

INCAP

# INCAP ANNUAL GENERAL MEETING

15.04.2019



INCAP

# REVIEW BY THE CEO

15.04.2019

# GREAT AMBITIONS IN FINLAND AND BEYOND

**OTTO RICHARD PUKK**  
President and CEO



# INTRODUCTION OF GROUP MANAGEMENT TEAM



# CONTENT

- Incap performance 2018
- Personnel
- Customers
- Outlook 2019



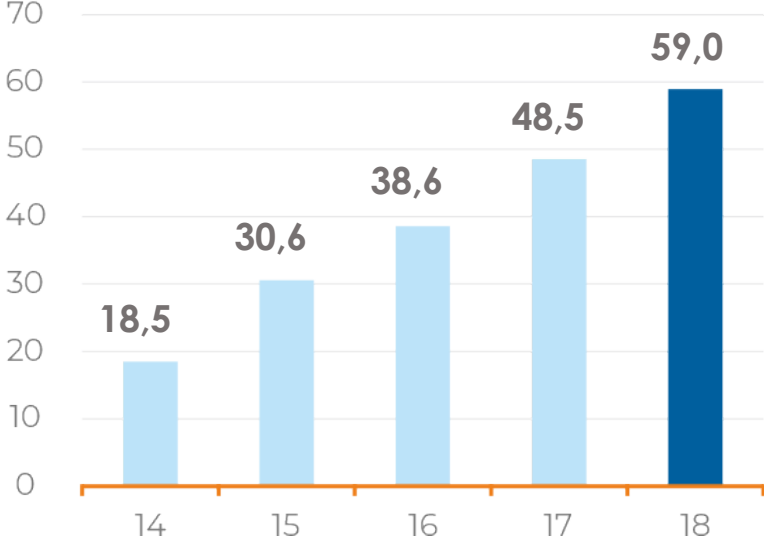
# STRONG YEAR FOR INCAP

- **Revenue increased** both from growing demand from established customers as well as increased volumes from new customers.
- Operating profit (**EBIT**) amounted to **EUR 8,6 M**, corresponding to **14,6 percent** of revenues.
- When developing our operations we continue to **focus on** functions which bring **highest added value to our customers** maintaining a **lean organization** structure and **strict management of costs**

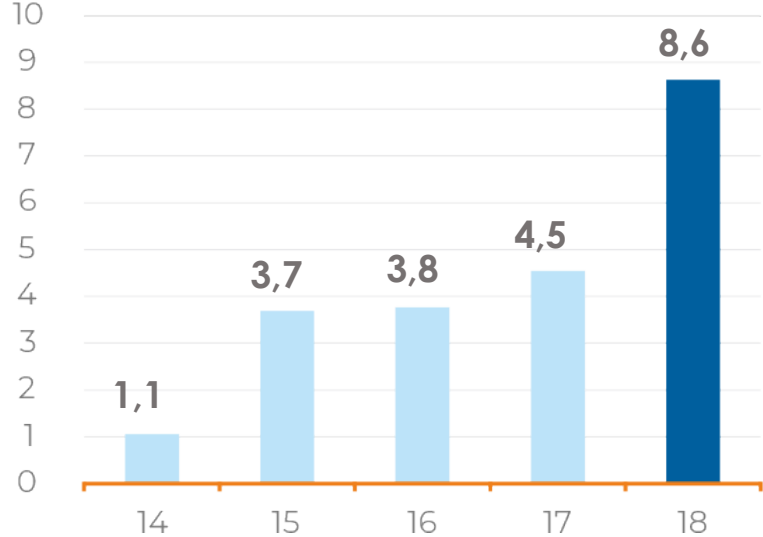


# FIVE YEARS IN NUMBERS

### REVENUE, EUR MILLION



### OPERATING PROFIT (EBIT), EUR MILLION



# MARKET SITUATION

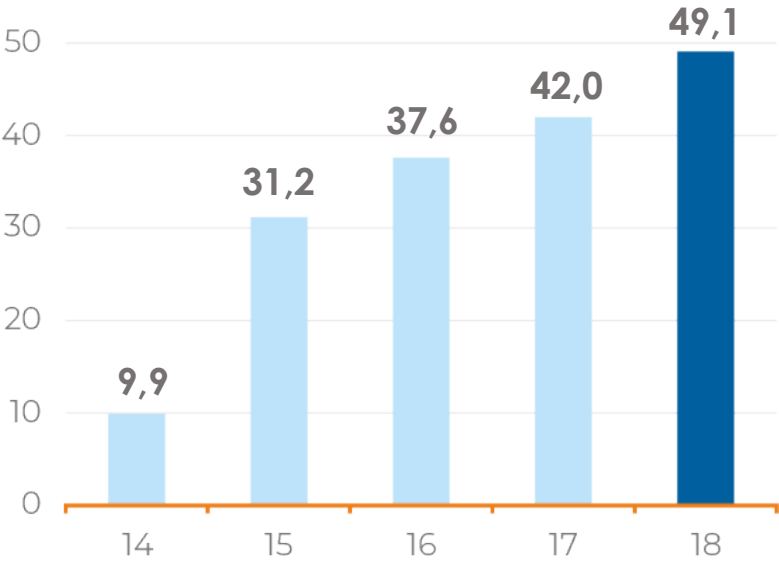
- **High demand** throughout the year
- Electronics industry have suffered from **Component shortages** during 2018
- Component shortage and **long Lead Times** impacted mainly **new projects**
- We have been able to tackle this by **working closely with** our **suppliers** as well as **modestly increasing** our **inventories** to ensure on-time deliveries to our customers



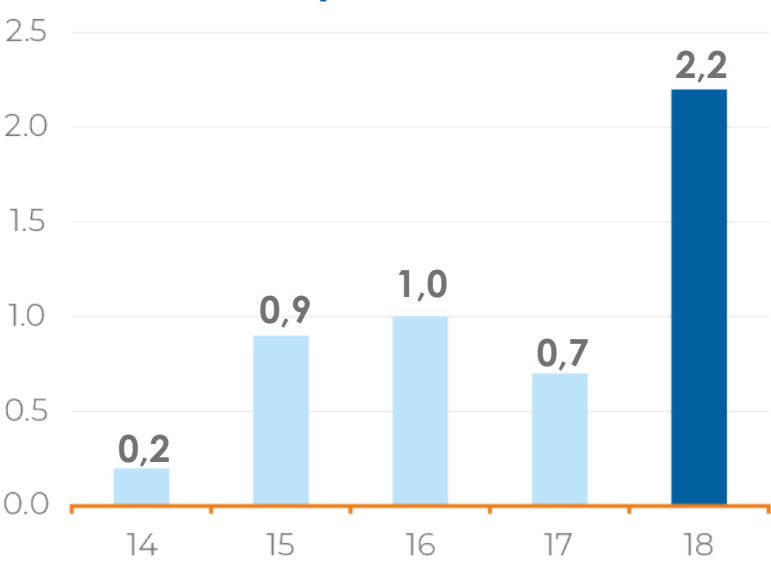


# STRONG BALANCE SHEET AND MODERN MACHINERY

### EQUITY RATIO, %



### INVESTMENTS, EUR MILLION



# IMPROVING CAPABILITY AND CAPACITY

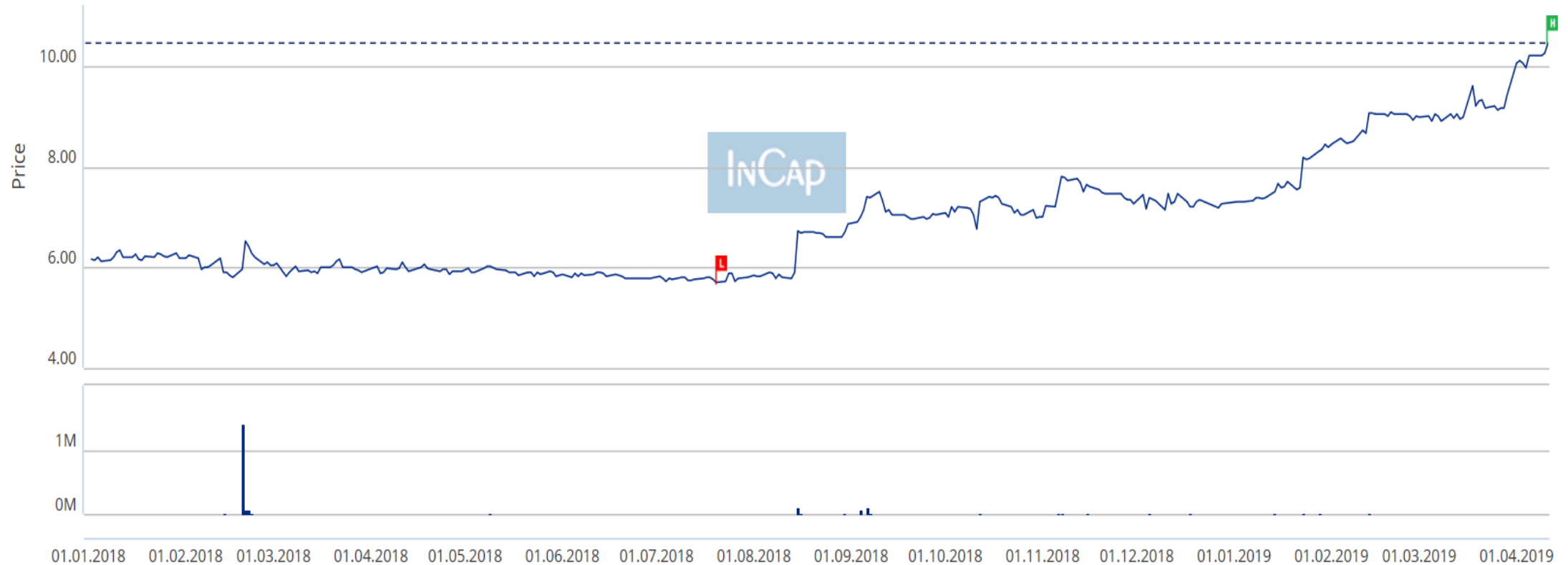
- To meet the growing demand we have **continued to improve** and increase our manufacturing **capacity and capability**
- We **expanded** the factory in **India** and installed a **new production line**
- In the **Estonian factory** we have continued **increasing** the **efficiency** thru several programs
- Going forward we will **continue to invest in** and develop our **capacity and capabilities**



# SHARE INFORMATION

IFRS		2018	2017	2016	2015	2014
Earnings per share	EUR	1.34	0.72	0.49	0.52	0.05
Equity per share	EUR	3.61	2.39	1.82	1.29	0.44
Dividend per share	EUR	0.00	0.00	0.00	0.00	0.00
P/E ratio		5.4	8.6	11.2	15.3	43.3
Total market capitalisation at 31 Dec	EUR million	31.7	27.0	23.8	34.3	6.5

# SHARE PRICE DEVELOPMENT

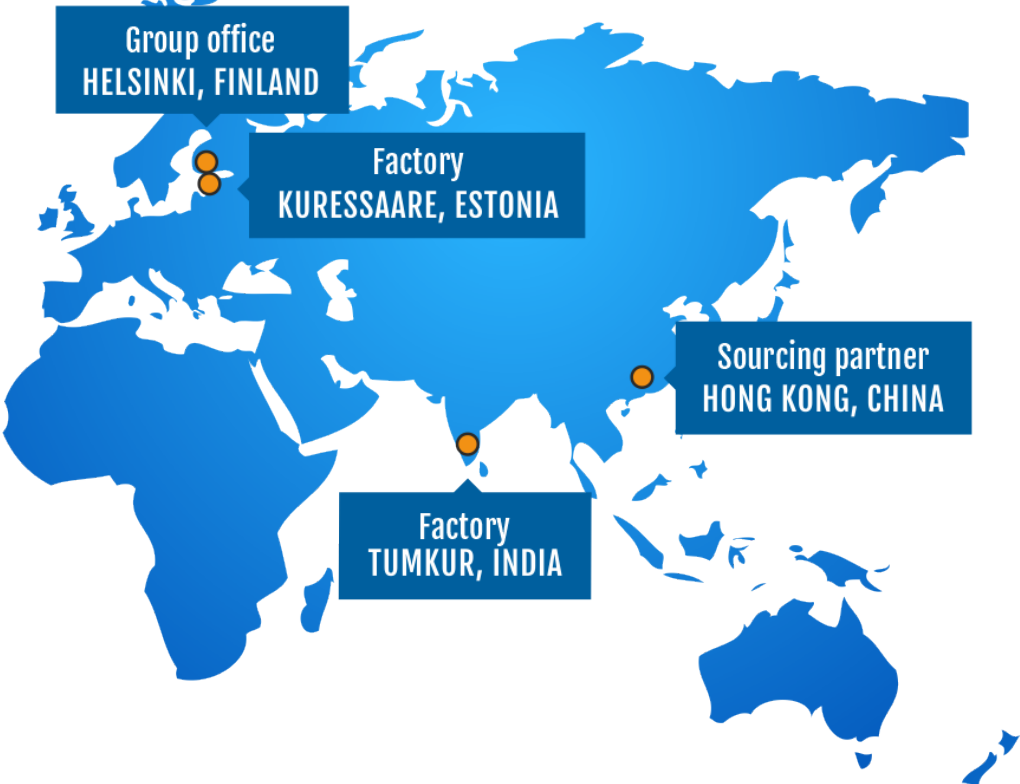


# GREAT TEAM

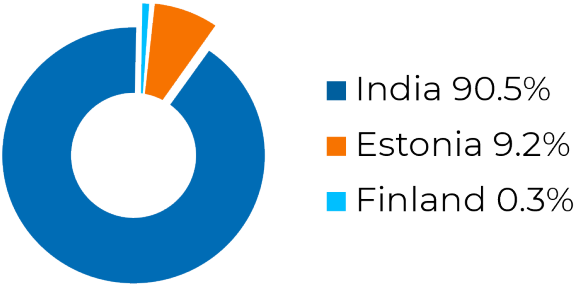
- These results cannot be achieved without a **highly professional and ambitious team**
- Our world class quality and efficiency are based on seamless **team work** throughout the hole production and delivery chain
- The dedicated team spirit can also be seen in our **low employee turnover rate**
- We aim to keep the best professionals at Incap by providing good **training opportunities** and **family friendly** working atmosphere



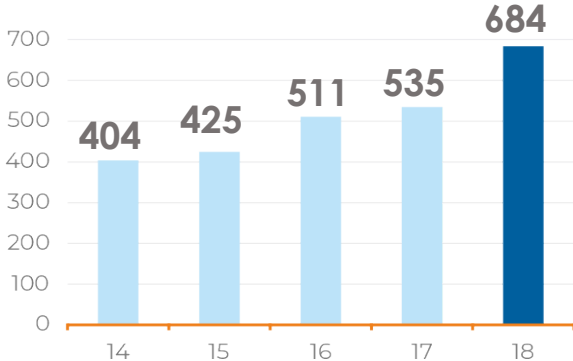
# HR IN NUMBERS AND BY LOCATION



## PERSONNEL



## AVERAGE NUMBER OF PERSONNEL



# CUSTOMERS DISTRIBUTION

- Main market is Europe, but the sales to North-America has increased significantly



	1 Jan-31 Dec 2018	1 Jan-31 Dec 2017
Revenue from the sale of goods	58,961	48,543
Revenue from the services	0	0
	<b>58,961</b>	<b>48,543</b>

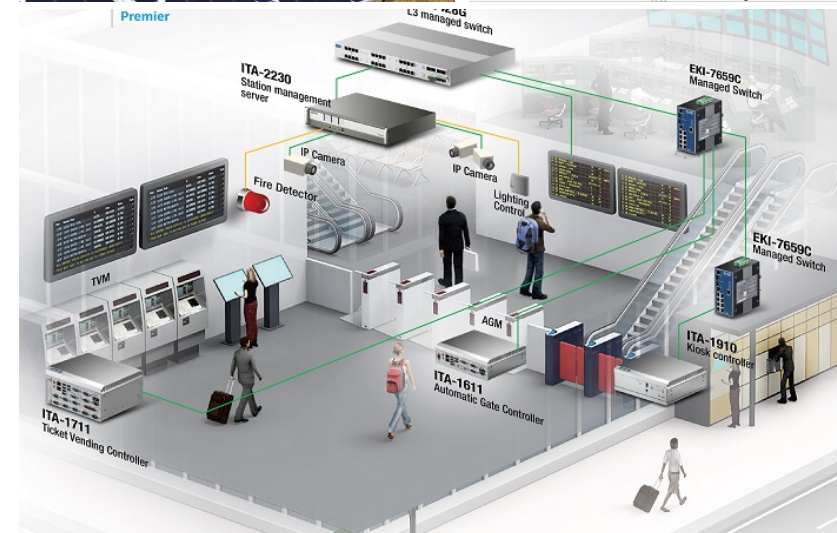
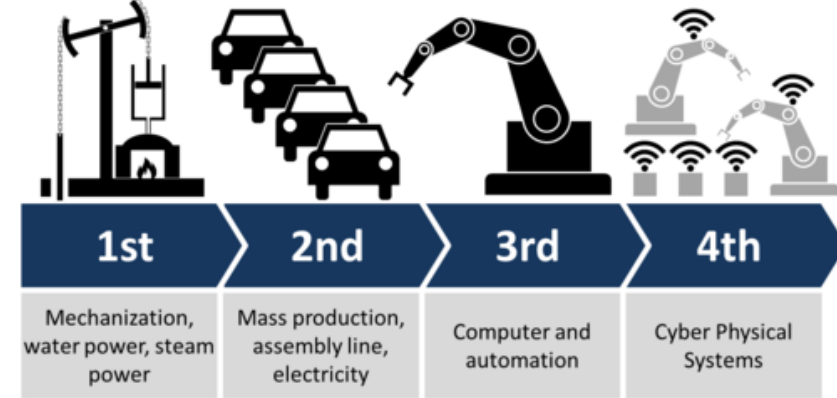
Geographic division of external customers' revenue	1 Jan-31 Dec 2018	1 Jan-31 Dec 2017
Europe	41,791	36,875
North-America	6,372	2,104
Asia	8,750	8,428
Africa	0	20
Australia	2,048	1,115
	<b>58,961</b>	<b>48,543</b>

The Group has two customers, whose revenue exceeds 10% of the Group's revenue.

The combined share of these customers out of the Group's revenue is approximately 68%.

# CUSTOMERS MEGATRENDS AND INCAP

- We continue our work to **expand** our **customers base**
- Alongside the **established industrial companies** we also co-operate with several promising **technology start-ups**
- Globalisation
- Climate and energy
- Industry 4.0
- Ageing, health care





# LOOKING FORWARD

- We face the future with confidence as the use of **electronics** in various application areas is **expanding world wide**
- **Prospects** for contract manufacturing services currently **look bright**
- But as an Electronic Manufacturing Service provider we need to **be prepared to adjust quickly** to the possible changes in the market situation
- We trust that our **effective business model** keeps us **competitive** also in the future
- Our **financial position** is **solid** and we are in a **good position** to **grow our business** also through mergers and acquisitions should the right opportunity arise

# OUTLOOK FOR 2019

- The company estimates that the Group's full-year revenue and operating profit (EBIT) for 2019 will be **approximately at the same level or somewhat higher than in 2018**, provided that there are no major changes in currency exchange rates or in component availability





## AT YOUR SERVICE

Thank you!

**OTTO PUKK**

President and CEO  
at Incap Corporation

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**INCAP**

# **FINANCIAL STATEMENTS 2018**

**CFO**

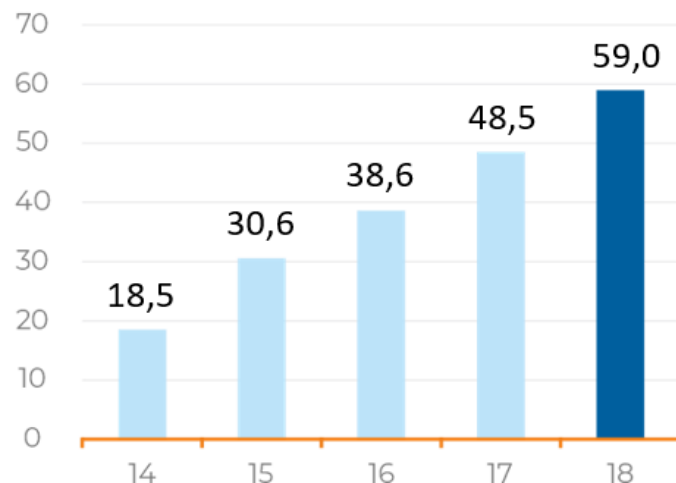
**Antti Pynnönen**

15.04.2019

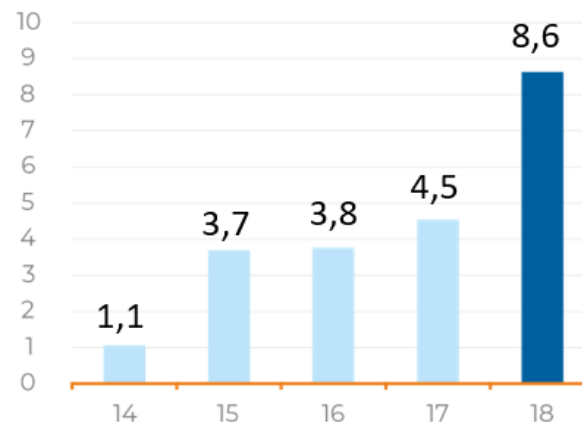
# STRONG YEAR FOR INCAP

- Growth continued among existing and new customers
- H2 specifically strong, Revenue and EBIT in every quarter exceeded previous year quarter result, additionally all quarters were profitable
- Cashflow and balance sheet got stronger

## REVENUE, EUR MILLION



## OPERATING PROFIT (EBIT), EUR MILLION



# CONSOLIDATED INCOME STATEMENT

1 000 euros	1 Jan-31 Dec 2018	1 Jan-31 Dec 2017
Revenue	58,961	48,543
Other operating income	1,063	268
Changes in inventories of finished goods and work in progress	1,428	463
Raw materials and consumables used	44,277	36,896
Personnel expenses	4,560	4,052
Depreciation and amortisation	509	443
Other operating expenses	3,472	3,336
<b>Operating profit</b>	<b>8,633</b>	<b>4,547</b>
Financial income and expenses	-692	-529
<b>Profit before tax</b>	<b>7,941</b>	<b>4,018</b>
Income tax	-2,094	-884
<b>Profit for the year</b>	<b>5,847</b>	<b>3,134</b>
<b>Consolidated statement of comprehensive income</b>		
<b>Other comprehensive income:</b>		
Items that are not transferred to the statement of income		
Revaluation of employee benefits	-100	-18
Items that may be reclassified subsequently to profit or loss		
Translation differences from foreign units	-424	-632
Other comprehensive income, net	-524	-650
<b>Total comprehensive income attributable to:</b>	<b>5,323</b>	<b>2,484</b>



# CONSOLIDATED BALANCE SHEET

1 000 euros	31 Dec 2018	31 Dec 2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,545	2,980
Goodwill	895	914
Other intangible assets	15	18
Other financial assets	4	4
Deferred tax assets	141	123
Other receivables	183	1,023
<b>Total non-current assets</b>	<b>5,782</b>	<b>5,062</b>
<b>Current assets</b>		
Inventories	11,647	7,721
Trade and other receivables	11,757	9,135
Cash and cash equivalents	2,894	2,862
<b>Total current assets</b>	<b>26,297</b>	<b>19,718</b>
<b>Total assets</b>	<b>32,080</b>	<b>24,780</b>



# CONSOLIDATED BALANCE SHEET

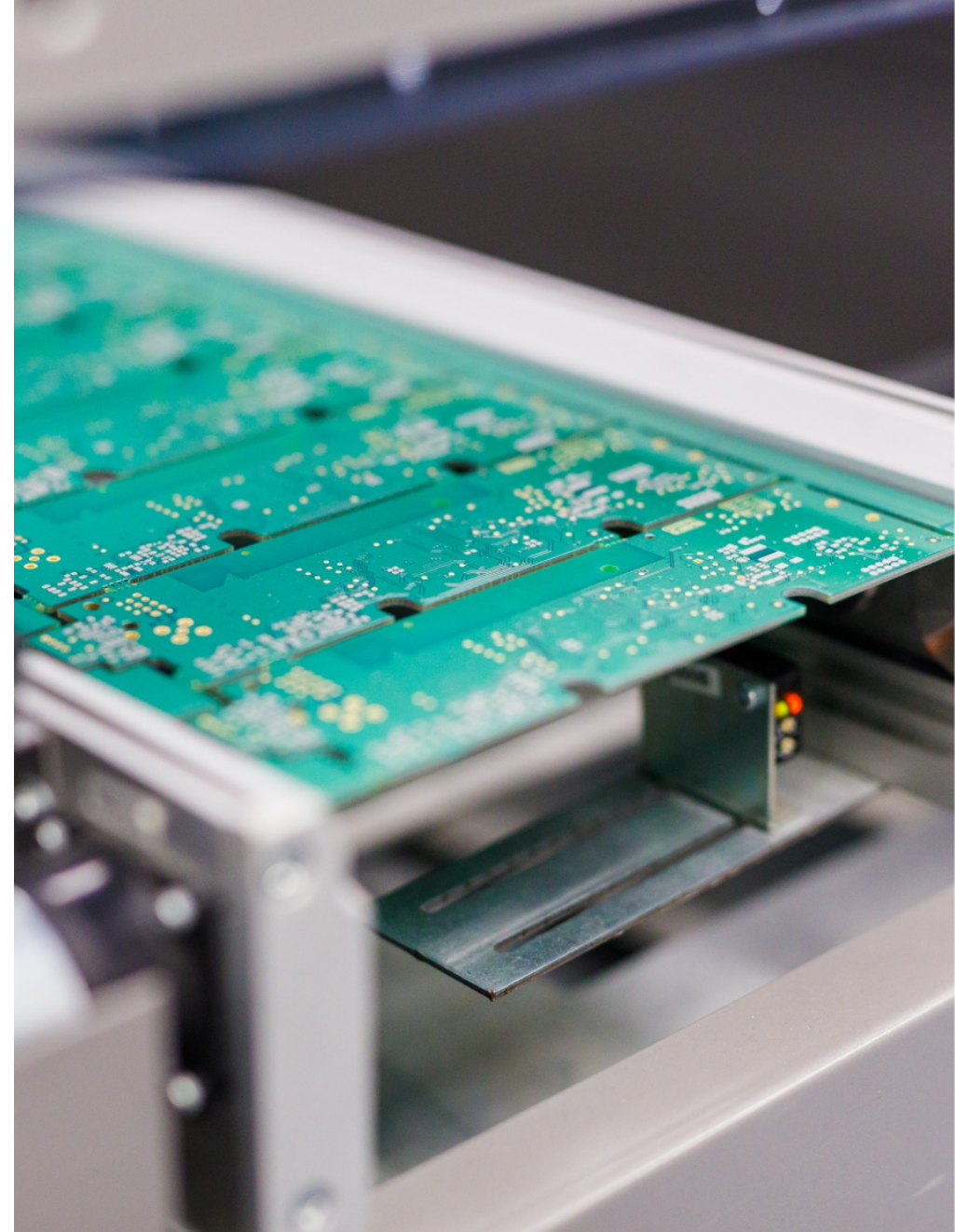
1 000 euros	31 Dec 2018	31 Dec 2017
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	1,000	1,000
Share premium account		
Exchange differences	-1,569	-1,147
Unrestricted equity reserve	11,028	11,028
Retained earnings	5,279	-467
<b>Total equity</b>	<b>15,738</b>	<b>10,414</b>
<b>Non-current liabilities</b>		
Non-Interest-bearing liabilities	468	0
Interest-bearing liabilities	1,000	2,311
<b>Current liabilities</b>		
Trade and other payables	10,370	7,140
Interest-bearing loans and borrowings	4,503	4,915
<b>Total liabilities</b>	<b>16,342</b>	<b>14,366</b>
<b>Total equity and liabilities</b>	<b>32,080</b>	<b>24,780</b>





# CONSOLIDATED CASH FLOW STATEMENT

1 000 euros	1 Jan-31 Dec 2018	1 Jan-31 Dec 2017
<b>Cash flow from operations</b>		
Operating profit, in total	8,633	4,547
Adjustments to operating profit	621	474
Change in working capital	-2,995	-1,796
Interest paid	-439	-410
Interest received	3	5
Tax paid and tax refund	-1,686	-899
<b>Cash flow from operations</b>	<b>4,137</b>	<b>1,921</b>
<b>Cash flow from investing activities</b>		
Capital expenditure on tangible and intangible assets	-2,199	-674
<b>Cash flow from investing activities</b>	<b>-2,199</b>	<b>-674</b>
<b>Cash flow from financing activities</b>		
Drawdown of loans	3,389	1,397
Repayments of loans	-5,279	-1,854
<b>Cash flow from financing activities</b>	<b>-1,889</b>	<b>-457</b>
<b>Change in cash and cash equivalents</b>		<b>790</b>
Cash and cash equivalents at beginning of period	2,862	2,347
Effects of changes in exchange rates	-17	-275
<b>Cash and cash equivalents at end of period</b>	<b>2,845</b>	<b>2,862</b>



# FIVE-YEAR KEY FIGURES

IFRS		2018	2017	2016 <sup>x</sup>	2015	2014
Revenue	EUR million	59.0	48.5	38.6	30.6	18.5
Growth/change	%	21	26	26	65	-28
Operating profit/loss	EUR million	8.6	4.5	3.8	3.7	1.1
Share of revenue	%	14.6	9.4	9.8	12.1	5.7
Profit/loss before tax	EUR million	7.9	4.0	3.2	3.2	0.3
Share of revenue	%	13.5	8.2	8.3	11.0	2.0
Return on equity (ROE)	%	44.7	34.2	31.3	56.9	15.4
Return on investment (ROI)	%	46.8	28.4	26.0	26.0	11.2
Total assets	EUR million	32.1	24.8	21.1	18.1	14.4
Equity ratio	%	49.1	42.0	37.6	31.2	9.9
Net gearing	%	16.6	41.9	71.0	98.3	524
Interest-bearing net debt	EUR million	2.6	4.4	5.6	5.6	7.5
Quick ratio		1.0	1.0	1.1	1.1	0.6
Current ratio		1.7	1.6	1.7	1.8	0.9
Investments	EUR million	2.2	0.7	1.0	0.9	0.2
Share of revenue	%	3.7	1.4	3	3	1
R&D expenditure	EUR million	0	0	0	0	0
Share of revenue	%	0	0	0	0	0
Average number of employees		684	535	511	425	404



INCAP

THANK YOU

15.04.2019