

EMS Europe Telegram

5th edition 2023

Summary:

The EMS industry continued to grow strongly in the first six months of 2023. We have analyzed the situation further in our half-year report. At the same time, order backlogs are falling, which is due to a significant improvement in the procurement of input materials. We also observe that companies are still sitting on far too much inventory and are not getting it reduced sufficiently or, in some cases, not at all. Distributors are reporting record sales and a catastrophic order intake. From our point of view, there is much to suggest that the high sales increases cannot be justified by market growth in all sectors; rather, inventories continue to be built up even at the OEMs. The first figures of the 3rd quarter already show that growth is slowing down. Nevertheless, we expect 2023 to be a very good year and have adjusted our forecasts.

Already in Q4 of this year, however, many market participants will feel the restraint in the market more strongly, which will continue in the first half of 2024. The inventories of the OEMs and partly also of the EMSs will have to be reduced again more strongly during this period. You can find out more about our assessments and analyses at productronica in Munich at the IPC stand on 14 and 15 November 2023. We will also provide further insights into the current topics at the IPC seminar in Tallinn on 30.11.2023.

Development of public EMS companies in comparison*:

| EMS | 30.12.2021 | 30.12.2022 | 31.10.2023 | change to 30.12.22 |
|------------------|-------------|------------|--------------------|--------------------|
| Cicor | 52,80 CHF | 42,90 CHF | 43,70 CHF | 1,9% |
| Hanza | 64,40 SEK | 51,10 SEK | 70,00 SEK | 37,0% |
| Incap | 78,50 EUR | 17,10 EUR* | 5,97 EUR* | -65,1% |
| Inission | 33,70 SEK | 32,00 SEK | 44,00 SEK | 37,5% |
| Katek | 25,95 EUR** | 14,15 EUR | 10,50 EUR | -25,8% |
| Kitron | 23,60 NOK | 28,05 NOK | 29,40 NOK | 4,8% |
| Lacroix | 31,00 EUR | 26,80 EUR | 26,50 EUR | -1,1% |
| Norbit | 31,30 NOK | 28,05 NOK | 57,00 NOK | 103,2% |
| Note | 231,00 SEK | 179,00 SEK | 146,10 SEK | -18,4% |
| Scanfil | 7,46 EUR | 6,58 EUR | 7,62 EUR | 15,8% |
| Europe EMS | | | arithmetic average | 9,0% |
| *Stock split 1:5 | | | | |
| ** IPO 4.5.21 | | | | |
| Benchmark | 27,08 USD | 26,69 USD | 24,21 USD | -9,3% |
| Celestica | 11,03 USD | 11,27 USD | 23,35 USD | 107,2% |
| Flex | 18,39 USD | 21,58 USD | 25,72 USD | 19,2% |
| Jabil | 70,07 USD | 68,05 USD | 122,80 USD | 80,5% |
| Kimball | 21,81 USD | 22,59 USD | 26,20 USD | 16,0% |
| Plexus | 95,84 USD | 102,93 USD | 98,32 USD | -4,5% |
| Sanmina | 41,60 USD | 57,29 USD | 50,87 USD | -11,2% |
| USI | 14,20 CNY | 13,70 CNY | 14,41 CNY | 5,2% |
| Global EMS | | | arithmetic average | 28,3% |

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

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On our own behalf

15. September 2023

EMS SCOUT expands to include locations outside Europe

On the search engine www.ems-scout.de, OEM companies can find the right EMS provider in Europe. In order to further strengthen the European providers and at the request of some OEM companies, the search has now been extended beyond the borders of Europe. You can now also find 104 locations outside Europe, these are production locations of European EMS providers.

17. October 2023

in4ma and IPC extend their cooperation

At a meeting of Sanja Huprikar (President Europe and South Asia Operations at IPC) and Dieter G. Weiss (founder and owner of in4ma) in the USA, they looked back on a successful cooperation to promote the European EMS industry. The successful cooperation was also renewed for 2024 at this event.

31. October 2023

New supporter of in4ma

We are pleased to welcome another new supporter of our work this month. The company KATHREIN Sachsen GmbH, based in Mühlau, Germany is now a new premium supporter of the in4ma work.

Market analysis

11. September 2023

Half-year survey by in4ma

This year, due to the very good growth rates of the listed companies in the first six months, we decided to conduct a half-year survey. The scope has focused on the EMS companies in Germany, Austria and Switzerland. These are all companies that also participated in our annual survey. In addition, some companies outside the DACH region could be taken into account, as corresponding figures are available due to group affiliations. The findings can be found in the report. Two highlights at this point: The companies were able to grow by 21.8% from half-year 2022 to half-year 2023. Backlogs are falling. We have therefore adjusted our forecast for 2023.

Finance & Corporate Strategy

01. September 2023

France: ACTIA maintains growth in turnover

The Toulouse, France-based group is sticking to its revenue growth expectations of 15% for 2023. According to the announcement, the company is still feeling supply bottlenecks for some components and reports about ten million EUR in sales affected by this. At the same time, the company expects this situation to continue to improve significantly by the end of the year. In the first quarter of 2023, the group was still able to grow by 20.8%, while in the second quarter growth was 12.2%. In the first half of the year, the group generated revenue of EUR 288.7 million, 16.2% higher than in the same period of 2022. ACTIA is pursuing a growth strategy and aims to reach revenue of EUR 800 million in 2025. In 2022, the group generated a turnover of EUR 500 million with 3,700 employees.

27. September 2023

Germany: Rhode & Schwarz participates in a research project IPCEI

As the company announced, it will support the work in the European project IPCEI (Important Project of Common European Interest) in the field of microelectronics and communication technology of the European Union. The four German locations in Munich, Memmingen, Teisach and Duisburg are involved. The project is one of a total of 31 projects funded by Germany. Rohde & Schwarz also intends to support the project with its own investments. The goal is to develop a new, highly competitive measurement technology solution for the millimetre wave range. Areas of application for the technology are mobile radio standards (6G), sensors in automotive radar applications, the Internet of Things (IoT) and Industry 4.0

27. September 2023

Austria: AT&S participates in research project to make electronics more sustainable

The company is participating in the EECONE project (European ECOSystem for green Electronics) together with 48 other companies. The project, which has a budget of 35 million euros, is funded by the European Union and the member states to the tune of 20 million euros. The project is led by the German company Infineon. The aim of the project is to reduce valuable resources in the manufacturing process, to reduce waste and to improve recycling systems. In addition to alternative materials, the recycling, repair and reprocessing of electronic components will be the subject of research. AT&S will also invest EUR 1.2 million of its own funds in this project.

02. October 2023

America: Jabil announces restructuring plan

Jabil, one of the largest EMS companies in the world, is undergoing restructuring. The Board of Directors has approved the Board's plan, which foresees a reduction in headcount and restructuring costs of EUR 300 million. The company's cost base is to be adjusted and optimised even after the sale of the Mobility business. The focus is on adjustments in the area of sales and administrative costs and an adjustment of global capacities. For 2024 and 2025, the company anticipates cash expenditures in this context of EUR 200 million.

05. October2023

Finland: Incap corrects turnover and profit

Incap announces that the destocking of its largest customer is further delayed. For this reason, Incap is adjusting its expectations. The company expects sales for 2023 to be between EUR 210 and 220 million. EBIT is expected to be between EUR 24 and 28 million. These figures include the recently acquired Incap US (formerly Pennatronics Inc.).

11. October2023

France: Lacroix Group grows by 18.8%

In the first six months of 2023, the Lacroix Group grew by 14.6% to EUR 387.8 million, thanks in particular to the strong business in external electronics manufacturing. Growth was strongest in the electronics manufacturing segment with the industrial, automotive and avionics segments at 18.8%. This result was achieved despite damage caused by a cyber attack that led to closures at three plants. Lacroix is benefiting from the much improved situation in the procurement market and strong customer demand, and also sees a good environment in Europe for the second half of the year. Despite uncertainties in the electronics business in the North American market, the Group confirms the sales target of EUR 750 million and an EBITDA of 9%. The EBITDA margin in the electronics business declined slightly to 4.6% in the first six months, due to increased energy costs and higher labour costs, which could not be fully passed on to customers.

12. October2023

Finland: Scanfil revises 2023 expectations

According to a press release from the company, the order situation is above the level of 2022. A slight weakening in the market has an impact on the development of sales and earnings, as some customers are reducing inventories due to better availability of components. Scanfil now expects revenue in 2023 to be between EUR 880 million and EUR 920 million (previously EUR 900 million to EUR 950 million) and adjusted earnings to be between EUR 60 million and EUR 66 million (previously EUR 61 million to EUR 68 million).

12. October2023

Switzerland: Cicor announces strategic collaboration with Clayens

The Swiss Cicor Group has signed a declaration of intent with the French Clayens Group for cooperation in the area of contract development and manufacturing in the medical technology and industrial segments. The focus is on drug delivery devices. Clayens focuses on the processing of polymers, composites and precision metal parts. Together, the companies intend to combine their strengths and utilise the synergies of the combined workforce of approximately 7,500 employees at 46 production sites with 20 clean rooms. Both companies will remain independent. The cooperation is supported by the joint shareholder One Equity Partners (OEP).

16. October2023

America: White Horse Laboratories reports on expansion into Europe, the USA and Asia at EMSNOW

Stephen Griffiths from White Horse Laboratories is a managing partner and reports on the company's plans. The company offers various services for the quality assurance of the products. Among other things, it operates testing laboratories, carries out factory audits, offers programming and logistics services, etc. at locations in Cleveland, Shenzhen, Singapore, Munich, Hong Kong and Bangalore. With 160 employees, the company provides quality assurance and regulatory compliance services. See the full article at:

<https://www.emsnow.com/up-close-with-stephen-griffiths-managing-partner-white-horse-laboratories/>

16. October2023

Switzerland: Cicor to grow strongly in 2023

The Cicor Group was also able to grow strongly in the 3rd quarter of 2023. Compared to the same quarter of the previous year, sales increased by 22.4% to CHF 95.3 million (approx. EUR 101 million). Organic growth accounted for 11.7%. Orders received of CHF 108 million (approx. EUR 114.4 million) lead to a book-to-bill of 1.13. The company indicates growth of 25% to CHF 294.5 million (approx. EUR 312 million) in the first nine months of 2023. The increase is supported by good order developments, particularly in the medical technology, aerospace and defence sectors. In addition, the company is also benefiting from the acquisition of new customers. Cicor is also benefiting from demand for alternatives to manufacturing in China and from increasing outsourcing activities in development and electronics manufacturing. The company continues to focus on accelerating growth through acquisitions and organic growth. The annual forecast for sales of CHF 380 to 410 million (approx. EUR 403 to 434 million) and EBITDA of CHF 40 to 45 million (approx. EUR 42 to 48 million) was confirmed.

17. October2023

Sweden: Note reports 11% growth in Q3

Organic growth in the 3rd quarter — excluding acquisitions — amounts to 3%. From January to the end of September 2023, the company increased sales by 19% to SEK 3,163 M (approx. EUR 272 M). Excluding acquisitions and adjusted for currency effects, organic growth was 8%. Operating profit increased by 44% and is now reported at SEK 312 M (approx. EUR 27 M). After tax, profit increased by 48% to SEK 229 million (approx. EUR 19.7 million). Note states the impact of material cost increases on sales at 5%. Note intends to achieve the sales target for 2025 organically, but also with selected acquisitions. The company confirmed the targets

25. October2023

Finland: Incap reports EUR 50 million revenue in Q3

In the 3rd quarter, Incap generated EUR 50 million in sales compared to EUR 70.6 million in the previous year. In the first nine months, turnover was EUR 179.2 million, 3.2% lower than in the previous year. In terms of EBIT, Incap is at EUR 24.5 million and thus 13.7% of turnover. The company expects sales of EUR 210 to 220 million in 2023 and EBIT between EUR 24 and 28 million. The destocking at Incap's largest customer is taking longer than expected and the full impact is not expected to be felt until Q4. With most other customers, Incap was able to

increase sales in Q3. Incap reports tough measures and a reduction of its workforce in India by 1,136 employees. Incap reiterates further growth targets through organic growth, possible mergers and acquisitions.

25. October 2023

Norway: Kitron continued to grow in Q3 2023

The company reports an increase in revenue from EUR 165.5 million in 2022 to EUR 179.2 million in Q3 2023, with EBIT in this period rising from EUR 11.5 million to EUR 16.2 million. In the first nine months of 2023, turnover grew to EUR 576.1 million. This is EUR 109.7 million more than in the previous year. EBIT for the first nine months is EUR 52.7 million, compared to EUR 29.3 million in 2022. The order book fell to EUR 502.1 million at the end of Q3; at the end of Q1, the last peak was EUR 585.9 million. The company attributes this to improvements in delivery times for input materials. Kitron expects sales of EUR 750 million to EUR 800 million in 2023, with EBIT between EUR 65 million and EUR 75 million.

Merger & Acquisitions

06. September 2023

France: SERMA expands to the USA

The Serma Group from France is taking over Dallas-based Microtech Laboratories, a competence and analysis laboratory from the USA. In particular, the acquisition will allow Serma Technologies to expand its business with its established range of analytical services in France and its current six sites. Microtech Laboratories is an independent laboratory specialising in failure analysis and reverse engineering of semiconductors. Serma's objective is to become a major player in the field of electronic analysis laboratories, thereby supporting the Group's other businesses. The Serma Group generated a turnover of EUR 170 million in 2022 and employs approximately 1,300 people at 12 sites in France, Germany and Tunisia.

14. September 2023

Germany: Icape acquires German printed circuit board distributor

Icape from France announces the acquisition of the German dealer Princitec, based near Düsseldorf. This is Icape's second acquisition in Germany, following the takeover of HLT. Princitec employs nine people and generated sales of EUR 6.5 million in 2022. Icape intends to make further acquisitions and aims to grow its turnover by EUR 30 million in 2023. Icape has 35 subsidiaries and generated a turnover of EUR 220 million in 2022. The group describes itself as a global technology distributor of printed circuit boards.

20. September 2023

France: Inovelec acquires cable and harness manufacturer

French EMS provider Inovelec announces the acquisition of Servica of France. Servica is a manufacturer of cables and cable harnesses. Servica employs 150 people with a turnover of EUR 13 million and has sites in France, Tunisia and Portugal. This is Inovelec's third acquisition since 2022. Inovelec aims to reach EUR 70 million in turnover this year — after EUR 40 million in 2022. In a few years, the EUR 100 million mark should be exceeded.

22. September 2023

Germany: Dr. Schneider Group is acquired by the Motherson Group

The insolvent Dr. Schneider Group is taken over by the automotive supplier Motherson Group from India. Motherson is a family-owned company and operates about 300 production sites worldwide. The company has a turnover of approximately EUR 10.5 billion. The group will take over various plants of the insolvent Dr. Schneider Group worldwide, including the German-based Dr. Schneider EMS GmbH.

29. September 2023

Belgium: I-care Group takes over Cepyra

I-care from Belgium buys the Belgian EMS supplier Cepyra Electronics. Through this vertical integration of Cepyra Electronics, a major supplier to I-care, the company intends to secure greater control of the production chain. In addition, I-care intends to invest approximately two million euros in the expansion of Cepyra Electronics' capacities, thus doubling them. I-care says it is a global leader in predictive and preventive machine maintenance. The AI-supported solutions make it possible to detect machine failures at an early stage.

18. October 2023

Switzerland: Cicor takes over the British STS Defence Limited

Cicor announces the acquisition of STS Defence Limited, a UK-based service provider specialising in aerospace and defence. STS has built a reputation for designing, manufacturing and assembling equipment and systems. The company also has expertise in equipment maintenance. Following the acquisition of Axis Electronics, the current acquisition is Cicor's second in the UK. STS currently employs 150 people and had a turnover of GBP 27.5 million (approx. EUR 31.5 million) in the last financial year (ending June 2023). The acquisition is expected to be completed in 2023.

Structural and personnel changes

01. September 2023

Slovenia: Change of name of Iskratel d.o.o.

The company name of the Slovenian EMS provider Iskratel was already changed on 03.07.2023. The name is now Kontron d.o.o. and the website has been adapted to www.kontron-slovenia.com. In addition to the EMS business, the company focuses on solutions in the areas of infrastructure, digitalisation, etc.

01. September 2023

Germany: Change of Managing Director at Hekatron Manufacturing

On 01.04.2024, Arno Hohmann will take over the management of Hekatron Technik GmbH (Hekatron Manufacturing) from Michael Roth, who has managed the company for the past 20 years. Mr. Hohmann will take up his new job as early as 01.12.2023. He brings with him many years of experience in management positions at Dormakaba and most recently as COO of Sauter AG in Basel.

08. September 2023

China: Zollner Elektronik Taicang Co., Ltd. appoints new General Manager

Zollner Elektronik AG from Germany announces a change at its Chinese subsidiary. The long-time manager Viktor Ungemach leaves the company and Yun Qian takes over the function of General Manager. Yun Qian has already been working for Zollner for more than 19 years. The Taicang site currently employs about 600 people. Electronic products for the automotive, railway technology, aerospace & defence and industrial electronics sectors are manufactured here.

08. September 2023

Latvia: HansaMatrix appoints a new Finance Director

Riga-based EMS service provider HansaMatrix announces the appointment of Alexis Olovs as its new Finance Director and Board Member. Alexis Olovs is already a member of the board and succeeds Maris Macijevskis, who will leave the company on 22 September 2023.

11. September 2023

America: Scanfil expands SMD capacities in the USA

The Finnish company Scanfil has expanded its plant in Atlanta, USA, due to high demand and existing growth potential. The site now also has an SMD line from ASMPT. Scanfil has a worldwide cooperation with ASMPT and uses the same systems and processes in the different plants worldwide. This allows the company to move product between sites without interruption. In Atlanta, the focus is mainly on the assembly of MedTech, power electronics, cooling products, IoT and payment solutions.

11. September 2023

Germany: RAWE Electronic expands production capacities

RAWE Electronic, a EMS service provider based in Weiler in the Allgäu region, began moving into a new factory at its headquarters in June of this year. A total of another 2,000 square metres of production space is available to the company. The company reports a continued high order situation and has created 30 additional jobs this year alone. Assembly activities, end-of-line testing, gluing processes, potting of assemblies and shipping will be carried out in the new facility. The company has experienced strong growth in the past and reports order utilisation well into 2024.

11. September 2023

Slovenia: SG Automotive reports on activities outside the automotive sector

The Slovenian EMS provider SG Automotive has started series production for an extensive project outside the automotive industry. Following the successful restructuring of the company at the end of 2021, a customer outside the automotive industry with a significant volume has now been acquired. In a first step, SG Automotive will produce approx. 200,000 printed circuit boards for control modules of adjustable furniture. By the end of 2024, a quantity of over half a million is expected.

12. September 2023

Germany: SMA Solar Technology AG expands electronics production

SMA reports investments of EUR twelve million in the expansion of its electronics production until the end of 2024. With this step, the Company is creating 50 additional jobs in Kassel, Germany. In addition to expanding its own innovative strength, the goal is also to further reduce dependencies in the supply chain.

14. September 2023

Romania: Groundbreaking ceremony for another Diehl Controls production plant

Diehl Controls from Wangen im Allgäu has started construction work on a new electronics plant in Romania. The new plant is scheduled for completion at the end of 2024. The production area is stated to be 8,765 square metres. Diehl Controls plans to employ up to 600 new employees at this new location. The plant in Braşov, Romania will be the third location in Europe, in addition to the headquarters in Wangen, Germany and a plant in Poland. Diehl Controls Romania will focus on manufacturing electronic systems for washing machines, heat pumps and in the automotive sector.

14. September 2023

Lithuania: Teltonika announces the construction of a new electronics plant

A new electronics plant is being built in Vilnius, Lithuania. With this new building next to the existing factory, Teltonika is responding to increasing customer demand for EMS services. The new building will have an area of 22,700 square metres on three floors and is scheduled for completion in 2025. The company is investing around EUR 75 million in this new factory and plans to create 700 new jobs. In addition to the EMS business, this new production facility will also manufacture its own IoT products. In addition, Teltonika already started building its own

printed circuit board production facility in August and is investing around EUR 143 million here by the end of 2024.

15. September 2023

Estonia: Ouman invests another EUR 1.5 million in the Kuressaare site

Finnish supplier Ouman has invested in a new Yamaha SMT line at its Estonian plant in Kuressaare. The planned investment has now been completed and the line put into operation. With this step, the company is expanding its capacity by 50%. The Ouman Group is growing strongly and will reach a group turnover of EUR 45 million in 2022. In the first six months of 2023, sales grew by another 30%.

19. September 2023

China: Diehl Controls opens a second production plant for electronic systems

Diehl Controls from Wangen im Allgäu is part of the globally active Diehl Group and is now investing around EUR 23 million in a second site in Qingdao, China. Diehl produces electronic control and system panels for washing machines at this site. One of Diehl's most important customers is the Haier Group in China, which generated approximately EUR 30 billion in 2022 with 70,000 employees. Haier is a leading global manufacturer of household appliances. The new Diehl Controls plant was built within 500 metres of the Haier Group's largest manufacturing facility for washing machines and also water heaters. Diehl's production area at this site is reported to be 6,000 square metres.

22. September 2023

Germany: BMK Group rents a new location

On the site of the former Fujitsu Siemens computer plant in Augsburg, BMK Group is renting approx. 20,000 square metres from WALTER Beteiligungen und Immobilien AG at the Walter Technology Campus Augsburg. The new location is to be occupied in 2024. Until then, renovation work will be carried out on the existing building. The proximity to BMK's main location in Augsburg also offers a decisive advantage of the new premises in the Technology Campus.

25. September 2023

Finland: Dicor Oy opens a second plant in Estonia

The Finnish contract manufacturer Dicor Oy opens a second factory in Estonia with the location in Narva. The production area is 3,500 square metres. A total of 150 people work at this location. A large international contract manufacturer in the field of cable production had parted with this location, thus opening up the possibilities for expansion for Dicor Oy.

26. September 2023

Germany: KSG invests in capacities for the production of printed circuit boards

KSG Group has invested in a new wet chemical horizontal plant. With the new plant, the company can implement a higher production volume. The plant offers an alternative to metallic end surfaces with an organic tarnish protection OSP (Organic Solderability Preservative/Organic Surface Protection). It represents a low-cost and RoHS-compliant processing option.

26. September 2023

Germany: GBS Electronic Solutions appoints new managing director

On 1 September, Kai Lenfert became the new Managing Director of GBS Electronic Solutions GmbH in Bayreuth. At the same time, Mr Lenfert will also take on this role for acquisitions made at the end of 2022, the companies Elektron Systeme und Komponenten GmbH and IB Prozessleittechnik GmbH from Weißenhohe. Mr Lenfert expands the current management team and brings with him extensive experience in the fields of electronics and the EMS industry. The group generates a turnover of EUR 40 million with approx. 300 employees.

27. September 2023

Romania: IKT Group opens a new location

The IKT Group from Ukraine has opened a new location in Romania. The subsidiary located there operates under the name IKT Electronics Ltd. The company sees itself on a growth course and wants to use the location to move closer to customers from Europe and also Israel. On the other hand, this step is also aimed at minimising risks due to the war in Ukraine. Preparations are currently underway for certification according to a quality management system. The first customers are already being supplied from the new location.

28. September 2023

Sweden: Inission Munkfors AB has a new CEO

Swedish Inission announces that Inission Munfors AB has a new CEO in Mathias Larsson. Mathias Larsson has many years of experience in the EMS and aerospace industries, among others, and was most recently CEO at Anva Polytech AB.

04. October 2023

Hungary: Melecs opens a new production hall

Melecs from Austria has commissioned another production hall at its site in Hungary. The company is investing a total of EUR twelve million in capacity expansion, infrastructure development and for the manufacture of new products. The current production area of 4,200 square metres will be expanded by another 1,800 square metres with this step. In addition, investments were made in new equipment and production lines, the expansion of the warehouse by 30% and the renovation of the social facilities and common areas. The investment will also result in approximately 120 new jobs.

11. October2023

France: Matra Electronique appoints new CEO

Marta Electronique, part of MBDA France, has appointed Jean-Jaques Picarda as its new CEO. The company employs 420 people with a turnover of EUR 81.6 million in 2022. Jean-Jacques Picarda has already been with the company since 2021 and has been responsible for various areas. The company focuses on defence, space and advanced technologies.

12. October2023

China: Zollner Elektronik AG expands the plant in Taicang

Zollner Electronic Taicang Cp., Ltd. a subsidiary of the German Zollner Elektronik AG, has expanded the existing plant in Taicang. Construction work began in 2021 and has now been completed. The result is 17,000 square metres for a clean room, two-storey production areas for assembly and mounting, storage area, canteen, social areas and office space. The production area is stated to be 15,000 square metres.

24. October2023

Tunisia: Altrics from France invests in its Tunisian plant

Only a year ago, the EMS service provider Altrics or its Tunisian subsidiary Atems opened its plant in Tunisia near Tunis. The site has an area of 10,000 square metres. Due to the great success and the planned growth strategy, the company is now investing in a fifth SMD line as well as a robot-controlled lacquering system for the printed circuit boards also manufactured at the site. Altrics or Atems belongs to the French Alliance Electronics Group with a turnover of 130 million euros and 1,200 employees at a total of ten locations in France, Belgium, Portugal and Tunisia.

Materials & Components

07. September 2023

The global semiconductor market grows for the fifth month in a row

The SIA (Semiconductor Industry Association) and WSTS (World Semiconductor Trade Statistics) data see a recovery in the global semiconductor market. In July 2023, the market grew for the fifth consecutive month, even though the 2022 levels are still a long way off. The 3.2% month-on-month increase in July comes primarily from the China and US regions. In Europe, the increase was only 0.5%.

15. September 2023

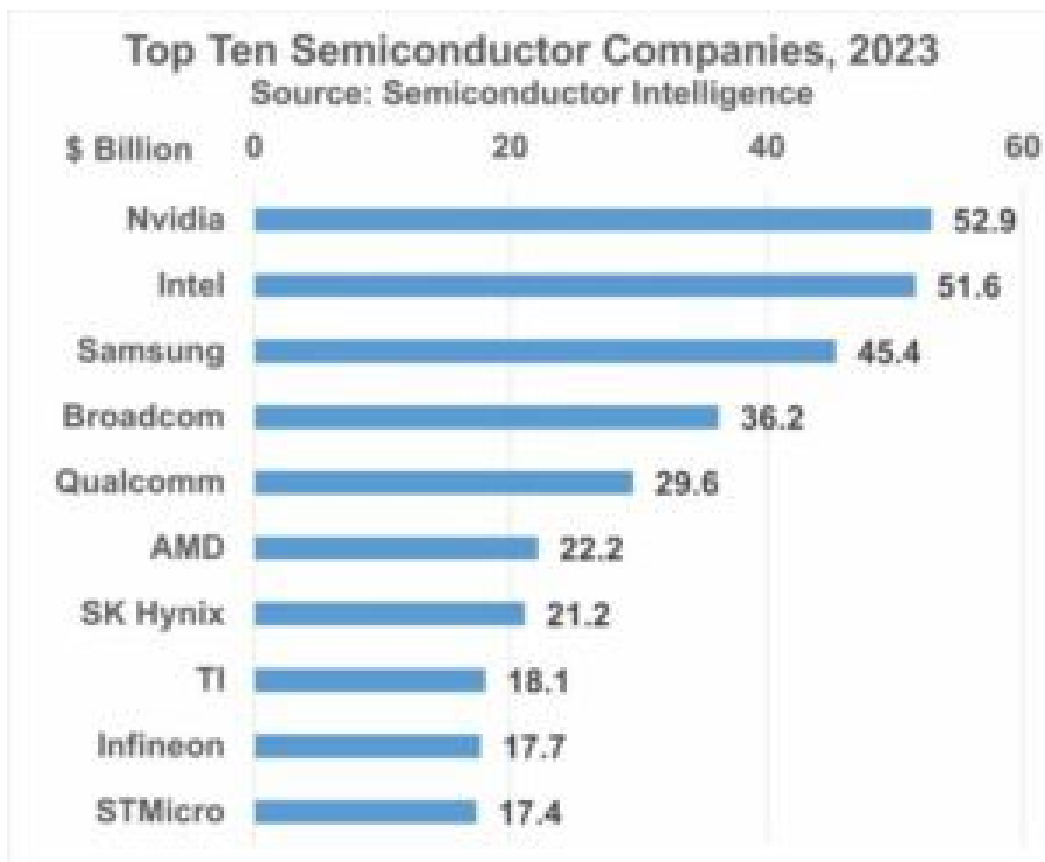
Canada: Future Electronics is acquired by Taiwanese company WT Microelectronics

WT Microelectronics acquires Canadian distributor Future Electronics for USD 3.8 billion. The acquisition will be financed partly with cash and partly through debt financing by DBS Bank. WT Microelectronics is rather unknown in Europe, but generated a turnover of USD 7.8 billion in 2022 compared to Future Electronics, which "only" generated a turnover of USD 2.9 billion in 2022. WT Microelectronics currently has no presence in EMEA (Europe, Middle East, Africa) or North America. With the purchase, the company will become a global supplier. The transaction is expected to close in the first half of 2024.

25. September 2023

Changes in the TOP10 semiconductor companies

According to a study by Semiconductor Intelligence (SC-IQ), there could be changes in the ranking of the largest companies in the semiconductor industry in 2023. According to forecasts and data from the manufacturers, neither Intel nor Samsung would end up in first place. Both manufacturers have topped the list for the last 20 years. The new number one would be Nvidia with an estimated turnover of 52.9 billion USD. Nvidia's jump in sales is attributed to its business with processors for artificial intelligence (AI) applications, which almost doubled the company's sales in 2022. The two Europeans Infineon and STMicro will therefore remain in last place in the TOP 10.



26. September 2023

Global PCB production increased by 6.7% in 2022

The latest numbers of N.T. Information about the PCB industry are out. They require a thorough detail knowledge in order not to misinterpret the numbers. The total numbers of revenues of N.T. information always is converted into USD and added up. The individual revenue numbers of the PCB manufacturers include assembly services as well, as many big PCB manufacturers nowadays offer EMS services as well. You should realize this, as it means, you might be buying your PCBs from a potential competitor. Best of all, the PCB company then already has all the basic information about the product. The N.T. information number for Revenues of the PCB industry comes out to 96.5 Bil. USD. As this includes PCBA, the pure PCB revenues have been calculated back by Data4PCB and in4ma to about to 81.5 to 82.0 bil. USD. Most of the production is still in China, even though a list of N.T. Information is misleading as well. It states that Taiwan has a share of 31.97% and five of the top ten PCB manufacturers are from the country. But this refers just to the ownership. Many of the PCB factories in China are owned by Taiwanese companies and data need to be further analyzed to get to a better picture. Still one can assume, that more than 50% of global PCB production happens in China. This goes as well to the statement, that the PCB industry grew by 6.7% in 2022. For this calculation, the exchange rates for the different countries are kept on the 2022 average as well for the 2021 revenues. Using the changes in currencies, the outcome would be higher.

05. October2023

Geopolitical changes shift the semiconductor landscape

The research company IDC (International Data Corporation) assumes that the geopolitical measures and changes will also result in a change in the semiconductor market. The development is moving away from global cooperation towards multi-regional competitors. Among other things, this is due to the various chip acts passed by the different countries in Europe and the USA in order to limit dependence on China and production in Taiwan. In terms of foundry share, China is forecast to have a share of 29% (+2%) and Taiwan a share of 43% (-3%) in 2027. In the same period, the US share will increase to 11% specifically for 7nm and smaller technologies. The situation is different in the semiconductor assembly and testing sectors. Here, efforts are being observed to move away from China and invest more in the Southeast Asian regions. The US can also benefit from this, along with countries like Malaysia and Vietnam. The changes up to 2027 are certainly small in absolute terms, but the IDC believes in a long-term trend that has begun.



06. October2023

Global semiconductor sales grow for the sixth month in a row

As the figures from the WSTS (World Semiconductor Trade Statistics) show, the global semiconductor market continues to recover. Sales in August rose by 1.9% compared to July. However, year-on-year, we are still on a downward trend (-6.8% to August 2022). In terms of regions, the Americas (+4.6%), China (+2%) and Asia-Pacific (+1.2%) markets continued to grow in August, while the Japanese (-0.4%) and European (-1.1%) markets declined. In a year-on-year comparison, however, the values look positive especially for Europe.

Worldwide Semiconductor Revenues

Year-to-Year Percent Change



09. October2023

Semiconductor production at the 200 mm drops to 50 to 60%

The research institute Trendforce assumes that production capacities for semiconductors in the 200 mm wafer segment will fall to 50-60% in the second half of 2023. A slight increase to 70% is forecast for 2024. Producers have tried to increase demand through e.g. pricing policies, but macroeconomic conditions and high inventory levels have prevented this. At the same time, inventories are also rising in the automotive and industrial sectors, where bottlenecks have existed until now. The market is also witnessing a price war by some participants who are taking aggressive action. Higher utilisation rates as in the past are currently not in sight.

Incoming orders

19. October 2023

Norway: Kitron becomes partner of BRC Solar GmbH from Germany

As the company announced, a new contract was won with BRC Solar GmbH for the delivery of a new product called Power Optimizer to increase the performance of solar modules. Over the next three years, the volume is expected to grow to an annual value of ten million EUR. Kitron will take over the complete manufacturing of the products and produce the Power Optimizer in its plant in Lithuania.

V.i.S.d.P. Michael Künsebeck, künsebeck e² consulting, Jupiterstraße 14a, 32130 Enger –
on behalf of in4ma

Sources: All the articles listed come from publications in various trade journals, from different market analysis institutes, directly from the companies, from in4ma or from other reputable media. In order to improve the presentation, we have refrained from printing a separate source reference for each report in the 02/2023 issue. We assure you that we have researched the reports with due diligence. If you would like the sources of the respective reports, you can request them by e-mail at kuensebeck@in4ma.de.

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