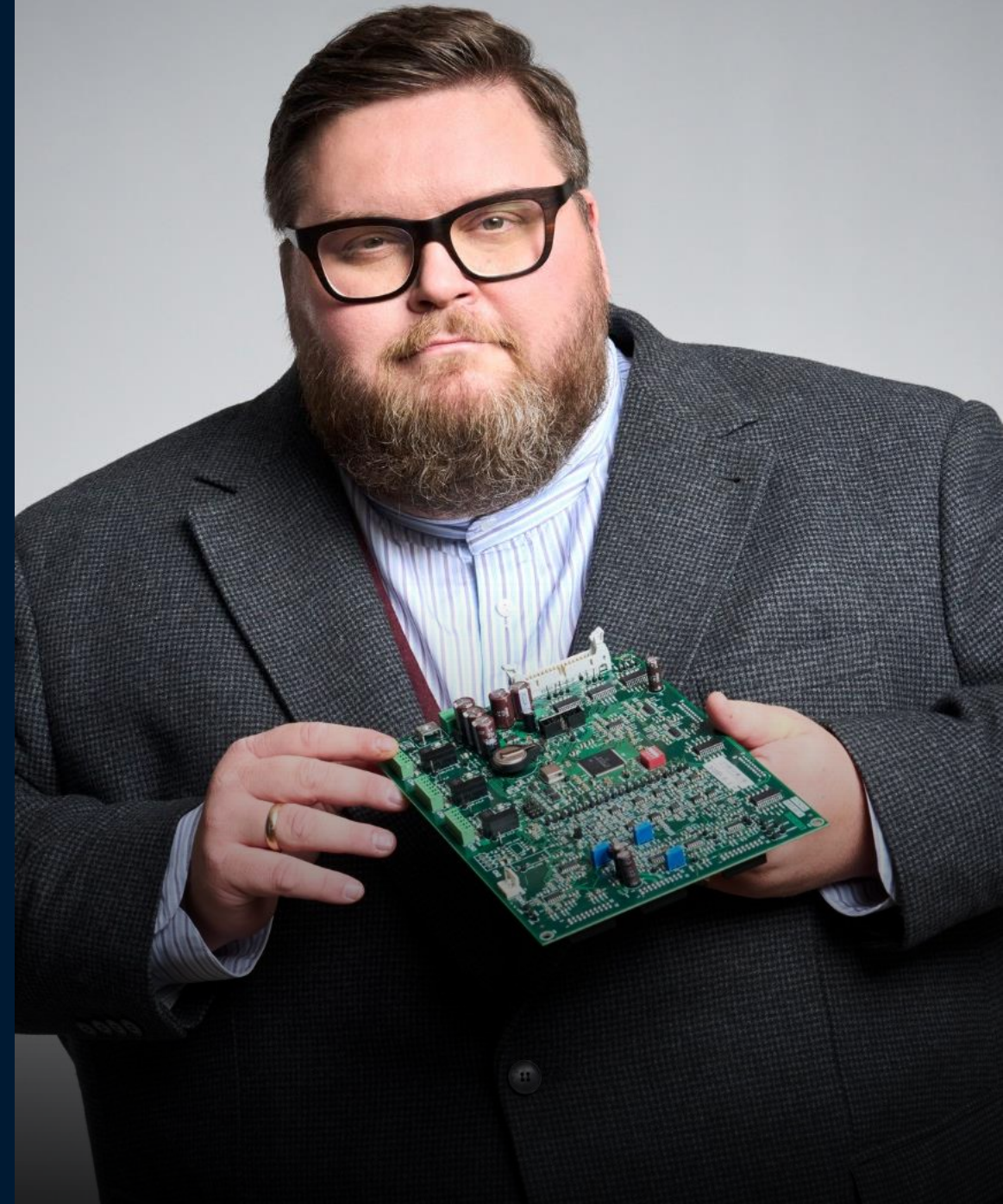
INCAPCORP.COM

CEO'S REVIEW

Quick reaction
maintained
profitability in 2023

OTTO RICHARD PUKK

President and CEO





INCAP – A TRUSTED PARTNER IN EMS

- 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 a strong entrepreneurial culture and highly qualified personnel.
- Operations in Finland, Estonia, India, Slovakia, UK, US, and Hong Kong. Approximately 1,700 employees.
- Listed on Nasdaq Helsinki Ltd stock exchange since 1997.

2023: HIGHLIGHTS

- Revenue decreased due to a decrease in the volume of the Indian factory
 - Largest customer had to reduce their orders
- In other factories, production volumes increased
- Profitability affected by lower utilisation ratio of factory in India, but we **quickly adjusted** cost level, and business remained **profitable**
- **Investments** to support growth continued
 - India: started production in **the third factory**
 - Estonia: new SMT line **increased capacity** by 50%
 - Slovakia: **1,200 additional square metres**
- On 5 July 2023, **Incap acquired Pennatronics**, an EMS company based in Pennsylvania, USA





PENNATRONICS ACQUISITION

- Operations now extend to Asia and Europe as well as to North America
- Dependence on a single customer has decreased, and customer base is more diversified
- We are an even more interesting partner for both existing and new customers
- Cross-selling opportunities explored
- Integration has proceeded as planned
- Success in new customer acquisition

Global operations – 7 factories



2023:

MAINTAINED PROFITABILITY

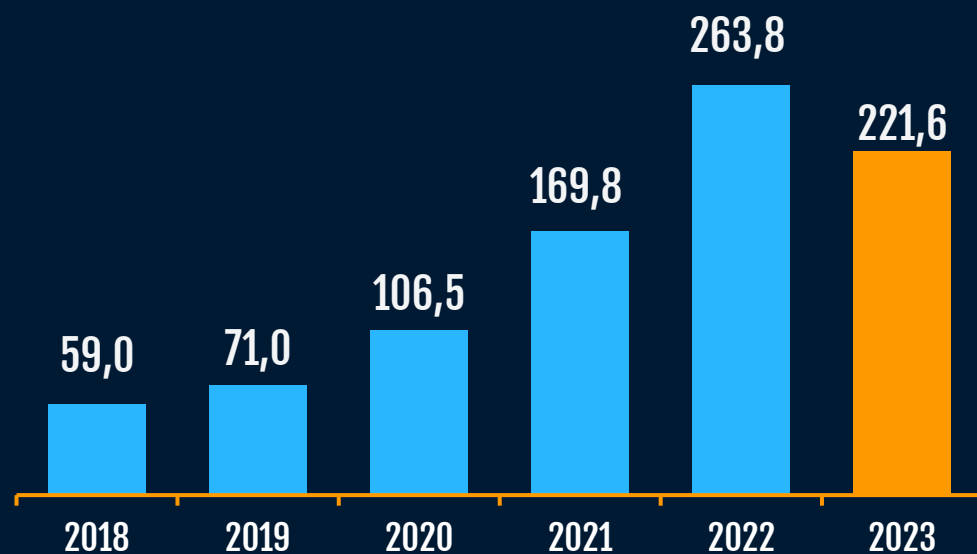
- Revenue EUR 221.6 million (263.8), -16% year on year
- Excluding sales to largest customer, revenue +35% year on year
- Excluding impact of Pennatronics acquisition, +17%
- Operating profit (EBIT) EUR 28.2 million (38.9)
 - 12.7% of revenue (14.8 %)

221.6
MEUR REVENUE

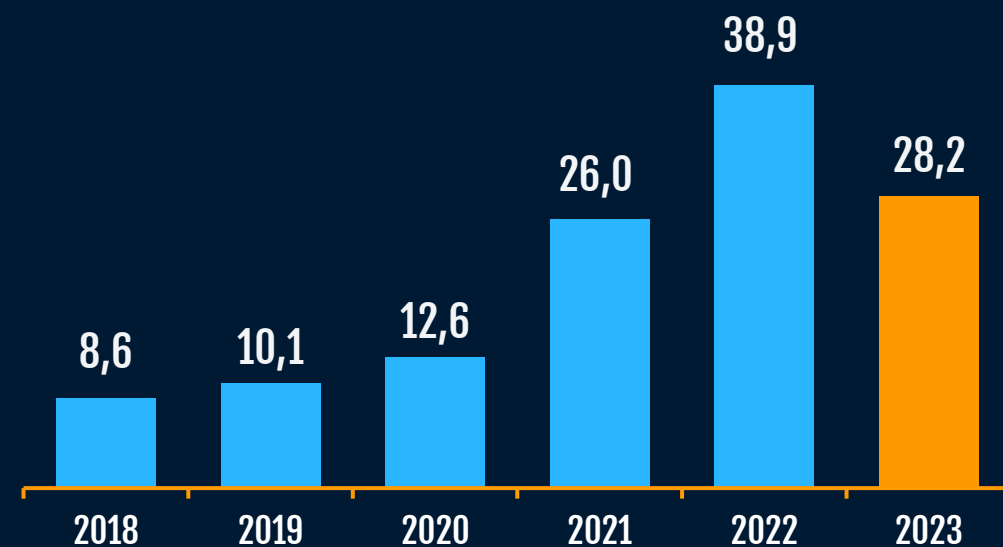
12.7%
EBIT

PROFITABLE DESPITE REVENUE DECREASE

REVENUE, EUR MILLION

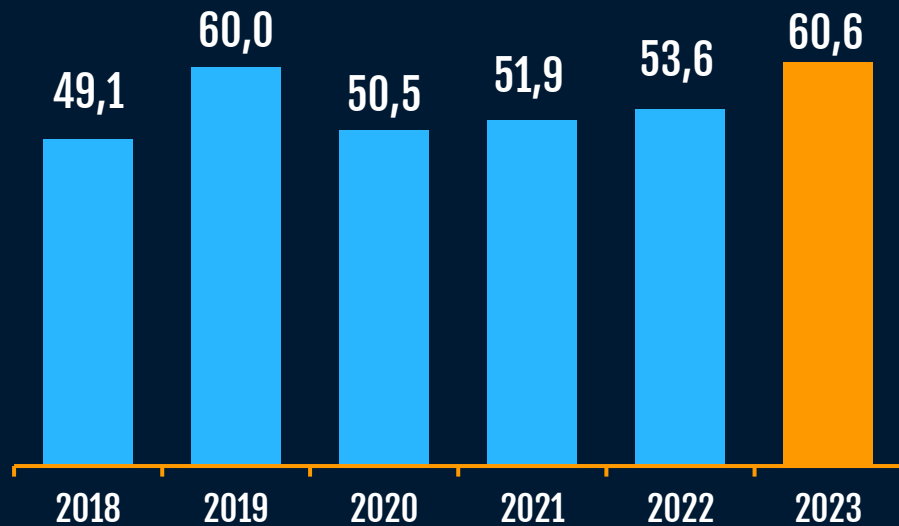


OPERATING PROFIT (EBIT), EUR MILLION

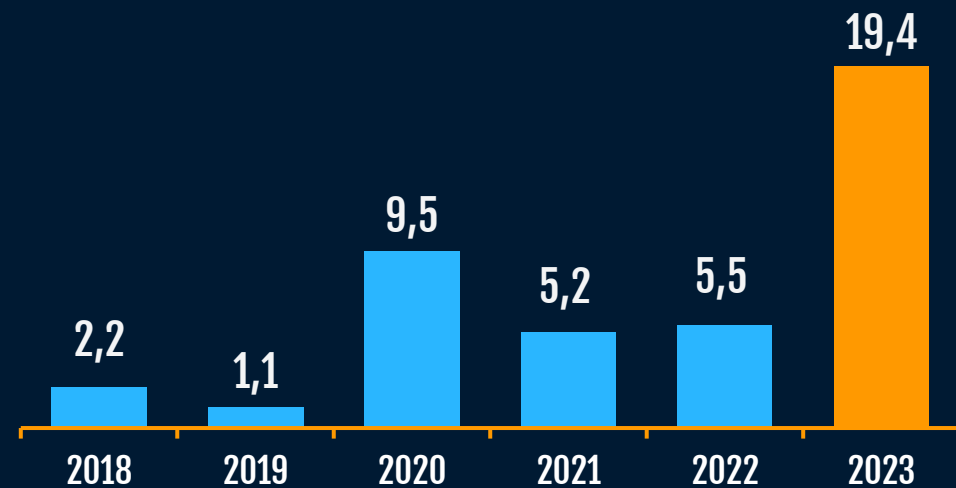


STRONG BALANCE SHEET AND MODERN MACHINERY

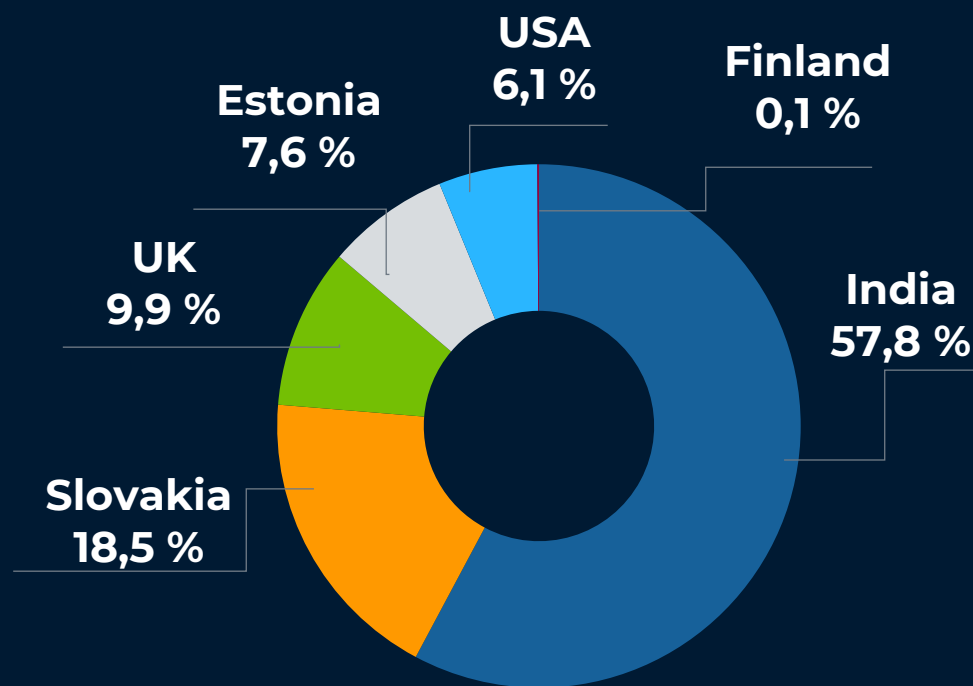
EQUITY RATIO, %



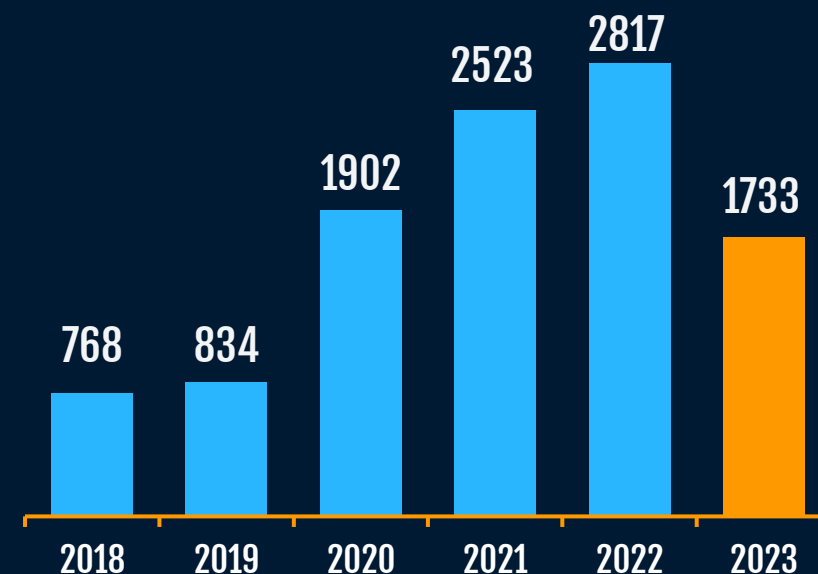
INVESTMENTS, EUR MILLION



PERSONNEL IN NUMBERS AND BY LOCATION



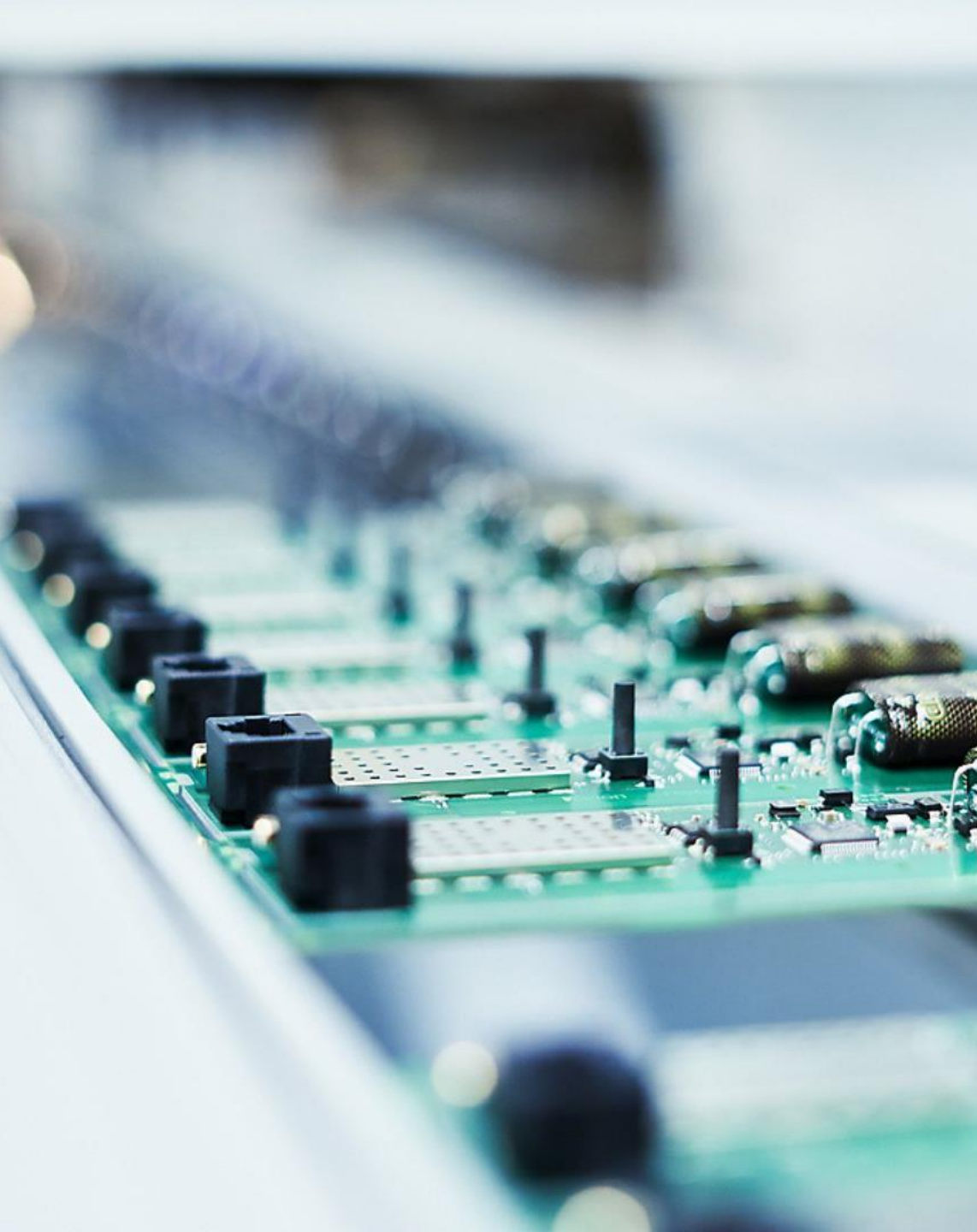
NUMBER OF PERSONNEL AT YEAR-END including contract workers



QUALITY AND EFFICIENCY BASED ON **TEAMWORK**

- Our 2023 results achieved with a highly **professional** and **entrepreneurial team**
- Top quality and efficiency based on seamless **teamwork** throughout the whole production and delivery chain
- We invest in **skills development, cooperation** and **well-being** to keep the best professionals at Incap
- We provide **equal opportunities**, good **training** possibilities and **family friendly** working atmosphere

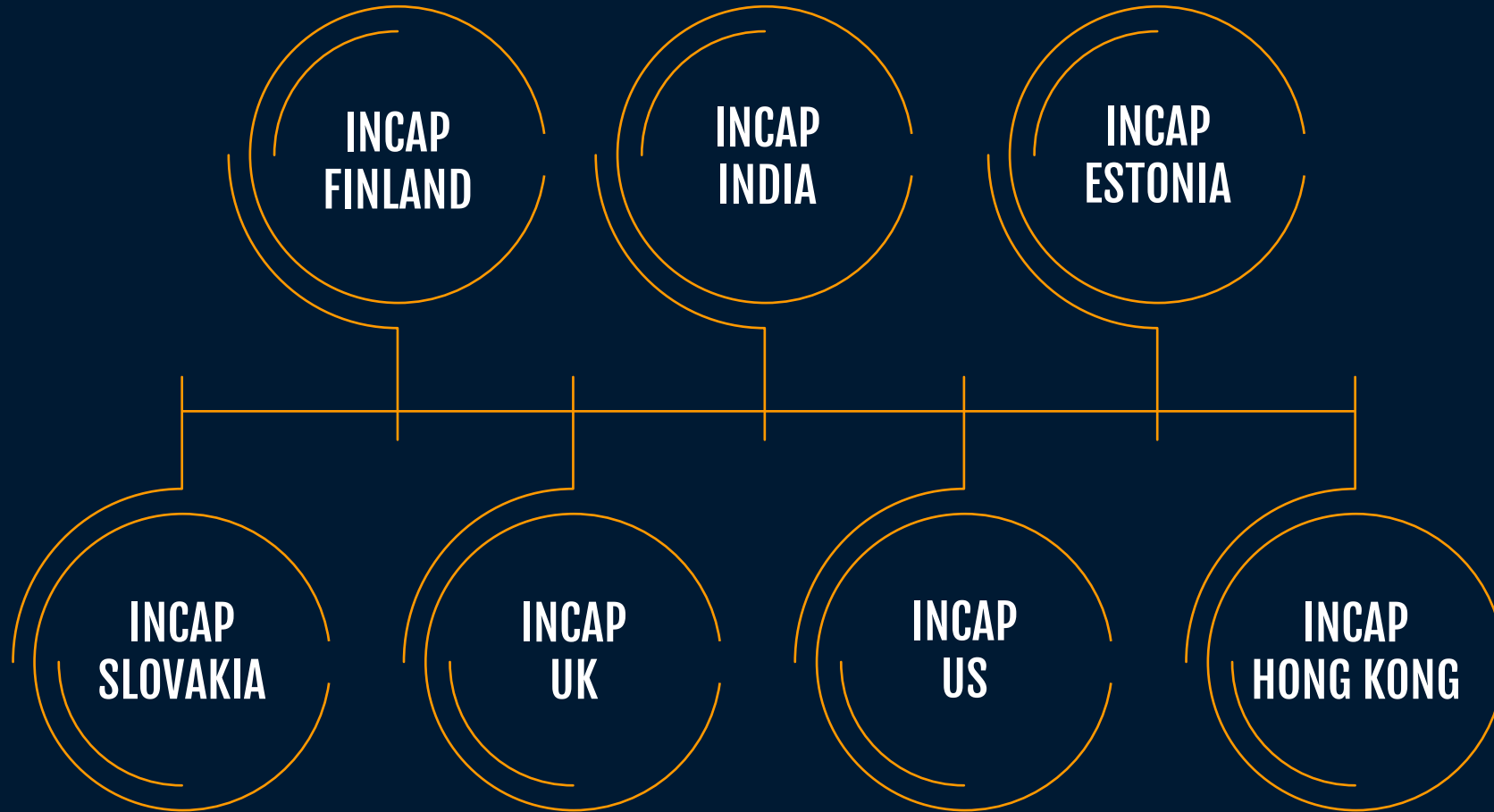




SUSTAINABILITY AT INCAP

- We see standardised sustainability reporting requirements as **positive development**
- We are committed to continue developing our **own operations in a sustainable way**
- In 2023, we developed our **sustainability work** further
- In April 2024, we published our first combined **Annual and Sustainability Report**
- We are preparing for the CSRD reporting requirements by, for instance, preparing the **Double Materiality Analysis** and **extending our CO₂ reporting**

INCAP 2024



A close-up portrait of Otto Richard Pukk, a man with a full beard and glasses, wearing a dark suit jacket and a white shirt. He is looking directly at the camera with a slight smile, and his right hand is raised to his forehead, resting against his glasses. The background is a plain, light gray.

THANK YOU!

AT YOUR SERVICE

OTTO RICHARD PUKK
President and CEO
at Incap Corporation

otto.pukk@incapcorp.com

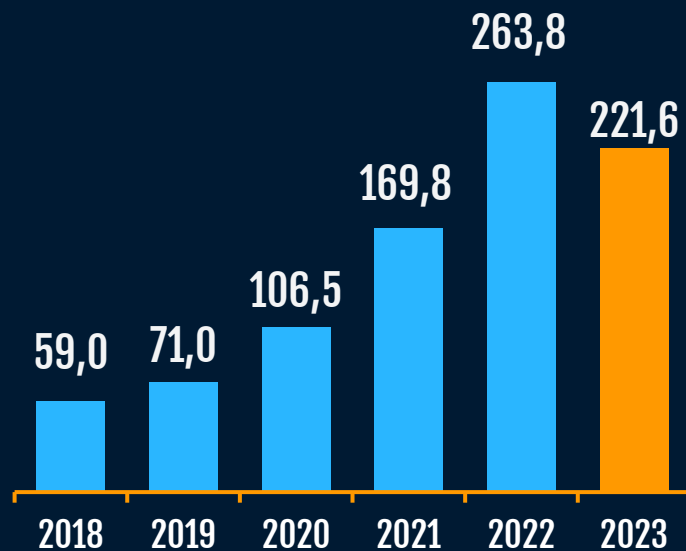


Financial statements 2023

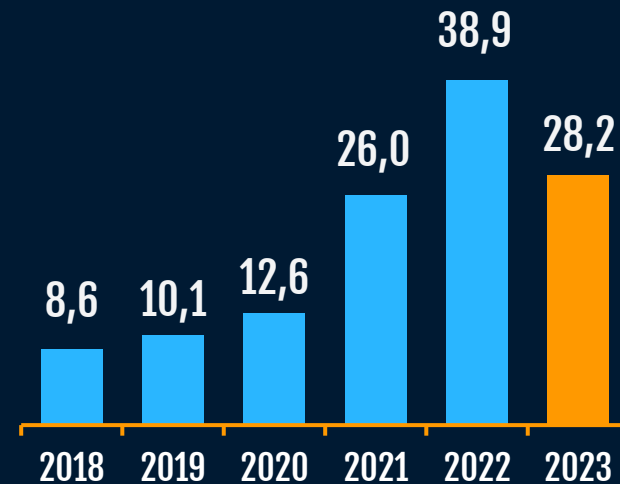
ANTTI PYNNÖNEN
CFO

Revenue decreased, profitability maintained

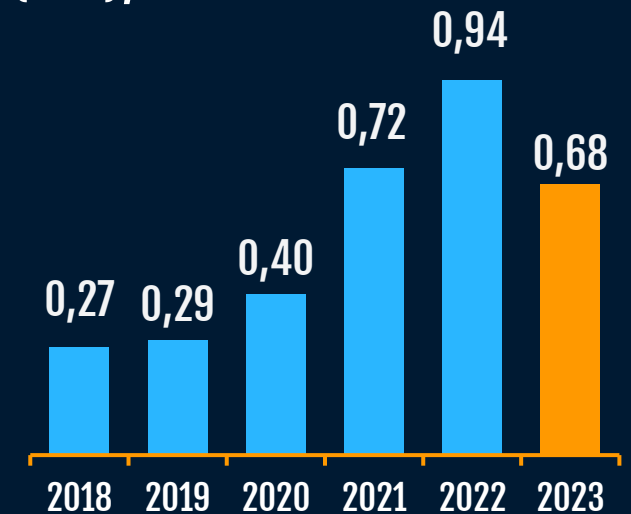
Revenue, EUR million



Operating profit (EBIT),
EUR million



Earnings per share
(EPS), EUR



Consolidated statement of comprehensive income

EUR 1,000	Note	1 Jan-31 Dec 2023	1 Jan-31 Dec 2022
Revenue	3	221,591	263,763
Other operating income	4	423	679
Changes in inventories of finished goods and work in progress		-5,148	4,897
Raw materials and consumables used	5	148,029	-194,330
Personnel expenses ^{*)}	8	24,029	-16,381
Depreciation and amortisation	7	4,623	-3,827
Other operating expenses ^{*)}	6	11,969	-15,859
Operating profit		28,216	38,942
Financial income	9	944	385
Financial expenses	9	-2,738	-2,701
Profit before tax		26,422	36,627
Income tax	10	-6,602	-9,032
Profit for the year		19,820	27,595
Consolidated statement of comprehensive income			
Other comprehensive income:			
Items that are not transferred to the statement of income			
Revaluation of employee benefits		-23	54
Items that may be reclassified subsequently to profit or loss			
Translation differences from foreign units		-2,344	-3,328
Other comprehensive income, net		-2,367	-3,274
Total comprehensive income		17,453	24,321

Consolidated balance sheet

EUR 1,000	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Property, plant and equipment	12	21,625	13,476
Right-of-use assets	12	8,089	6,893
Goodwill	13	8,237	7,178
Other intangible assets	13	5,503	4,026
Other financial assets	14	4	4
Deferred tax assets	15	1,012	362
Other receivables	17	443	614
Total non-current assets		44,914	32,553
Current assets			
Inventories	16	71,022	91,798
Trade and other receivables	17	23,864	36,416
Cash and cash equivalents	18	42,550	7,559
Total current assets		137,435	135,773
Total assets		182,349	168,326

Consolidated balance sheet

1,000 euros	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	19		
Share capital		1,000	1,000
Exchange differences		-7,831	-5,487
Unrestricted equity reserve		23,745	22,184
Retained earnings		89,846	69,728
Total equity		106,760	87,426
Non-current liabilities			
Borrowings	22	23,643	5,428
Lease liabilities	22	6,556	5,222
Deferred tax liabilities	15	1,302	624
Employee benefit obligations	22	261	280
Other liabilities	23	1,619	1,619
Total non-current liabilities		33,381	13,173
Current liabilities			
Trade and other payables	23	37,789	56,708
Borrowings	22	2,271	8,898
Lease liabilities	22	1,603	1,616
Employee benefit obligations	22	54	57
Other liabilities	23	491	449
Total current liabilities		42,208	67,727
Total liabilities		75,589	80,900
Total equity and liabilities		182,349	168,326

Consolidated cash flow statement

EUR 1,000	Note	1 Jan-31 Dec 2023	1 Jan-31 Dec 2022
Cash flow from operations			
Operating profit, in total		28,216	38,942
Adjustments to operating profit	26	5,107	4,539
Change in working capital			
Change in current receivables		17,928	-5,416
Change in inventories		25,911	-35,589
Change in current liabilities		-23,184	4,752
Interest paid		-1,109	-857
Interest received		162	12
Tax paid and tax refund		-8,382	-7,192
Cash flow from operations		44,650	-808
Cash flow from investing activities			
Capital expenditure on tangible and intangible assets		-6,875	-5,465
Proceeds from sales of tangible and intangible assets		52	45
Acquisition of subsidiary less cash at the date of acquisition		-12,478	
Cash flow from investing activities		-19,301	-5,420
Cash flow from financing activities			
Drawdown of loans		27,445	16,288
Repayments of loans		-15,853	-9,843
Right-of-use asset payments	28	-1,506	-1,385
Cash flow from financing activities		10,086	5,060
Change in cash and cash equivalents			
Cash and cash equivalents at beginning of period		7,559	9,249
Effects of changes in exchange rates		-443	-522
Cash and cash equivalents at end of period	18	42,550	7,559

Five-year key figures

IFRS		2023	2022	2021	2020	2019
Revenue	EUR million	221.6	263.8	169.8	106.5	71.0
Growth/change	%	-16	55	59	50	20
Operating profit/loss	EUR million	28.2	38.9	26.0	12.6	10.1
Share of revenue	%	12.7	14.8	15.3	11.8	14.2
Profit/loss before tax	EUR million	26.4	36.6	25.7	11.5	9.7
Share of revenue	%	11.9	13.9	15.1	10.8	13.6
Return on equity (ROE)	%	20.4	36.7	41.5	30.5	33.4
Return on investment (ROI)	%	23.3	43.0	43.8	34.8	43.4
Total assets	EUR million	182.3	168.3	129.5	76.4	36.5
Equity ratio	%	60.6	53.6	51.9	50.5	60.0
Net gearing	%	-7.7	15.9	3.2	15.3	-2.7
Interest-bearing net debt	EUR million	-8.2	13.9	2.0	5.9	-0.6
Quick ratio		1.8	0.7	0.8	1.0	1.6
Current ratio		3.3	2.0	1.7	1.8	2.6
Investments	EUR million	19.4	5.5	5.2	9.5	1.1
Share of revenue	%	8.7	2.1	3.1	8.9	1.6
R&D expenditure	EUR million	0.3	0.3	0	0	0
Share of revenue	%	0.1	0.1	0	0	0
Average number of employees, including contract workers		2,261	2,619	2,165	1,424	830
Dividends	EUR million	0 ¹	0	0	0	0

¹ The parent company's profit for the financial period totals EUR 6,742,403.00. Due to the growth strategy of Incap, the Board of Directors of Incap Corporation proposes to the Annual General Meeting that no dividend be paid for the financial year 2023.

A portrait of Antti Pynnönen, a man with short dark hair and a light beard, smiling. He is wearing a white collared shirt and a dark suit jacket. The background is dark with horizontal light streaks.

THANK YOU!

ANTTI PYNNÖNEN
CFO at Incap Corporation

Antti.Pynnonen@incapcorp.com

Q1 2024: HIGHLIGHTS

- Excluding sales to our largest customer, our **revenue grew 38% year on year.**
- We will **keep investing** in our factories, focus on new customer acquisition and increasing sales to existing customers.
- We will also **continue pursuing shareholder value creating M&A transactions**, supported with our solid financials.

51.4
MEUR REVENUE

21.1%
GROWTH COMPARED
TO Q4/23

11.7%
EBIT

62.3%
EBIT GROWTH
COMPARED TO Q4/23

We entered 2024 with a new starting point

- We estimate our revenue will **grow** quarter to quarter and our results will **improve** over the year.
- We estimate that the volumes of all factories except India **will increase** from the 2023 level.
- Our dependence on a single customer has decreased, and our customer base is also **diversified** through the expansion into the US market in 2023.
- The share of our largest customer sales in the Group's revenue in the **Q4 of 2023 was 23%** (73%).
- With Incap US, our operations now extend to **Asia, Europe and North America**.
- We will continue to pursue **M&A transactions, invest** in our factories, focus on **new customer** acquisition and **increasing sales** to existing customers.





OUTLOOK

- For 2024, we estimate that our **revenue** and **operating profit** will be lower than in 2023.
- The destocking exercise with our largest customer will impact the revenue and profitability **first half of the 2024**.
- However, we estimate our revenue will **grow** quarter to quarter and our results will **improve** over the year.
- The estimates are given provided that **unexpected events** impacting Incap's business environment **do not occur**, for example, in the availability of components.

Q & A



THANK YOU!

INCAP CORPORATION

MORE INFORMATION
incapcorp.com