

EMS Europe Telegram 5. Edition 2022

Summary:

After the half-year results of the listed EMS companies showed record values, in4ma started a survey of about 400 EMS companies in Europe in August 2022. The results of this analysis were shown in detail at the 20th EMS Day in Würzburg. In 2022, we see growth values that we have not seen in the last 13 years. Even adjusted for price increases and passing on of additional material costs, the values for volume growth are at a record level. All this from an allocation perspective. The figures after 9 months also show that some companies will achieve absolute record growth values in 2022. The very high demand especially for semiconductors in the last approx. 3 years could only be satisfied to a limited extent by the manufacturers and this despite a volume growth in supply of approx. 20%. The shortage of material has passed its peak and the news is increasing that the companies perceive a clear easing. In addition, in some areas we are already seeing price reductions and in some cases sharp drops, e.g. in memory modules. Meanwhile, the actual situation in the automotive sector will continue. There is increasing news that semiconductor manufacturers are cutting back on investments and are preparing for the fact that the peak has already been passed and demand is falling while at the same time new capacities are coming onto the market. EMS companies have built up dramatically high inventories in some cases in this situation. This high capital lockup coupled with rising financing costs, rising energy costs, rising labor costs, inflation and the fact that many additional material costs have not been fully passed on to customers is creating increasing challenges for many companies. Consolidation in the market is intensified by these results. The next big industry meeting is ahead with electronica in Munich, meet the experts from in4ma at the EMS SCOUT booth in hall A1 booth 555 and discuss the current challenges with us.

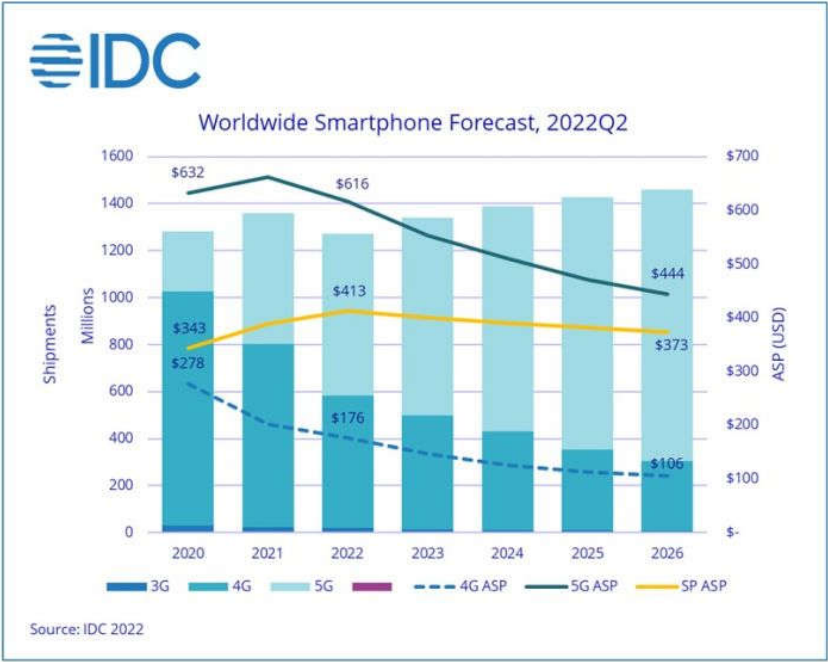
September 01, 2022 **Ginzinger electronic systems**, Austria has opened a production hall with an area of approximately 1000 square meters. Due to the high order situation, the company urgently needed more space. Ginzinger invests here about 6 million EUR and informs in the same step that a complete new building in Altheim is also planned.

Source: evertiq

September 01, 2022 **TrendForce**, the Taiwanese market research company corrects the previous assumption of a **price drop** for **NAND flash memory**. Previously, a price drop of 15 to 20% was assumed. Based on the latest findings, the institute now assumes a price drop of 30 to 35%. After extremely strong demand in the last 2 years, many manufacturers have expanded their capacities accordingly. Demand for products such as smartphones and laptops has been falling more sharply since the second quarter and there is an oversupply. The warehouses have accordingly not been sold as planned. Manufacturers are now trying to maintain their market share with price reductions. A consolidation in the market could rise according to TrendForce, provided that some manufacturers do not reduce their production. It is expected that manufacturers will tend to maintain their market share, which will put pressure on prices. Consumer electronics manufacturers are also currently cautious in 2023. For Q4 2022, TrendForce estimates that prices could fall by another 20%.

Source: ViPress

September 01, 2022 According to **IDC** (International Data Corporation), global sales for **smartphones** will decline by 6.5% to 1.27 billion units in 2022. Reasons for this can be found in inflation, geopolitical tensions and other macroeconomic challenges, which have an impact on consumer behavior. However, IDC also assumes that this decline will stabilize again as early as 2023 and that growth of 5.2% is even possible. A decline of 17.4% is assumed for Central and Eastern Europe, whereas the highest decline in absolute terms is expected in China with 12.5% and 41 million units. Despite this decline, prices are expected to increase by 6.3% in 2022, due in particular to fairly stable business in the high-end segment.

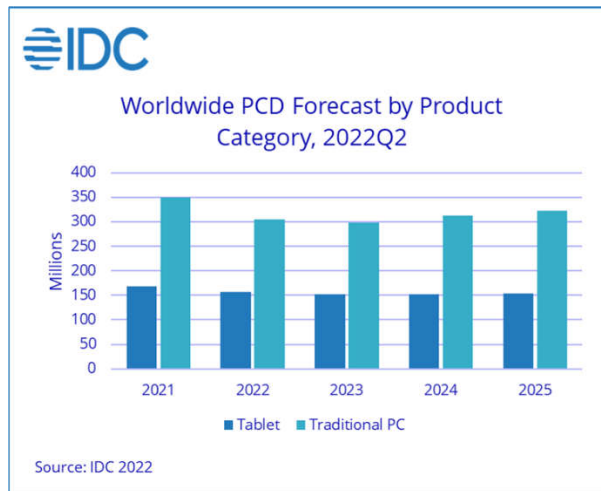


Source: ViPress

September 02, 2022 **Cicor** Group, Switzerland announces the appointment of **Marco Kechele** as Executive Vice President (EVP) Operations, effective October 1. Marco Kechele has also been appointed to the Executive Board. This move is intended to support the company's growth strategy. The EVP will, among other things, support the Group's CEO and CFO in all phases of M&A projects.

Source: Cicor

September 02, 2022 According to **IDC**, worldwide **PC** shipments will decline by 12.8% in 2022. Tablet shipments will also decline by approximately 6.8% in 2022. The background is the weak demand due to the current events and the macroeconomic influencing factors. In addition, the wave of purchases in recent years is cited as a reason, whereby many areas have also been equipped in the education sector. IDC (International Data Corporation) also assumes that 2023 will also be a difficult market for PCs and tablets. Combined, a decline of 2.6% is assumed here, but shipments are then expected to rise again from 2024. Overall, the market is above the pre-Corona level and it is also assumed that this will remain so, driven by the education sector.



Source: Custer Consulting Group

September 02, 2022 **Nvidia** announces that the US government will restrict shipments of high-end GPUs and AI accelerators for high-performance computing to China, Hong Kong, and Russia. The US government states that it will restrict exports for a military end-use with a new licensing requirement on these products. Nvidia and AMD products are affected by this. Nvidia further states that this move could affect third quarter sales in China by about \$400 million.

Source: ViPress

September 02, 2022 The **Flex** site in Tczew, Poland, continues to expand. Currently, this location is one of the largest Flex sites in Europe with approximately 80,000 square meters spread over 4 buildings. Starting in the 3rd quarter of 2022, one building will now be expanded by approximately 20,000 square meters of space. Flex should then have access to the new space from March 2023.

Source: evertiq

September 05, 2022 **GPV**, Denmark announces that the construction of its mechanics factory in Thailand is progressing rapidly and is expected to be completed by mid-March 2023. With this step, GPV expands the mechanics plant in Thailand from 7,100 to 12,000 square meters and at the same time expands the electronics plant from 15,000 to 22,000 square meters. After the expansion in Thailand and in Sri Lanka, GPV will have a total area of 100,000 square meters.

Source: Custer Consulting Group

September 06, 2022 France's **Safran** Electrical & Power intends to acquire **Thales'** aeronautical electronic system business. The division includes various sites in France with a combined workforce of 600 and sales of EUR124 million. The division is active in the fields of electrical conversion, power generation and electric motors for civil and military aviation. Also affected are the Orlando and Singapore sites for support and maintenance activities.

Source: ViPress

September 06, 2022 **Loxone**, Austria announces that the production of the Loxone Touch Pure Flex will be taken over by Zollner AG. Loxone is a company from the home and building automation sector and will have the operating devices of the Touch Pure Flex series produced by Zollner in the future. The products are "customer created" in terms of layout, functions, labeling and the individual selection from over 200 different icons. Accordingly, the operating elements are individually manufactured and delivered to the end customers pre-configured. This high-volume product can thus be produced efficiently from batch size 1.

Source: evertiq

09 September 2022 **Lacroix**, France has inaugurated its new plant in Beaupréau-en-Mauges. Together with MBpifrance, Lacroix has invested EUR 25 million in this new project through the SPI Fund (industrial project companies). The factory covers 19,000 square meters and is expected to generate sales of EUR 100 million by 2027. The fully digitalized and automated factory is expected to increase competitiveness in France and reduce France's dependence on the international market. The new technologies were tested at the group's nearby old factory.

Source: ViPress

September 09, 2022 World's leading foundry **TSMC** announces that its revenue grew 43.5% to \$46.25 billion in the first 8 months from the same period in 2021.

Source: ViPress

September 09, 2022 On September 08, 2022, the **20th EMS Day** took place in Würzburg, Germany. More than 130 participants took the opportunity to listen to interesting contributions on the current macroeconomic developments and their influences on the industry. In particular, developments in the EMS industry and the printed circuit board sector were highlighted. The program was rounded off with data on macroeconomic developments.

Source: in4ma

September 14, 2022 Market research firm **Future Horizons** forecasts a 22% decline in **semiconductor sales** in 2023. Within 2023, the decline will vary, in Q1 it is expected to be 10% in Q2 8% in Q3 4% and in Q4 2.5%. Global sales could thus fall to \$450 billion in 2023. The institute sees reasons for this not only in the changed macroeconomic conditions (the war in Ukraine, inflation, an impending recession, etc.), but the situation is also aggravated by the massive investments in the construction and expansion of further capacities, which are beginning to take effect at the most unfavorable time, when demand is declining. Furthermore, the current developments in prices (memory down 20.2%, logic circuits down 3.2%, MOS microcomponents down 2.7%, analog circuits down 0.3%), which peaked in Q2 2022 and are now declining across all major areas, coupled with high inventory levels at customers is clear evidence of a decline in demand. According to historical calculations and rules, the market grows by about 8% in volume per year, the actual unit numbers have been far above this average for some time and are currently even at about 20%, which according to Future Horizons is a clear sign that customers are keeping more components in stock than necessary.

Source: vipress.net/the-semiconductor-market-risk-collapse-from-22-in-2023/

September 20, 2022 **Kimball** electronics expands its plant in Poland. Expansion in the European market will be further supported by the addition of capacity in Poland. Currently, the plant has an area of 15,700 square meters, and the expansion is approximately 3,800 square meters. The expansion is scheduled to be completed in early 2024. The Polish factory is one of the largest within the group.

Source: evertiq

September 22, 2022 **PsiControls**, Belgium opens a new production facility in Romania. A total of EUR 12 million was invested in a new 11,000 square meter plant. In addition to the buildings and floor space, investments were also made in 2 new SMD lines and in new IT systems. 84 positions are currently open, for which the company is recruiting. Currently, the company employs about 300 people in Romania. PsiControls is part of the Belgian Picanol Group.

Source: www.psicontrol.com

September 26, 2022 **Cicor**, Switzerland announces that it will double capacity at its Vietnam plant. As part of its growth strategy, capacity at the plant will be significantly expanded to meet increased demand from existing and newly acquired customers. Cicor is acquiring an established production facility in close proximity to the existing factory, doubling the production area to approximately 14,000 square meters. In addition, a further engineering team is to be established at this site, which will work closely with the R&D team in Bronschofen. The new plant is scheduled to be occupied in Q4 2022. Together with the acquired companies, Cicor is targeting sales of over CHF 400 million in 2022 (approx. EUR 414 million).

Source: cicor

September 28, 2022 Chequers Capital, private equity announces the acquisition of **Somacis Graphic (Fine PCB)**, which will be acquired by Green Arrow Capital SGR. The acquisition is being made in conjunction with the management team. Somacis Graphic specializes in highly engineered printed circuit boards and targets various end markets including aerospace, defense, telecommunications, industrial, IT, automotive, medical devices. The company was founded in 1972 and has 5 production sites (2x Italy, UK, USA, China). The group achieved sales of EUR 144 million in 2021.

Source: www.greenarrow-capital.com

September 30, 2022 **Kitron** announces that it has signed a production agreement with **Ferroamp**. The volume is approximately NOK 90 million (approximately EUR 8.6 million) for 2023 and another NOK 350 million (approximately EUR 33.5 million) for the following 3 years. Ferroamp is a growing Swedish greentech company and has developed EnergyHub, a system that controls electricity consumption using patented DC technology. Property owners can use it to get more out of their solar panels. Ferroamp has increased sales by 60% and plans to launch internationally. The collaboration with Kitron will allow Ferroamp to triple its capacity to produce the EnergyHub Wall 14 systems. Production is to take place at Kitron's Poland plant.

Source: www.kitron.com

October 01, 2022 **Neways** Electronics International N.V. appoints new CEO **Hans Büthker**. Eric Stodel will resign from his position as of 01.10.2022. Hans Büthker has already been a member of the Neways Supervisory Board since 2020 and gained experience as CEO of Fokker and GKN Aerospace.

Source: <https://newayselectronics.com>

October 03, 2022 The new **IPC** Office in **Munich** welcomed Andrea P. Turcott as a new employee in the Office & Research department. This step also intensifies the successful cooperation with in4ma, where Ms. Turcott will actively support in4ma's work for the European EMS industry. The IPC office has only recently been opened and was already able to successfully hold an event in September with renowned representatives of European EMS companies.

Source: IPC and in4ma

October 03, 2022 **ACB** Group (Advanced Circuit Boards), Belgium is acquired by a consortium of Arkéa Capital, Societe Generale CP and BNP Paribas Développement and the management team. The seller is the investment firm Andera Partners, which had only joined the company in 2016. ACB Group makes a turnover of more than EUR 40 million, operates 6 sites (4x France, Belgium, Tunisia) and employs 320 people. The group describes itself as a European leader in the manufacture of printed circuit boards for harsh environments and has also recently benefited from growth in the defense, aerospace and medical sectors. The group's

goal is to continue to consolidate in Europe in the field of printed circuit boards for harsh environments.

Source: <https://capitalmind.com>

October 03, 2022 The merger of **GPV**, Denmark and **ENICS**, Switzerland has been completed. The new company employs 7,500 people in 19 plants worldwide (Denmark, Switzerland, Finland, Slovakia, Estonia, Sweden, Austria, Germany, Thailand, China, Sri Lanka, Malaysia, Mexico) and generates sales of more than DKK 7 billion (approx. EUR 941 million). The majority owner is the Danish industrial conglomerate Schouw & Co. with 80% of the shares. Minority shareholder will be the Finnish family investment company Ahlström Capital Group with 20% of the shares. The new name of the merged company is GPV Group A/S and will be led by Bo Lybæk as CEO. Elke Eckstein will step down as CEO of Enics and remain available to the company as an integration consultant until the end of January 2023.

Source: <https://gpv-group.com>

October 05, 2022 **EC Electronics** Ltd. UK announces that Rockpool Investments has provided funding for the company's continued inorganic growth. This will support EC Electronics' buy-and-build acquisition strategy and also adds Tony Clarkson and Jez Quigg to the management team.

Source: EC Electronics Press Release

October 06, 2022 **STMicroelectronics** receives a EUR292.5 million grant from Italy to build a silicon carbide substrate plant. STM is investing a total of EUR 730 million. The European Commission has approved this grant and sees it as strengthening the semiconductor supply chain within Europe. The new source of innovative substrates for energy-efficient chips is expected to ensure the development and supply of future technologies within Europe in the areas of electric vehicles, charging stations and other applications. The project is scheduled for completion in 2026. It is the first integrated production line for SiC silicon carbide epitaxial substrates on an industrial scale in Europe. STM has agreed to prioritize serving orders from the EU in the event of a supply shortage, investing in the development of next-generation microchips and contributing to strengthening the European semiconductor ecosystem.

Source: ViPress.com

October 07, 2022 **Alliance** Electronics, France has announced the acquisition of Belgian EMS **ACE** Electronics. This acquisition is part of Alliance's strategy to become the European leader in high mix low volume. With this acquisition, Alliance currently has 5 sites (2x France, Tunisia, Portugal, Belgium) and a total of 820 employees. In 2022, Alliance aims to generate more than EUR 100 million in sales and further acquisitions are in the pipeline. The acquisitions are supported by Waterland Private Equity.

Source: www.electroniques.biz

October 07, 2022 **Infineon** Technologies AG has opened a new plant in Hungary for the assembly and testing of power semiconductor modules for vehicle electrification. The investment amounts to approximately EUR 100 million and is supported by further contributions from the Hungarian government. When completed, this will create 275 jobs.

Source: [evertiq](http://evertiq.com)

October 10, 2022 The **U.S. government** has issued new regulations aimed at blocking the production of advanced chips in China. The new export controls now enacted are intended to protect U.S. national security and foreign policy interests. Specifically, they are intended to limit the ability to use high-end chips for military applications. The thresholds are 16 nm or less

for logic circuits and 18 nm technologies or less for DRAM memories and NAND flash memories. These bans prevent China from developing advanced processes and sizes of 16nm and below. Production facilities of non-Chinese companies in China are also affected.

Source: ViPress

October 10, 2022 **Hansamatrix** from Latvia publishes its revenue in the 3rd quarter of 2022. In the past quarter, the company was able to generate revenue of EUR 7.59 million, an increase of 44.4% compared to the same period in 2021. Revenue also increased by 15.7% compared to the previous quarter. Hansamatrix further reports that the increase was achieved through good business in the industrial and internet of things sectors, as well as the acquisition of new customers. It further reported that cost increases in energy costs adversely affected earnings. These cost increases will be gradually passed on to customers via price increases from September 2022 until January 2023. In addition, HansaMatrix reports that rising component prices and long delivery times are still having a significant impact on development, while at the same time the first signs of easing in the supply chain are being perceived. However, this easing is currently not observable for all segments and a continuing difficult supply chain is still expected in the coming months.

Quelle: AS HansaMatrix

October 10, 2022 A report from **Elektronikpraxis** highlights the importance of **Taiwan** to global electronics production. According to the report, Taiwanese-owned companies produce about 66% of the world's semiconductors, more than 60% of the world's EMS and ODM production, about 40% of the world's laminate production, and more than 30% market share of printed circuit boards. It should be noted that some or all of the respective production does not take place in Taiwan itself. Many companies produce in China. The data show the particular importance and impact against the background of the conflict between China and Taiwan over the country's independence. In addition, other influences such as typhoons, water shortages or earthquakes in this region are shown.

Source: www.elektronikpraxis.de

October 11, 2022 **EMSNOW** announces that together with partner **in4ma**, this year's European tour will visit various European EMS companies in Sweden, France, Netherlands, Belgium and Germany in November 2022. The tour will end in Munich at electronica from Nov. 15-18, 2022, and EMSNOW, Eric Miscoll and in4ma, Dieter Weiss will report their impressions and insights directly from the tour in various podcasts. Meet them also at electronica at the EMS SCOUT booth in hall A1 booth 555.

Source: www.emsnow.com

October 12, 2022 **TSMC** is moving forward with plans for a fab in the Dresden area. TSMC plans to send a delegation to Dresden for this purpose before the end of October. According to the report, the German automotive industry in particular is pushing for TSMC to locate in Germany. Currently planned is the 300-millimeter wafer technology.

Source: <https://www.n-tv.de>

Oct. 12, 2022 According to a **Reuters** report, U.S. chipmaker **KLA Corp.** will stop supplies and services to China-based customers. The background is the U.S. government's package of export controls aimed at slowing China's progress in chip manufacturing. KLA so far makes 30% of its revenue from China about \$2.66 billion. The company also stops supplying Intel and SK Hynix in China.

Source: evertiq

October 13, 2022 According to a report by **Bloomberg**, US chipmaker **Intel** is planning massive job cuts. Due to the downturn in the computer market, the company, which currently employs around 113,700 people, is forced to take this step. Only in July, Intel had lowered its annual revenue and profit forecasts after missing estimates for the second quarter.

Source: evertiq

October 13, 2022 **Zollner** Elektronik AG will open a new location in **Tunisia** at the beginning of 2023. In a first step, a building with an area of approx. 2500 square meters was rented for this purpose in order to counteract prevailing capacity bottlenecks. The location will manufacture flat modules and electronic modules for the European market with approx. 100 employees. At the same time, Zollner is starting to plan and realize its own new building in the region. The New Factory is scheduled for completion in 2024 and will cover approximately 10,000 square meters.

Source: www.zollner.de

October 13, 2022 The world's largest foundry **TSMC** lowers the planned investments from 40 billion USD to 36 billion USD. The background to this measure is weaker demand from customers and their inventory adjustments. Meanwhile, TSCM makes more than 54% of its revenue from 7nm and below technologies. Moreover, in Q3, TSCM made 72% of its revenue from customers in the US. European customers accounted for 5%.

Source: ViPress

October 13, 2022 **Sony** Group and **Honda** Motor of Japan will jointly launch premium electric vehicles. The joint company, Sony Honda Mobility, will manufacture the new vehicles at Honda's North American plants. The first vehicles are expected to be delivered in North America in 2026. This will be followed by markets in Japan and Europe. The companies have joined forces to combine their strengths and catch up with rivals such as Tesla, Volkswagen and newcomers like Xiaomi and Foxconn.

Source: Bloomberg

October 13, 2022 **HANZA** AB announces that it has entered into a collaboration agreement with SAMON Group AB. **SAMON** Group AB is a manufacturer of gas detection solutions for industrial, commercial and maritime applications. HANZA's production network will be used to further support SAMON Group AB's European expansion. The initial volume is estimated at SEK 15 million (approx. EUR 1.4 million) and is expected to grow further.

Source: <https://hanza.com>

October 17, 2022 Swedish **NOTE** Group has announced its first 9 months results for 2022. During this period, the group was able to generate sales of SEK 2,649 million (approx. EUR 242 million), which is 44.8% higher than the same period in 2021. Net income also increased to SEK 155 million (approx. EUR 14.2 million), which is 23% higher than in 2021. Further, the company states that approx. 6% of sales in Q3 came from the recharging of extraordinarily increased material costs, which were recharged without margin. Currently, the company sees a slowdown only in the UK market, all other markets continue to develop positively.

Source : www.note-ems.com

October 18, 2022 French **Nemera**, a specialist in electronic drug delivery devices announces strategic partnership with Zollner AG. **Zollner** will be instrumental in driving the design, development and manufacture of the devices. As a first step, Zollner will develop the electronics and software for Nemera's Symbioze, a portable injection device.

Source: www.nemera.net

October 19, 2022 **ESCATEC**, Malaysia opens an innovation center in Heerbrugg, Switzerland. The center is located about 200m from the current production site in Switzerland and is home to 22 employees in the first step. With this location, the company further expands its capabilities and services for its customers in the area of design and development. These services are offered both in conjunction with series production at ESCATEC or as stand-alone services. ESCATEC also has locations in Malaysia, the Czech Republic and the United Kingdom.

Source: EMSNOW

October 21, 2022 The Estonian Agency for Business and Innovation (EAS) and the Estonian Employers' Association has awarded **Incap** Electronics Estonia with the Foreign Investor Award. According to EAS, Incap has worked hard to develop the region in recent years, making a lot of investments and training people. The company's commitment to green technologies is particularly highlighted.

Source: www.incapcorp.com

October 24, 2022 Latvian EMS provider **Volberg** reports a 40% increase in revenue to EUR 7 million for the first 9 months of 2022 compared to the first 9 months of the previous year. With this result, Volberg already exceeds the total revenue from 2021 after 9 months. 2022 revenue is expected to reach EUR 9.5 million, an increase of approximately 45%. Further, the company reports that price increases due to higher energy costs have been passed on to key customers in the form of price adjustments.

Source: Evertiq

October 24, 2022 According to **Allianz** Research, the **automotive industry** is the most affected by the semiconductor crisis worldwide. Starting with the Corona crisis in 2020, semiconductor inventories and orders were significantly reduced to prepare for tougher times. In the second half of 2020, however, demand for cars increased unexpectedly. However, carmakers subsequently found that chipmakers had shifted production capacity to other booming markets, such as computers, and there was not enough capacity available. At the beginning of 2021, the situation seemed to ease for the first time, but this was worsened again by the Ukraine war and the Corona policy in China. According to the study, the automotive industry is still far below the production volume of 2019, and European production has been hit particularly hard, with an estimated production of only 13 million vehicles in 2021. Allianz assumes that the damage in 2021 and 2022 could be around 100 billion EURO in Europe alone.

Source: ViPress

October 25, 2022 **NOTE** announces that it expects to lose SEK 30 million (approx. EUR 2.7 million) in receivables as a UK customer has filed for insolvency proceedings. Note had already sent out a press release on October 12 stating that the UK customer's business operations would not be continued as a result of the insolvency application. The insolvent company has since been taken over by a market companion and Note has started discussions with the aim of continuing the partnership. Note is hoping for a significantly lower bad debt loss than the NOK 30 million mentioned.

Source: CCG

October 26, 2022 Norway's **Kitron** reports a doubling of revenue in Q3 2022 compared to the same period in 2021. In the first 9 months, the company generated revenue of NOK 4.673 billion (approx. EUR 451 million), an increase of 69.2% compared to the same period in 2021.

EBIT reached NOK 294.6 million (approx. EUR 28.4 million) in the same period, up 56.2% from 2021. Kitron attributes these results to a strong market, improved component availability and the acquisition of Danish EMS provider BB Electronics AS. At the same time, Kitron raised its expectations for 2022. The company is raising its previous sales forecast of NOK 5.7 billion to NOK 6.1 billion (approximately EUR 550-589 million) to NOK 6.2 billion to NOK 6.4 billion (approximately EUR 599 million to EUR 618 million). Earnings are expected to be between NOK 390 million and NOK 430 million (approx. EUR 38 million to EUR 42 million), up from NOK 330 million to NOK 400 million (approx. EUR 32 million to EUR 39 million).

Source: www.kitron.com

October 26, 2022 On December 1, 2022, the **IPC EMS Seminar** will again be held in cooperation with the Estonian Electronics Industry Association (EEIA). As every year, participation is free of charge, you will only incur travel expenses. Registrations can be made at <https://forms.gle/9NMaGhnogzYBuwzQ8>. In addition to the presentation of current market figures by in4ma, you can expect exciting presentations from Zollner and InCap on the challenges of the future, new developments in power electronics from C-MAC, and a panel discussion on component supply.

On our own account:

The complete report from in4ma on the **European EMS Industry 2021** with many exciting market figures is ready. The file with more than 120 slides in pdf format can be ordered for 990,-Euro at weiss@in4ma.de in German or English.

Source: in4ma

October 26, 2022 **Alliance** Electronics announces the acquisition of 2 EMS service providers from France. Alliance acquires the group B3C with the companies **ELEKTO** and **TME**. Dis is the next step of the company to implement its strategy to become the largest European provider in high mix and low volume.

Source: ALLIANCE ELECTRONICS

October 26, 2022 Finland's **Scanfil** Group has released its results for the first 9 months of 2022. Sales increased to EUR 621.4 million in the first 9 months from EUR 504 million in 2021 (+23.3%). Net income increased in this period from EUR 21.3 million to now EUR 24.6 million (+15.3%). Expectations for 2022, adjusted on July 13, 2022, were confirmed. The growth is a result of high demand in all customer segments, and the availability of electronic components has also improved. Further, the company reported that also in Q3 Sportmark purchases influenced the figures, a total of EUR 20 million was passed on to customers. In the 2nd quarter, the figure was EUR 30 million. The company did not realize any significant margins on this pass-through of increased purchase prices. Also reported is an improvement in cash flow, which also stems from the completion of further inventory build-up. This will remain a focus area for Scanfil.

Source: www.scanfil.com

October 27, 2022 Finland's **Incap** Corporation announces results for the first 3 quarters of 2022. Sales increased to EUR 185.1 million, up 56.4% compared to the same period in 2021. EBIT amounts to EUR 27.1 million, up 49.2% from 2021, while net income increased to EUR 18.9 million, up 34%, not quite as much as the other figures. Further, the company reports ongoing difficulties in procurement, however, this situation is currently improving and is expected to ease further in 2023. Incap also plans to grow inorganically and is currently focusing on Germany and the USA for this goal.

Source: www.incapcorp.com

October 28, 2022 South Korean chipmaker **SK Hynix** announces that it will reduce planned capital expenditures by 50%. The second largest manufacturer of memory chips sees a massive slump in demand, which will continue at least until the second half of next year. The company also reports a 60% drop in profits in the 3rd quarter. Prices for memory chips fell by 20% in the past quarter.

Source: evertiq

Development of public EMS companies in comparison*:

EMS	28. /29.12.2020	30.12.2021	31.10.2022	change to 30.12.21
Cicor	46.50 CHF	52.80 CHF	42.20 CHF	- 20.1%
Hanza	13.95 SEK	64.40 SEK	48.10 SEK	- 25.3%
Incap	18.45 Euro	78.50 Euro	15.62 Euro*	- 0.5%
Inission	34.33 SEK	33.70 SEK	31.80 SEK	- 5.6%
Katek	27.90 Euro (IPO4.5.21)	25.95 Euro	16.55 Euro	- 36.2%
Kitron	18.12 NOK	23.60 NOK	23.30 NOK	- 1.3%
Norbit	17.80 NOK	31.30 NOK	25.30 NOK	- 19.2%
Note	60.60 SEK	231.00 SEK	159.60 SEK	- 30.9%
Scanfil	6.52 Euro	7.46 Euro	5.88 Euro	- 21.2%
Europe EMS		arithmetic average		- 17.8%
*Share split 1:5				
Benchmark	27.01 USD	27.08 USD	28.38 USD	4.8%
Celestica	8.07 USD	11.03 USD	11.03 USD	0.0%
Flex	17.98 USD	18.39 USD	19.64 USD	6.8%
Jabil	42.53 USD	70.07 USD	65.07 USD	- 7.1%
Kimball	15.82 USD	21.81 USD	20.40 USD	- 6.5%
Plexus	78.21 USD	95.84 USD	98.04 USD	2.3%
Sanmina	31.89 USD	41.60 USD	56.45 USD	35.7%
Global EMS		arithmetic average		5,1%

*The above information does not constitute investment advice within the meaning of Section 1 Paragraph 1a Clause 2 No. 1a of the KWG and should not be viewed as a personal recommendation.

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