

EMS Europe Telegram 6th edition 2023

Summary:

An eventful year in the EMS industry in Europe is coming to an end. After a brilliant start with continued double-digit sales growth, the business climate cooled significantly in the second half of the year, especially for smaller companies, which, as always, are the first to feel the effects of economic changes. The order backlog is still sufficient for the large EMS companies, while the smaller ones are now worried about the first quarter of 2024. Ultimately, this is all just the final phase of the bull whip effect. After the order intake in 2021 was highly artificially inflated, the companies achieved extremely strong sales growth in 2022 (+6.3 billion in Europe), of which around 2.1 billion euro was caused by price increases. If market growth had been normal, as in previous years, the volume growth required to satisfy the market would have been 2.7 billion euro. Instead, it was around EUR 1.5 billion higher, caused entirely by panic orders from customers, which only filled the warehouses. Now the warehouses are full and you are missing orders that you would not have produced until the fourth quarter of 2023 and the first quarter of 2024 under normal behaviour, but have now already produced in the fourth quarter of 2022 and the first half of 2023.

Interestingly, you produced these vast quantities of additional orders entirely with semiconductors, which were supposedly in such terribly short supply. We hope you have all got into the habit of paying attention to the date coding of the semiconductors when they are delivered. Interestingly, according to reports from individual companies, there were a lot of old goods in there.

If you still believe in the fairy tale of the chip crisis, then throw this story overboard. It was just as fabricated as the statements about double-digit growth in 2022, which was supposedly due to AI, 6G and digitalisation.

The next six months will be difficult for many smaller companies, so be prepared. We wish you all the best with your decisions. We will be happy to support you in your decision-making process. We would also ask you to take part in our annual survey again in January 2024, which starts on 8 January 2024.

We wish you a Merry Christmas and every success in the New Year.

Dieter G. Weiss

Dr. Mareike Haass

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On our own behalf

20. December 2023

Annual report

The EMS Europe Annual Report 2023 is almost ready. It can be ordered from next week. The price for this year's even more detailed annual report with around 180 slides and a comprehensive, descriptive hand-out, which will also be supplied, is 1,980 euros. Supporters and co-operation partners receive a discount of 200 euros on the purchase of the report.

20. December 2023

Annual survey 2024

Please note: The mailing of the registration forms for the annual survey will start on 8 January 2024.

20. December 2023

New supporter of in4ma

We are delighted to welcome another new supporter of our work among our supporters. The Polish company Nordes Sp. Z.o.o. from Wroclaw will become a new supporter of in4ma on 1 January 2024. Unfortunately, it is always necessary to recruit new supporters for our work because M&A activities in the EMS industry mean that we are constantly losing supporters (e.g. Beyers, which was bought by Hanza in 2021, SMT through the purchase of Cicor in 2022, Enics, which was bought by GPV, and Orbit One, which was also bought by Hanza in 2023).

Finance & Corporate Strategy

20. December 2023

Denmark: GPV passes the DKK 10 billion turnover mark.

On 16 December 2023, GPV exceeded the revenue mark of DKK 10 billion (equivalent to EUR 1.35 billion). The original target was to reach DKK 7.5 billion in 2025; this target has now been achieved significantly earlier. The company's CEO, Bo Lybaek, attributed the success to higher component and material prices, the acquisition of Enics and stronger customer demand. In the company's interim report for the third quarter of 2023, the revenue forecast for the full year was raised to DKK 10.0 to 10.4 billion and the EBITDA forecast to DKK 690 to 730 million.

13. December 2023

Norway: Kitron plans a turnover of one billion euros for 2027

Kitron has commented on its financial targets. The company is targeting sales of EUR 1 billion and an operating margin of 9% in 2027; an increase in the EBIT margin of one per cent compared to the 2027 target issued last year. For 2024, the company expects sales of between EUR 750 and 800 million and EBIT of between EUR 65 and 75 million. For 2023, Kitron confirms its outlook from the third quarter report and expects sales of between EUR 750 and 800 million and an operating profit (EBIT) of between EUR 65 and 75 million.

11. December 2023

Sweden: NOTE adjusts its forecast for 2023

NOTE has raised its sales forecast for 2023 from SEK 4.3 billion to SEK 4.21-4.26 billion. Sales in the fourth quarter of 2023 are estimated at SEK 1,050-1,100 million, with an operating margin of 8.5%-9.0%. Sales of between SEK 4.5 and 4.8 billion are expected for 2024, with an operating margin of 10%.

05. December 2023

Switzerland: Cicor announces mid-term financial targets

The Cicor Group has set itself medium-term financial targets for the next three to four years, including annual organic growth of 7-10%, sales of over CHF 600 million within three to four years and profitability of 7-10% (core EBIT) or 10-13% EBITDA. Acquisitions will continue to play an important role in the future. The current forecast includes sales of CHF 380 to 410 million and an operating result (EBITDA) of CHF 40 to 45 million for 2023.

05. December 2023

Taiwan: Foxconn raises Q4 forecast due to strong Christmas sales

Foxconn has raised its outlook for the fourth quarter due to strong year-end sales. The company said that sales in the first two months of the fourth quarter were slightly above expectations and the outlook for the fourth quarter is expected to be better than the original forecast. Sales in November totalled US\$20.65 billion (T\$650 billion), the second highest of the year and up 18% year-on-year, but down 12.3% from October. Foxconn announced an 11% rise in third-quarter profits in November, boosted by growth in non-operating income, but forecast a slight decline in full-year revenue.

29. November 2023

Sweden: Scanfil plc transfers treasury shares as part of a share option programme

On 27 November 2023, a total of 20,000 shares in Scanfil plc were subscribed for as part of the company's 2019(B) share option programme. The entire subscription price for the subscription, EUR 86,800, will be transferred to the company's reserve for invested, uncommitted equity. Scanfil transfers an amount of 20,000 of its own shares to the subscriber. After this transfer, Scanfil holds 78,738 treasury shares.

29. November 2023

USA: Jabil adjusts targets for 2024

Jabil Inc. has revised its outlook for the 2024 financial year due to a decline in demand in the first quarter as a result of short-term inventory corrections. The company now expects sales of between USD 8.3 billion and USD 8.4 billion for the first quarter, slightly below the previously announced range. For the second quarter, sales are expected to be between USD 7.0 and 7.6 billion. Jabil's sales are now expected to be around USD 31 billion, a decrease of 7% compared to the previous forecast. Core operating margin is expected to be within the previously stated guidance range of 5.3% -5.5%, resulting in core earnings per share of over \$9.00 for FY2024. The company expects adjusted free cash flow of over USD 1bn for the year and remains committed to its share buyback strategy.

17. November 2023

Taiwan: Pegatron announces third quarter results and outlook for 2024

Co-CEO Kuo-Yen Teng forecast the highest sales in the fourth quarter due to new smartphone products at the annual press conference on 14 November. The company expects a slow sales development in the first half of 2024, which will improve in the second half of the year. The original expectation of double-digit growth has been downgraded to single-digit growth.

Pegatron continues to focus on strengthening its capabilities and working closely with customers to sensibly allocate required production capacity. Following the commissioning of the plant in Chennai (India) at the end of 2022, Pegatron invested more than NT\$ 300 million in October 2023 to further expand its activities in India. The Mexican plant is also an important focus for future development.

Pegatron is expanding its activities in North America, focusing on customers investing in the automotive industry or requiring products such as cloud, communications and consumer electronics. In addition to diversifying its production capacity, the company has also recently opened up new business areas. Pegatron is following the trend of AI servers amid the booming AI market and announced that the company has secured orders from medium to large customers in this area until 2024. Pegatron aims to exceed a 10% revenue share target in the automotive sector by 2025 and expects double-digit growth in 2024 due to new automotive customers.

Pegatron's revenue in the third quarter was NT\$315.7 billion, an increase of 12.46% quarter-on-quarter but a decrease of 10.5% year-on-year. Gross profit margin was 3.85%, while operating and net profit margins were 1.4% and 1.45%, respectively. Cumulative revenue for the first quarter of 2023 was NT\$914.6 billion, a year-on-year decrease of 4.76%.

16. November 2023

Denmark: GPV continues on its successful course

GPV achieved revenue of DKK 2.5 billion (EUR 335.16 million) and EBITDA of DKK 197 million (EUR 26.41 million) in the third quarter, an increase of 120% compared to the third quarter of 2022. The increase was primarily due to the merger with EMS provider Enics, but unexpectedly strong customer demand and higher component and material prices also contributed to revenue. Despite higher material prices and PPVs (Purchase Price Variance), which put pressure on margins, earnings in the third quarter were better than expected and EBITDA increased to DKK 197 million (EUR 26.41 million; previous year's quarter EUR 12.87 million). GPV's working capital increased to DKK 2.8 billion at the end of the third quarter. Turnover for the first three quarters of the year totalled DKK 7.9 billion (EUR 1.05 billion), an increase of 140% on the previous year. GPV expects a positive earnings trend for the year and is raising its revenue forecast from DKK 9.9 to 10.3 billion to DKK 10.0 to 10.4 billion and its profit forecast, which envisages EBITDA of DKK 690 to 730 million. The company is also doubling its production area in Mexico to 8,500 square metres and is expanding in Slovakia with an additional 11,000 square metre production facility. Production of the two expansions is scheduled to start in the first half of 2024.

16. November 2023

Germany: KATEK increases its sales growth by 18.6% in the third quarter

KATEK SE recorded sales growth of 18.6% in the third quarter of 2023, a gross margin of over 30% and a positive operating cash flow. The company has thus generated sales of € 587.9 million in 2023 to date. The Systems & Products segment recorded the strongest growth, with Solar accounting for 34%. The Electronics segment recorded an increase of 16%, partly due to the acquisition of Nextek in Alabama/USA. Material price negotiations and simultaneous successful price negotiations with customers led to a gross margin that rose by 3.3 percentage points year-on-year to 30.5%, while EBITDA increased by 83% to EUR 32.7 million. KATEKs has successfully realised its strategic goal of becoming a major player in the European electronics market, ranking second in Germany and one of the five largest EMS companies in Europe.

08. November 2023

Sweden: Hanza reports rising sales and highest ever operating margin of 9.3% in the third quarter

Hanza recorded a 14% increase in sales to SEK 955 million (EUR 81.6 million) in the third quarter of 2023, compared to SEK 838 million (EUR 71.6 million) in the same period of the previous year. The operating result (EBITA) rose from SEK 50 million (EUR 4.2 million) in the third quarter of the previous year to SEK 89 million (EUR 7.7 million). Earnings after tax totalled SEK 49 million (EUR 4.1 million), a significant increase compared to SEK 26 million (EUR 2.2 million) in the same period last year. At 9.3%, the operating margin is higher than ever before. Hanza expects further growth in 2024 from its existing customer base. To accommodate this growth, Hanza plans to expand the existing production clusters through modular expansions and make suitable acquisitions to increase capacity.

06. November 2023

Taiwan: Foxconn reports figures for October

Foxconn reported a 12.2% increase in sales for October compared to the previous month, primarily due to an increase in its smart consumer electronics division. The company recorded consolidated sales of NT\$741.2 billion (US\$23.09 billion), up 12.2% year-on-year. The increase was mainly due to global sales of Apple's latest iPhones, the iPhone 15 series. Foxconn's consolidated revenue for the first 10 months of this year was approximately NT\$5.05 trillion, the second highest ever for the 10-month period after NT\$5.44 trillion in 2022. The company's smart consumer electronics division benefited from the debut of new tech devices and customers stocking up for China's Single Day or Double 11 buying frenzy and the Thanksgiving season in the US and Europe. Foxconn's consolidated revenue totalled NT\$1.54 trillion in the third quarter, up 18.43% from the second quarter but down 11.65% year-on-year.

06. November 2023

Sweden: Actia expects to exceed its record turnover from 2022

The Swedish subsidiary of French EMS service provider Actia, based in Linköping, reports full order books in 2023 and expects further growth next year. The company is investing in new machines, is looking for a larger production building and wants to increase its production capacity. Despite difficulties such as component shortages, transport problems and high electricity prices, conditions are now better in the electronics industry. However, some component manufacturers have maintained their higher prices, which could open the door for Chinese manufacturers with lower prices and better delivery conditions. Actia Linköping started its production in 2020 and generated a turnover of approx. 5.3 million euros in 2022 with 26 employees. Actia is continuing its expansion plans and expects to exceed the record turnover of 2022.

02. November 2023

USA: Plexus reports sales increase for 2023

Plexus reported full-year revenue growth to \$4.21 billion, up from \$3.81 billion in 2022. In the fourth quarter, the company reported revenue of \$1.02 billion, operating income of \$53.33 million and net income of \$40.26 million. Plexus achieved revenue growth of over 10%, a non-GAAP operating margin of 5.2% and free cash flow of \$62 million. Plexus was awarded 30 production programmes in the fourth quarter, representing annual sales of USD 192 million. The company has been awarded manufacturing contracts with annual sales of USD 946 million in the 2023 financial year. The company expects strong demand for commercial aerospace, demand for semiconductor capital equipment and new programmes to drive revenue growth.

01. November 2023

Switzerland: Cicor increases syndicated loan

The Cicor Group has signed a loan agreement to refinance its existing portfolio. The existing syndicated loan was increased from CHF 155 million to CHF 245 million. The new agreement comprises a new revolving credit facility of CHF 120 million, two acquisition facilities of CHF 75 million (already partially amortised) and CHF 50 million as well as an optional acquisition credit facility of CHF 75 million. The credit agreement, which is structured as a syndicated loan,

provides financial security and liquidity and increases Cicor's strategic flexibility. The new credit agreement has a term of four years with two one-year extension options.

Merger & Acquisitions

06. December 2023

France: Adex Electronique acquires NP Capelec

Adex Electronique acquired the EMS service provider NP Capelec on 16 November for an undisclosed sum. Both companies are based in the Ile-et-Vilaine region. The aim of the acquisition is to increase production capacity and consolidate the supply chain. Adex Electronique offers a range of services from prototyping to small and medium series, with a focus on the assembly and control of printed circuit boards. NP Capelec, on the other hand, specialises in the industrialisation and manufacture of printed circuit boards, cable harnesses and mechatronic assemblies. Both companies are certified according to IATF, EN9100 and ISO 14001 and serve various industries from small to large series production.

05. December 2023

Switzerland: Management buy-out at Bepro AG

Bepro AG in Güttringen has secured its future through a management buyout. The previous majority shareholder Josef Bilgery is taking over as Chairman of the Board of Directors. Thomas Rusch, Michael Züst and Dominik Schegg now hold the majority of shares. The Executive Board remains unchanged, with Michael Züst taking over operational management from 1 January. This step is intended to ensure the long-term survival of Bepro AG and prepare the company for the challenges of the market, globalisation and digital transformation.

04. December 2023

Netherlands: VDL Groep takes over Rena Electronics

The Dutch industrial company VDL Groep has taken over the EMS service provider Rena Electronica from Zundert. VDL Groep also owns VDL TBP Electronics, which also operates as an EMS company. Rena Electronica has expanded its production capacity in recent years. The acquisition will enable VDL to expand its current insufficient production capacity.

Rena Electronica recently achieved a turnover of 12 million euros and employs more than 50 people. VDL TBP Electronics generates an annual turnover of 50 million euros with over 170 employees.

30. November 2023

Sweden: Hanza acquires Orbit One

Hanza AB has signed an agreement to acquire all shares in Orbit One AB for SEK 458 million as of 1 December 2023. Orbit One has annual sales of approximately SEK 1.1 billion and an operating profit of approximately SEK 70 million. The purchase price for the shares is based on the annual accounts for November 2023 and amounts to SEK 367 million. There is also an additional purchase price of SEK 91 million, which is dependent on the company's performance

in 2024. The acquisition will be financed through bank loans and is subject to regulatory approvals, which are expected by the beginning of January 2024.

28. November 2023

Finland: Inission merges MLB Electronics Oy and Inission Lohja Oy into one legal entity

MLB Electronics Oy, a subsidiary of Inission AB, has merged with Inission Lohja Oy to form a single legal entity. The aim of the merger is to improve service and operational efficiency and to deliver high quality solutions faster. The companies will operate under the name Inission Lohja Oy and offer a broader range of services in the fields of electronics and mechanics. Existing contracts will be transferred to Inission Lohja Oyn.

20. November 2023

France: WAE Group acquires SNEES

The French WAE Group has completed its fourth takeover in six years and acquired the EMS service provider SNEES, based in Sablé-sur-Sarthe. The acquisition is part of a vertical integration strategy. With 120 employees and a consolidated turnover of 15 million euros, WAE now has 120 employees at six locations in France and abroad. Founded in 1980, SNEES employs 40 people and has modern machinery in its 5,000 square metre plant. The WAE Group is mainly active in the medical, healthcare, new mobility, home automation, IoT, industrial, defence, aerospace and energy sectors.

15. November 2023

USA: Ascentron, Inc. acquired by Emerald EMS

Emerald EMS has acquired Ascentron, Inc. of Medford, Oregon, an EMS company known for its expertise in the life sciences and aerospace industries and FDA-approved. The acquisition complements Emerald's network of technical services and manufacturing facilities, which include domestic locations in California, Michigan and New Hampshire, as well as international facilities in Shenzhen, China and Penang, Malaysia. The addition of Ascentron, Inc. to the Emerald Group enables the company to offer a full range of services and capabilities normally associated with larger EMS companies.

10. November 2023

India: Tata Electronics acquires Wistron InfoComm Manufacturing (India)

Tata Electronics has finalised its 100% stake in Wistron InfoComm Manufacturing to become the first Indian manufacturer of iPhones. The company is expected to start production in India for the domestic and global markets within two and a half years. This move represents a vote of confidence in the Indian electronics sector and Apple's desire to diversify its supply chain away from China.

06. November 2023

USA: Jabil acquires recovery specialist Retronix

Jabil acquires Retronix and strengthens its position in the field Jabil has acquired Retronix, a global specialist in the recovery and refurbishment of electronic components, for 30 million US

dollars. The acquisition expands Jabil's portfolio to include specialised technologies that enable the safe extraction of embedded components from printed circuit boards and electronics. The acquisition complements Jabil's existing circular economy services, including reverse supply chain management and medical device remanufacturing.

02. November 2023

Great Britain: IMI sells its shares in STI Enterprises Limited

Integrated Micro-Electronics Inc (IMI), the manufacturing unit of Ayala Corporation's subsidiary AC Industrial Technology Holdings Inc, has sold 80% of its stake in UK electronics company STI Enterprises Limited, acquired in 2017, to UK investment firm Rcapital. The deal was completed on 4 August 2023 and included an agreement to sell 80% of IMI's shares and 20% of STI's minority shareholders' shares to Rcapital. The deal was completed on 31 October following the satisfaction of conditions precedent, including approval from the UK Government under the National Security and Investment Act 2021. The sale was made to Sand 2023 Limited, an Rcapital affiliate, for a net consideration of approximately £2.2 million. The payment terms provide for 100% payment no later than two years after completion. The acquisition enables a stronger focus on core areas and a better allocation of capital.

02. November 2023

China: USI acquires Hirschmann Car Communication from TE Connectivity

Universal Scientific Industrial (Shanghai) Co, Ltd. has completed the acquisition of TE Automotive Wireless from TE Connectivity Ltd. The acquired business will continue to operate under its well-known name in the automotive industry, "Hirschmann Car Communication", and will continue to provide wireless solutions for the automotive industry. The acquisition reinforces USI's position as a global leader in electronic solutions and its commitment to delivering reliable products to the automotive industry.

Struktural changes

18. December 2023

Sri Lanka: GPV triples its production capacity

GPV Electronics LK has officially opened its new production facility, which has been operating since July 2023. The 6,200 square metre plant in Sri Lanka has been expanded with a new 11,400 square metre production building, almost tripling the size of the local company. The plant has multiple competences including SMT/THT assemblies, inductive components, cable assemblies and box build, test engineering and RoHS compliant infrastructure. Around 1,100

18. December 2023

Lithuania: DANNIE.CC plans to invest EUR 3 million in 2024

Lithuanian EMS service provider DANNIE.CC launched its PCBA production facility in Antalya, Turkey, in October. The company has earmarked investments totalling EUR 3 million for 2024. An expansion of the site in Vilnius, Lithuania, is planned: Enlarging the production facility to 2,000 square metres, purchasing new SMT and final assembly lines and increasing the team to 40 employees.

18.12.2023

Taiwan: Foxconn and Porotech enter into partnership for AR microdisplays

Foxconn and GaN-based semiconductor technology and fabless MicroLED specialist Poro Technologies are working together to commercialise MicroLED microdisplays for augmented reality applications in wearable and smart devices. The goal is to build the world's first viable end-to-end supply chain for AR microdisplays. Foxconn will contribute its proprietary technologies in semiconductor wafer fabrication, packaging, IC driver and module assembly, while Porotech will provide its PoroGaN MicroLED-on-Silicon (uLEDoS), Dynamic Pixel Tuning (DPT) and GaN-on-Silicon technology.

15. December 2023

Taiwan: Foxconn and NXP establish joint research and development lab for electric vehicles

NXP Semiconductors and Foxconn are investing in a new research and development laboratory for electric vehicles in the Nankan District of Taoyuan County, Taiwan. The Chinese lab will employ over 200 engineers and utilise NXP's electrification portfolio and cross-vehicle system solutions. The lab will focus on service-oriented gateways, vehicle connectivity and safe vehicle control. NXP and Foxconn have been working together for some time and signed a memorandum of understanding in July 2022 to develop platforms for connected vehicles.

14. December 2023

Costa Rica: Zollner invests in Costa Rica site

Zollner Elektronik AG announced on Thursday that it will invest 100 million dollars in the expansion of its activities in Costa Rica. The investment will double the workforce by 400 new employees.

14. December 2023

France: Thales expands its centre of excellence for microelectronics

Thales has invested 40 million euros in a new building to expand its centre of excellence for microelectronics near Vitré. With this investment, the company has increased the site's floor space by 5,000 square metres to almost 15,000 square metres. The Thales centre in Étrelles is a centre of excellence for electronic packaging, interconnection and assembly technologies. Specialising in microelectronics and microwave technologies, the site designs and manufactures active modules and integrated electronic sub-assemblies for critical systems and harsh environments. Its activities mainly focus on the defence and aerospace markets, but

also on the petroleum research, automotive and energy management sectors. The number of employees is to be increased to around 900 in the coming months.

09. December 2023

Germany: Jabil Healthcare lays off all 250 employees

Jabil Healthcare, also known as Nypro Healthcare, is closing its site in Knittlingen, resulting in the loss of around 250 jobs by March 2024. The main customer has withdrawn due to a change in demand for the product manufactured at the site. Jabil has not found any alternatives to secure the site.

06. December 2023

Taiwan: Foxconn strengthens domestic software industry

Foxconn has opened a new software research and development centre in Kaohsiung, Taiwan, as part of its strategic focus on becoming a platform solutions provider. The software development centre focuses primarily on software development for smart city, smart manufacturing and smart EV applications. Foxconn is committed to strengthening Taiwan's software industry and aims to increase its share of the global software industry 10-fold to a market share of 10%.

06. December 2023

France: FEDD launches expansion project

The EMS service provider FEDD (Fabrication électronique de Dordogne) is starting an extension in December to increase its production capacity. The extension will combine two historic buildings into one and also provide 3,200 square metres of additional space for the expansion and modernisation of production. Completion is planned for August 2024. The company currently employs 220 people and plans to achieve a turnover of more than 65 million euros by 2027. Around 100 new hires are also planned by 2027.

FEDD is part of the Agôn Electronics Group, which consists of six companies and includes two other French and one Italian EMS company. The group employs a total of 370 people and generated sales of EUR 58 million in 2022.

04. December 2023

Sweden: Strategic collaboration between Inission Innovate and Dynamic Precision

Inission Innovate, a subsidiary of Inission, is entering into a partnership with Dynamic Precision to further improve its industrial electronics development services. The partnership will give customers access to Dynamic Precision's component database, allowing them to better control their products, shorten lead times for development projects and minimise risks in the product lifecycle. The database, which contains more than 120,000 components, is constantly updated and quality assured so that users can easily find the most suitable components for their electronic designs. The company has experienced strong growth in the past and reports order utilisation well into 2024.

01 December 2023

USA: Benchmark intends to terminate its agreement with customer Titan Medical Inc.

Titan Medical Inc. announces that EMS provider Benchmark Electronics, Inc., which was contracted to manufacture Titan's Enos Surgical System under a manufacturing and supply agreement, intends to terminate the agreement. Titan has not received any shipment of manufactured Enos Surgical System units from Benchmark and disputes that Benchmark has grounds for cancellation. Titan has denied Benchmark's allegation that Titan breached the agreement.

01 December 2023

USA: Jabil back in the S&P500

After a seven-year break, Jabil will be included in the S&P 500 again on 18 December, which will presumably increase the liquidity and trading volume of Jabil shares. With a market capitalisation of USD 15.2 billion, the company ranks around 400th in the index of the 500 or so largest US stocks. To qualify for the S&P 500, companies must be highly liquid US companies with a market capitalisation of at least USD 14.5 billion and meet standards for profitability, liquidity and share ownership.

30. November 2023

Taiwan: Sustainability targets at Foxconn: share of renewable energies already at more than 40%

In 2020, Foxconn committed to achieving net-zero emissions in the value chain by 2050. By validating the Science Based Targets initiative (SBTi), Foxconn's pledged targets were confirmed in 2023: The Group is committed to reducing absolute carbon emissions by 21% by 2025 and 42% by 2030, from a base year of 2020. The company has also set itself the target of increasing the proportion of renewable energy to over 50% by 2030. Thanks to continuous investment in renewable energy, the share had already risen to more than 40% by November 2023.

With 173 production sites and over 1 million employees worldwide, Foxconn is committed to sustainable environmental development and energy conservation as part of its EPS+ESG commitment to sustainable management.

28. November 2023

Switzerland/Sri Lanka: Variosystems doubles its production capacity in Sri Lanka

Variosystems has doubled its production capacity at its site in Badalgama/Sri Lanka by expanding its plant to 30,000 square metres. The company has been operating in Sri Lanka since 1998 and at the Badalgama site since 2013. In addition to electronics and wire harness production, the Group's largest site also offers space for sales, purchasing, logistics, testing technology and quality management. Just over 300 people are currently employed at the site; around 600 more jobs are to be created over the next three years.

23. November 2023

China: BECOM opens production facility in China

BECOM, an Austrian EMS provider, has opened its latest production facility in China. The facility has 3,000 square metres, two new SMT lines, employs 40 people and is primarily geared towards the automotive, medical and industrial sectors. According to BECOM, it has invested around EUR 4 million in the project.

21. November 2023

Mexico: Additional production facility for Jabil at the Chihuahua site

Jabil has opened a third production facility at its site in Chihuahua, Mexico. The company is thus creating further new jobs in the region after the site has already grown from 8,000 to 10,000 employees in just one year. The new plant, with an area of over 250,000 square metres, will produce for customers in the energy, automotive and transport sectors, among others. Teltonika also began building its own printed circuit board production facility in August and is investing around EUR 143 million in this by the end of 2024.

21. November 2023

France: Serma is looking for 400 new employees

The Serma Group is launching a recruitment campaign in France to attract 400 new employees. The company, which specialises in electronic technologies, embedded systems and information systems, is looking to expand its workforce. The company has recently acquired a laboratory in the US, integrated a company specialising in operational safety and partnered with Renault to test batteries for electric vehicles near Paris. The company offers positions in Paris, Toulouse, Lyon, Bordeaux, Aix-en-Provence and Angers/Rennes. Based in Pessac, the group employs around 1,300 people at almost 20 sites in Europe, Tunisia and the USA and achieved a turnover of over 170 million euros in 2022.

17. November 2023

Lithuania: Construction work for Teltonika's PCB production facility in Vilnius is progressing rapidly

The highly automated PCB production facility with an area of 33,000 square metres will employ around 250 skilled workers and go into operation at the beginning of 2025. Investment in the plant totals 143 million euros, with the majority going towards specialised production equipment. High-tech PCBs will be manufactured on site and technologies for HDI, SBU and flex-rigid as well as high-frequency PCB design will be developed. Unique in Europe to date, technological solutions such as digital solder mask printing technology and vertical continuous plating (VCP) are used for mass production. On the site of the 50-hectare Teltonika High-Tech Hill technology park in Liepkalnis, Vilnius, where the PCB plant is also being built, ten new industrial and administrative buildings will be constructed in stages over the next few years, including a building for the assembly, testing and production of semiconductor chips. The total investment over the next ten years will amount to around 3.7 billion euros. Around 6,000 employees will then be employed at the technology park.

17. November 2023

UK/Slovakia: Jaltek Systems and SCG Automotive enter into strategic partnership

The British EMS service provider Jaltek Systems and the Slovenian EMS service provider SG Automotive signed a cooperation agreement on 31 October to support enquiries from the British and European markets. Jaltek has a turnover of approximately £16 million with 114 employees and is AS 9100 and ISO 13485 certified. SG Automotive currently employs 100 people and has a turnover of 20 million euros; an increase to 30 million euros is planned for 2025. The company is part of the Slovenian private equity firm ECP Tac Op.

09. November 2023

Singapore: SP Manufacturing opens design and development centre in the USA

Singaporean EMS provider SP Manufacturing has opened a new design and development centre in San Diego, California, to enable closer collaboration with customers in the US and support the entire product lifecycle from design to mass production at its manufacturing sites in Indonesia, Malaysia, China, Germany and Poland. The new centre enables SP Manufacturing to offer manufacturing expertise in medical, industrial and automotive electronics manufacturing across the entire product lifecycle globally.

07. November 2023

Sweden: Delta Nordic expands at the Kungsängen/Stockholm site

DeltaNordic has experienced significant growth in recent years, with annual sales of SEK 244 million in 2021 and expected sales of SEK 400 million this year. The company is also moving to new premises in Kungsängen, where it already produces. At 4,652 square metres, the new factory has significantly more space than the existing premises of 2,758 square metres. In 2025, DeltaNordic plans to offer all product steps and services in the new factory as well, thus creating redundancy to the existing plant in Örnköldsvik.

In Örnköldsvik, investments were made in hardware, software and machinery. The number of employees was increased from 125 to 160.

03. November 2023

Slovakia. New production plant for GPV

GPV is converting a rented building between the two existing factories in Piestany, Slovakia, from a logistics centre into a new electronics factory. The factory is scheduled to go into operation in the first quarter of 2024. It will cover 18,000 square metres and initially use 11,000 square metres for storage and production.

02. November 2023

Sweden: Inission's Malmö site is being expanded

Inission Malmö is expanding its production area by 50% to meet customer demand. The expansion will be completed in the second quarter of next year and is intended to increase capacity and competitiveness. The new air-conditioned section will create optimal conditions for electronics production. In addition, technology- and environment-oriented investments will be made, including the replacement of LED lighting and the modernisation of the buildings.

02. November 2023

India: Incap opens third plant at Tumkur site

Incap has opened its third electronics manufacturing and box build facility in Tumkur, India. The site has many years of experience, particularly in the production of power electronics. Together with the two other production facilities, the third plant, which employs around 300 people, provides a total of 26,500 square metres of production space.

01. November 2023

Poland: Kitron invests in Polish site

The Norwegian contract manufacturer Kitron is planning to invest SEK 211 million in its plant in Grudziądz. The existing plant is to be expanded and a new one built. Kitron only invested 65 million Polish zlotys in the site in 2019. Kitron is currently looking for additional labour in Grudziądz.

01. November 2023

UK: TT Electronics opens new R&D facility for power solutions

TT Electronics opened its new 40,000 square foot power solutions R&D facility in Rochdale, Manchester, on 6 November, marking a strategic investment in power electronics and mission-critical aerospace and defence technology. The new facility will employ around 60 people.

Personnel changes

05. December 2023

France: Asteelflash's founder to retire at the end of 2023; new CEO appointed

Gilles Benhamou, the founder of Asteelflash, will retire at the end of 2023. Nicolas Denis has been appointed as the new CEO of Asteelflash by the Board of Directors of Financière AFG, the holding company of the supplier group. He will take over from 1 December 2023. Denis joined Asteelflash in July 2020 as Managing Director for France and was appointed Managing Director for Western Europe, Middle East and Africa (WEMEA) in November 2020. He previously held positions at Sagem, Anditrade Kompass, Sagemcom and HF Company.

05. December 2023

USA: Nortech appoints new CFO

Nortech Systems, an EMS provider of complex electromedical and electromechanical products, has appointed Andrew LaFrence as CFO and Senior Vice President of Finance. LaFrence will oversee Nortech's financial operations, including financial planning and accounting, as well as the company's relationships with lenders, shareholders and external auditors. Nortech specialises in complex wire harnesses, PCB assembly and box builds for high-mix, low-volume global manufacturing. With its 30-year history and growing expertise in digital connectivity and data management, Nortech Systems is well positioned to continue its success and growth. The company has seven production sites and development centres in the USA, Latin America and Asia.

05. December 2023

USA: Sanmina appoints new CFO

Sanmina Corporation has appointed Jon Faust as Executive Vice President and Chief Financial Officer, effective 18 December 2023. Faust has more than 20 years of experience in finance, accounting, controls and operations in large multinational companies. He previously served as Global Controller and Head of Finance Transformation & Corporate Services at HP Inc. and as Chief Financial Officer of Aruba, a Hewlett Packard Enterprise company.

20. November 2023

Sweden: New CEO for Inission Stockholm

Inission has appointed Ari Kemppainen as the new CEO of Inission Stockholm AB, a company with offices in Järfälla and Västerås. Kemppainen, who has a technology degree in heat and power engineering, was most recently an interim consultant at Enroad Consulting AB and previously held various management positions at international power electronics companies. The previous CEO Christian Löfgren is moving to business development at Inission's headquarters.

03. November 2023

Jabil announces changes to its Board of Directors

Jabil Inc. has announced changes to its Board of Directors. Current Vice Chairman Thomas A. Sansone will not stand for re-election at the company's annual meeting of shareholders in January 2024. Jamie Siminoff, founder of security company Ring, which was sold to Amazon in 2018, and Tiger Tyagarajan, CEO of Genpact, a global digital transformation solutions services company (formerly GE division), have been nominated to join the Board of Directors.

03. November 2023

Sweden: New site manager at Inission Syd in Borås

Inission Syd has appointed Ulf Westergren as Key Account Manager and Site Manager in Borås. Westergren previously worked at LEAB in Gothenburg as site manager. He has also held positions at Micro Support, Frontside Electronics and Spocs.

03. November 2023

Global semiconductor sales increase by 1.9% in September

The Semiconductor Industry Association (SIA) reported a 1.9% increase in global semiconductor sales for September compared to August 2023, but a 4.5% decrease compared to September 2022. Total sales for the third quarter amounted to USD 134.7 billion, with Europe recording the best sales growth. The President and CEO of the SIA, John Neuffer, attributed the increase to the positive dynamics of the chip market.

Incoming orders

06. December 2023

USA: OSI Systems receives orders totalling USD 5 million

The Optoelectronics and Contract Manufacturing division of OSI Systems, Inc. has been awarded contracts totalling approximately \$5 million to supply electronic assemblies to a leading technology OEM. The company plans to manufacture these orders at its facilities in the United Kingdom.

06. December 2023

Germany: Kontron wins EUR 30 million contract

Kontron has signed a contract worth over 30 million euros for electronics for fibre optic solutions, supporting an important player in the German telecommunications sector. The Slovenian subsidiary will supply server systems and software for the optical broadband expansion in Germany. Realisation of the project is planned from next year.

Current stock prices

Development of listed EMS companies in comparison*:

EMS	30.12.2021	30.12.2022	31.10.2023	20.12.2023	change to 20.12.23
Cicor	52,80 CHF	42,90 CHF	43,70 CHF	48,80 CHF	11,7%
Hanza	64,40 SEK	51,10 SEK	70,00 SEK	85,50 SEK	22,1%
Incap	78,50 EUR	17,10 EUR**	5,97 EUR**	7,10 EUR**	18,9%
Inission	33,70 SEK	32,00 SEK	44,00 SEK	48,00 SEK	9,1%
Katek	25,95 EUR***	14,15 EUR	10,50 EUR	11,00 EUR	4,8%
Kitron	23,60 NOK	28,05 NOK	29,40 NOK	31,50 NOK	7,1%
Lacroix	31,00 EUR	26,80 EUR	26,50 EUR	29,50 EUR	11,3%
Norbit	31,30 NOK	28,05 NOK	57,00 NOK	54,40 NOK	-4,6%
Note	231,00 SEK	179,00 SEK	146,10 SEK	155,20 SEK	6,2%
Scanfil	7,46 EUR	6,58 EUR	7,62 EUR	7,72 EUR	1,3%

Europa EMS

**Share split 1:5 arithmetic mean

***IPO 4.5.21

Benchmark	27,08 USD	26,69 USD	24,21 USD	27,68 USD	14,3%
Celestica	11,03 USD	11,27 USD	23,35 USD	28,68 USD	22,8%
Flex	18,39 USD	21,58 USD	25,72 USD	29,59 USD	15,0%
Jabil	70,07 USD	68,05 USD	122,80 USD	128,59 USD	4,7%
Kimball	21,81 USD	22,59 USD	26,20 USD	26,26 USD	0,2%
Plexus	95,84 USD	102,93 USD	98,32 USD	109,36 USD	11,2%
Sanmina	41,60 USD	57,29 USD	50,87 USD	51,83 USD	1,9%
USI	14,20 CNY	13,70 CNY	14,41 CNY	14,49 CNY	0,6%

Globale EMS

arithmetic mean

*The above information does not constitute investment advice within the meaning of Section 1 (1a) sentence 2 no. 1a KWG and is not to be regarded as a personal recommendation

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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 haass@in4ma.de.

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