



2020 Q3 Analyst Briefing

October 29, 2020

Zoom

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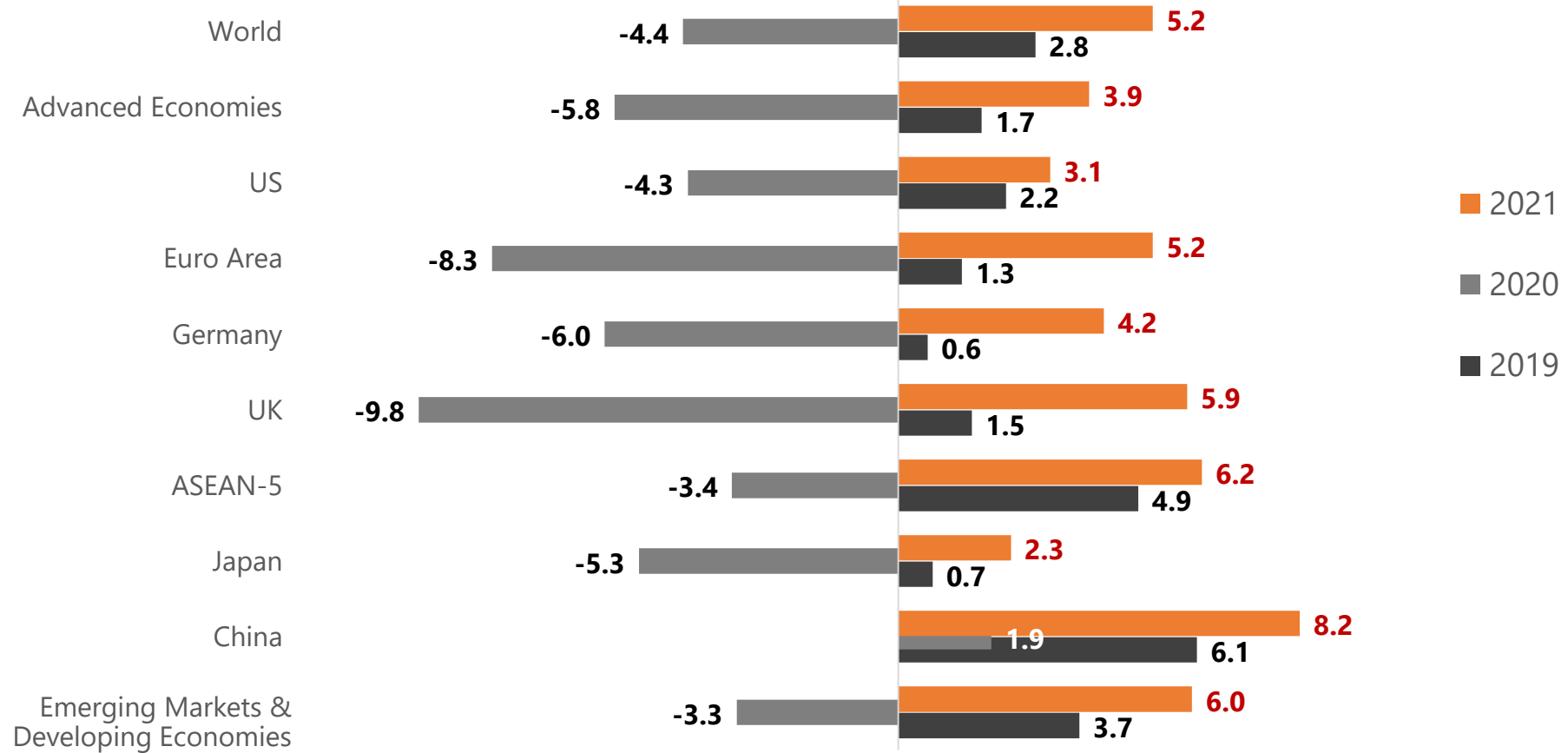
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Global Economy & Electronics Market

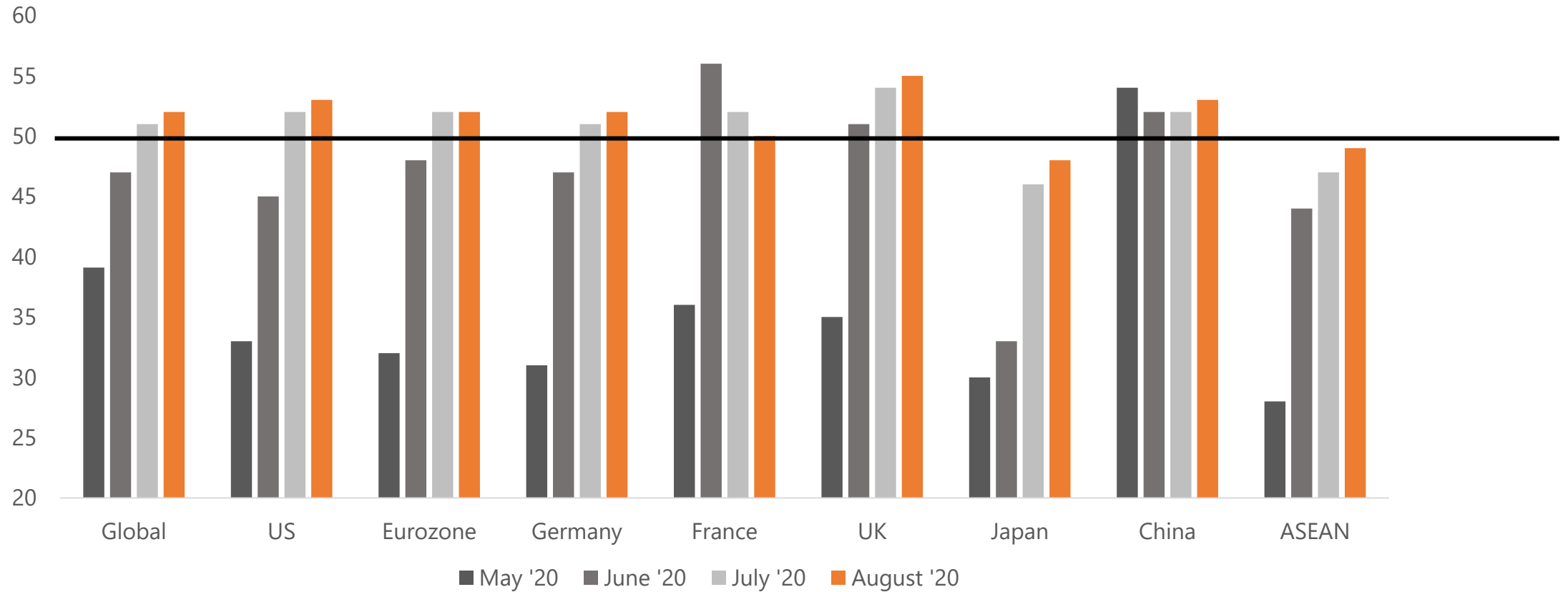
Global Economy

IMF's growth (%) projections

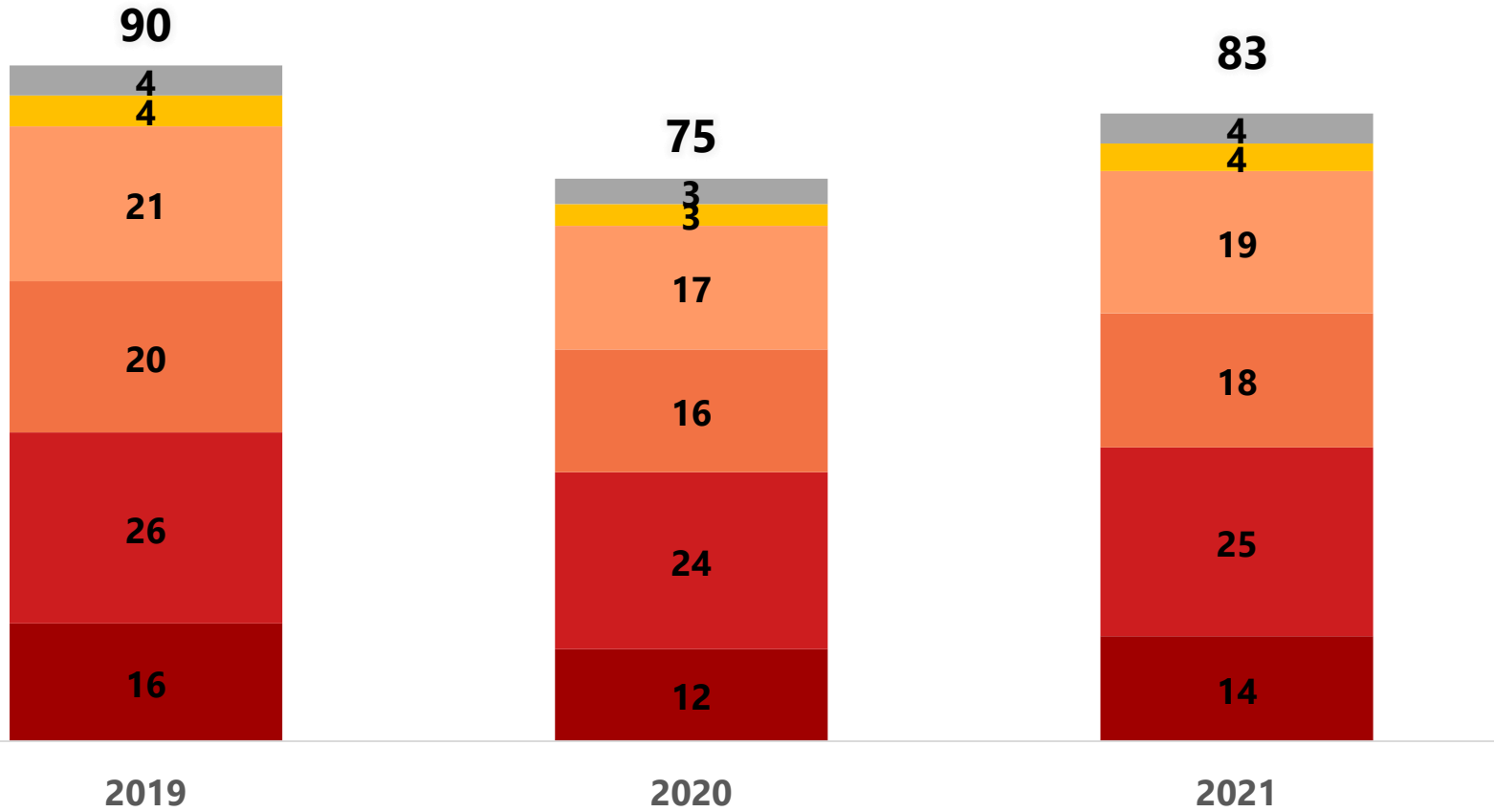


Global Manufacturing Purchasing Managers Index (PMI)

The global manufacturing PMI rose to 51.8 in August, its highest point since November 2017, indicating that markets are in expansion mode



Global Light Vehicle Unit Sales



■ Asia Pacific ex-China
 ■ China
 ■ North America
 ■ Europe
 ■ South America
 ■ Rest-of-World

- Quick V-shaped recovery forecasted with 2020's 17% decrease immediately followed by an 11% rebound in 2021
- August 2020 already at 98% of 2019 selling level
- All major markets now in recovery phase with China leading the way
- Incentives across multiple regions accelerating recovery

Electronics Key Market Segments

After negative effects of COVID19, most key market segments will recover and adjust in varying conditions

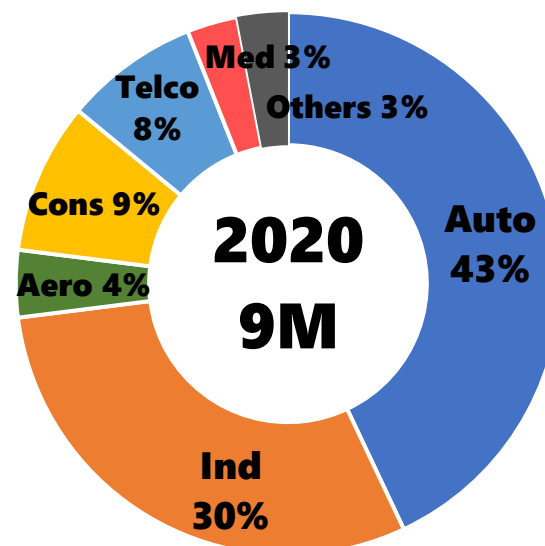
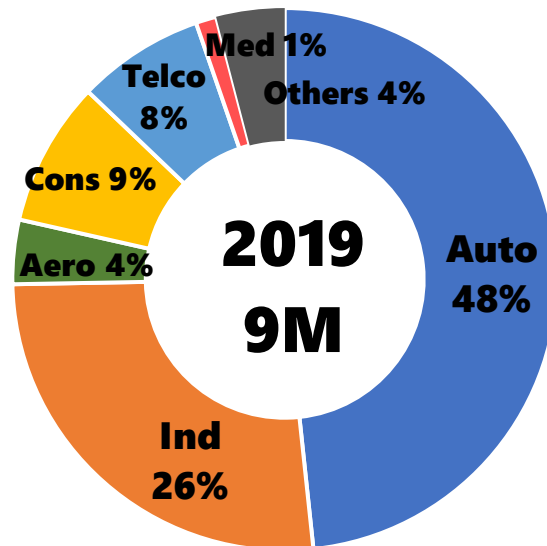
- World **electronic equipment sales** declined almost 10% in 2Q'20 vs. 2Q'19.¹
- Overall demand in **automotive electronics** is seen to fall by at least 8% in 2020. But with a recovery on its way, the market will return to growth with a CAGR of 6.1% up to 2026 reaching a value of US\$ 144B²
- **5G infrastructure market** to grow at a CAGR 69.4% from 2019-2027³
- **Electric vehicle charging stations** market is expected to grow at a CAGR of 39.8% from 2020 to reach \$29.7 billion by 2027⁴
- The **power electronics** market will grow from \$35. 1B in 2020 to \$44. 2B by 2025, at a CAGR of 4.7% driven by renewable power sources electric vehicles, and consumer electronics⁵



Financials

2020 9M Segment Updates

	'19 Q3	'20 Q3	Y/Y%		'19 9M	'20 9M	Y/Y%
Auto	148.7	138.1	-7%		454.2	335.7	-26%
Ind	87.0	93.4	7%		247.7	233.2	-6%
Aero/Def	10.5	11.6	10%		36.4	29.9	-18%
Cons	27.7	28.8	4%		80.8	74.0	-8%
Telco	22.8	16.3	-29%		70.8	61.8	-13%
Medical	4.4	11.3	157%		11.5	26.2	128%
TOTAL	303.9	312.4	3%		939.6	788.6	-16%



➤ Automotive:

- Q3 revenues more than doubled Q2 results; all operating sites now back to normal operating levels
- Despite the pandemic, E-vehicle and powertrain projects continue to be awarded across multiple sites
- Key businesses with challenged margins have increased profitability through improved manufacturing efficiency and price adjustments

➤ Industrial:

- Several power module projects have begun transition to mass production phase
- Renewable energy space will continue to drive growth

➤ Aero/Defense:

- Demand orders are returning to normal, Q3 sales 80% higher than Q2 results. Strong pipeline activity with \$63M of new business won YTD

➤ Consumer:

- Online schooling and Work-From-Home demand for mobile devices continue to drive increased revenue

➤ Telco:

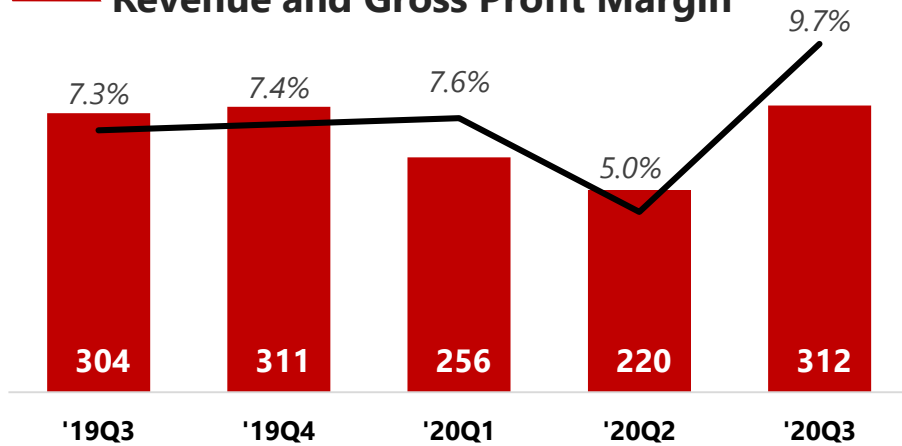
- As forecasted, demand pullback in Q3 due to Huawei - USA issues. 5G growth normalizing.

➤ Medical:

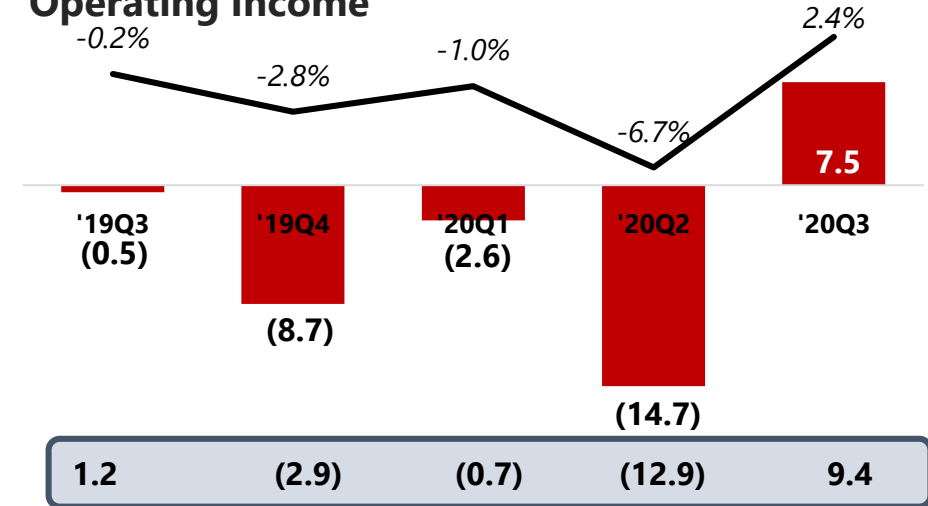
- Continued penetration of the medical market as governments brace for potential second wave of infections

2020 Q3 Performance

Revenue and Gross Profit Margin

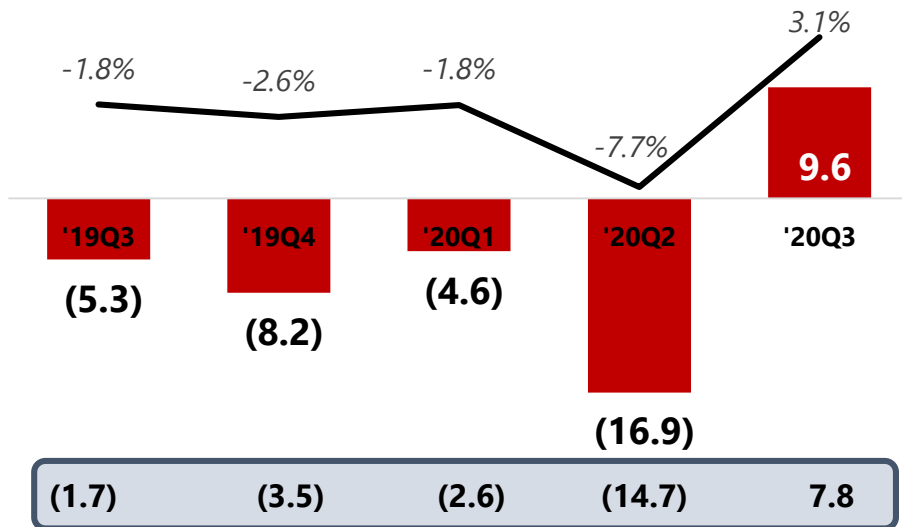


Operating Income

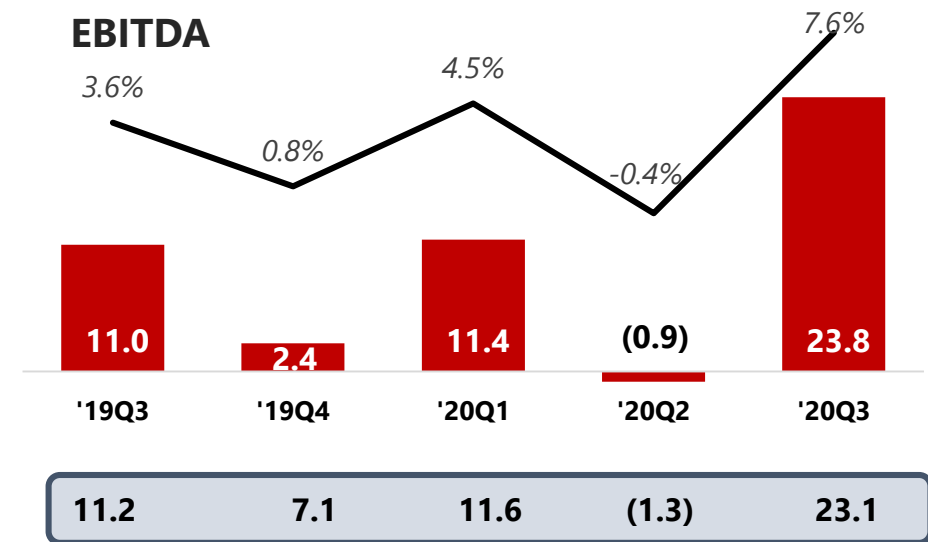


Non GAAP

Net Income



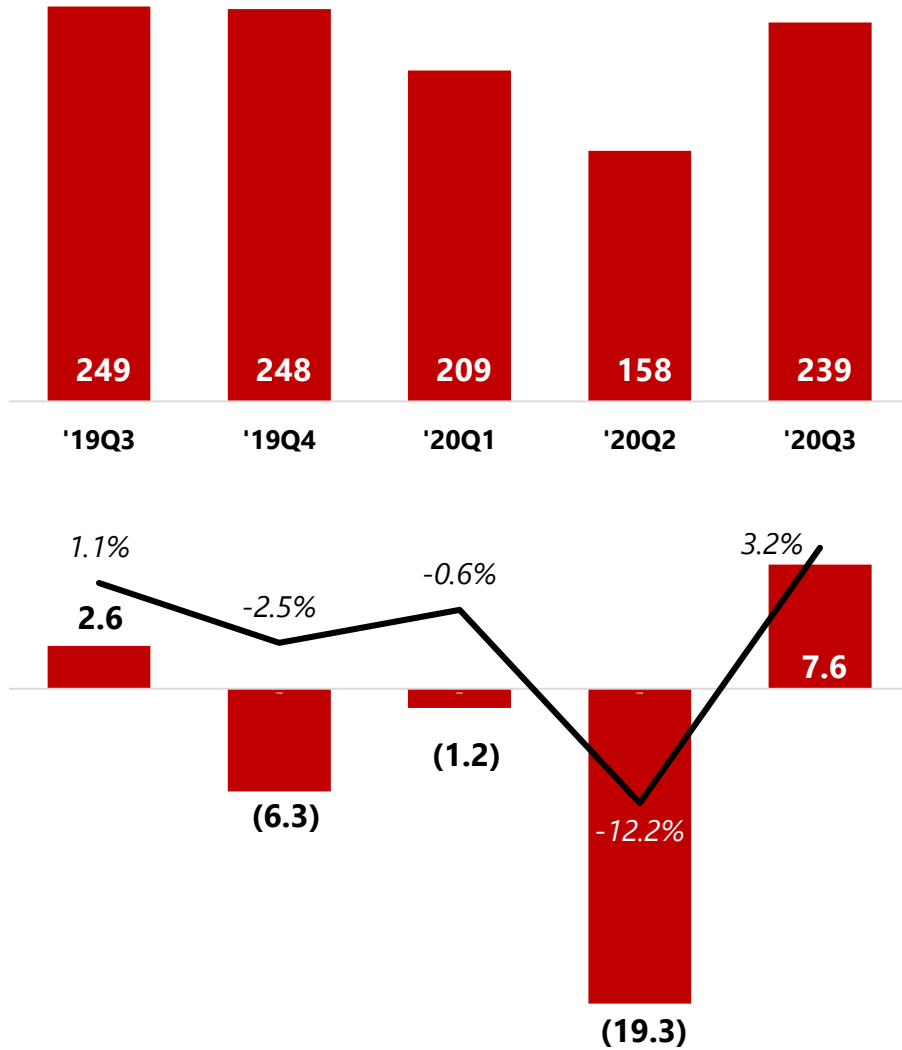
EBITDA



Non GAAP

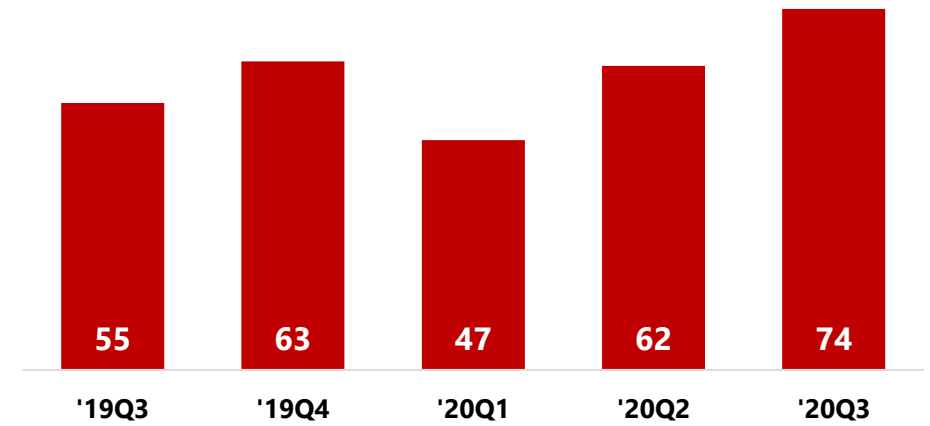
2020 Q3 Performance

Wholly Owned Subsidiaries

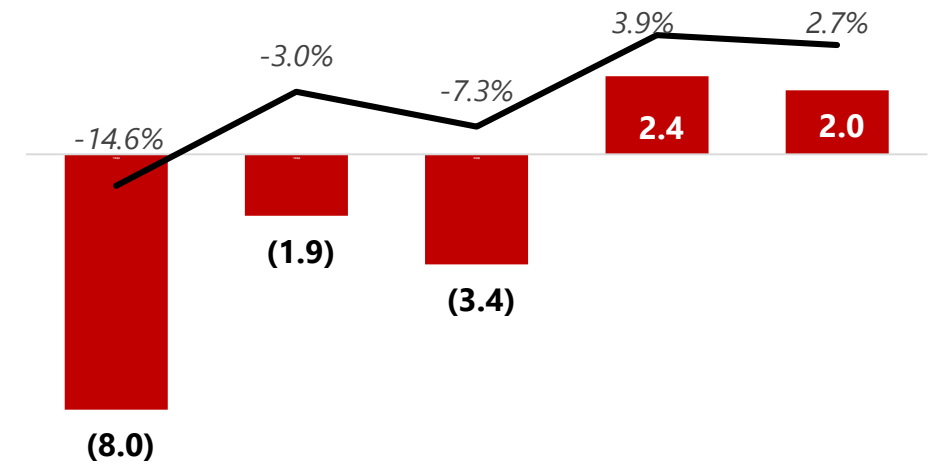


Non Wholly Owned Subsidiaries

Revenue



Net Income



2020 9M Region Updates

	'19 Q3	'20 Q3	Y/Y%		'19 9M	'20 9M	Y/Y%	CAPEX
PH	70.8	76.0	7%		206.8	180.7	-13%	3.0
CH	78.7	68.0	-14%		208.7	188.2	-10%	1.4
BG/Serbia	70.4	59.4	-16%		218.0	153.1	-30%	3.1
CZ	10.7	9.2	-14%		32.2	25.5	-21%	3.6
MX	36.3	36.9	2%		122.1	84.4	-31%	-
VIA + STI	54.7	73.9	35%		184.4	183.3	-1%	0.8
TOTAL	303.9	312.4	3%		939.6	788.6	-16%	11.9

➤ PH:

- Strong rebound in Q3 with all time high revenue
- High margin automotive, industrial, and medical make up 85% of sales in Q3
- Power Module revenue for the quarter doubled year-on-year

➤ CH:

- Auto-focused Jiaxing plant hit all time high monthly revenue in September
- Slowdown in high volume telecom sector offset by growth in auto, industrial and consumer segments; Q3 net 13% growth vs 1st half average

➤ BG/Serbia/CZ:

- Normalized utilization from rebound of revenue levels brought back improved margins in the region

➤ MX:

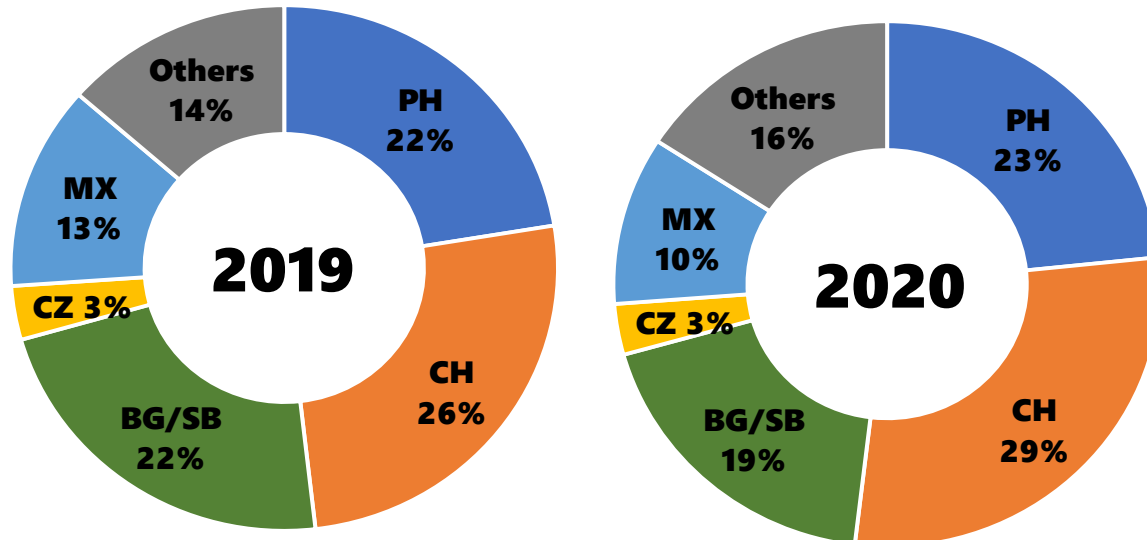
- Q3 rebounds at 56% higher sales than first half average
- Price negotiation and improved manufacturing process for key automotive project has significantly improved the site's margins

➤ VIA:

- September IPO on the NYSE raised \$94M with subsequent \$20M Corning investment in October
- Craig Hallum initiated coverage with price target @ \$18, Berenberg initiated coverage with price target @ \$22

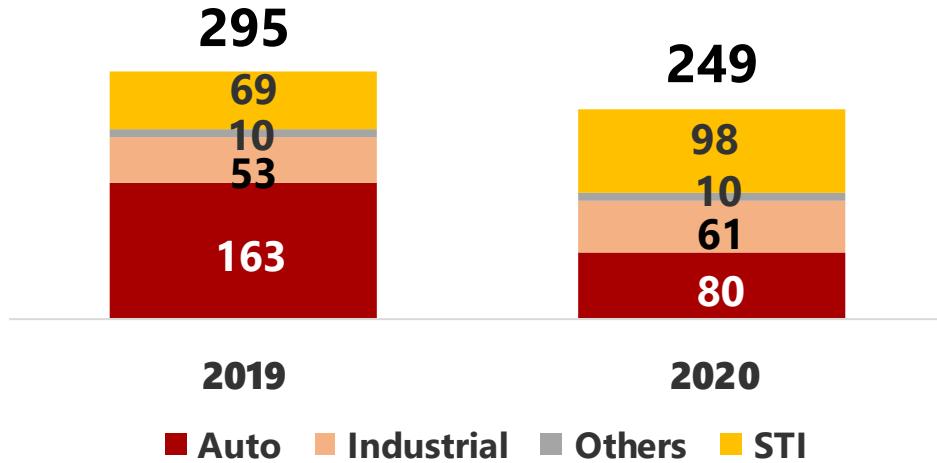
➤ STI:

- Aero/Def recovered to normal revenue levels; momentum from new medical projects continues with 50% more sales in Q3 with new wins still in horizon
- STI actively booking high margin new projects with \$98M won YTD

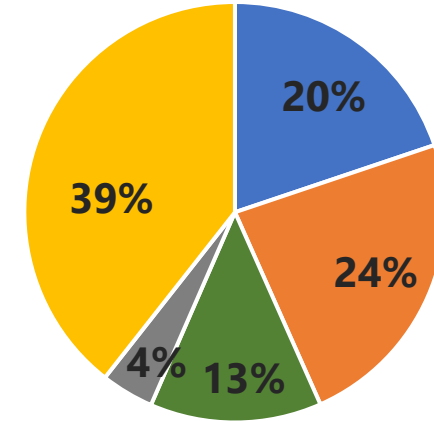


2020 9M Group Program Wins

9M New Program Wins

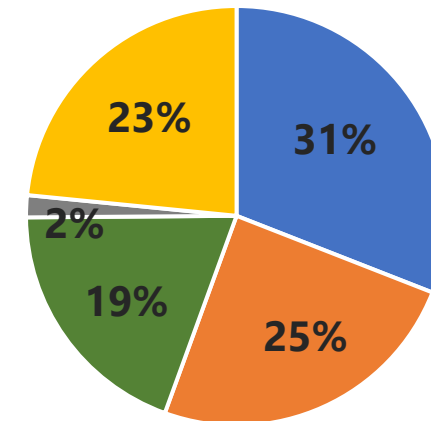


Win Location - 2020



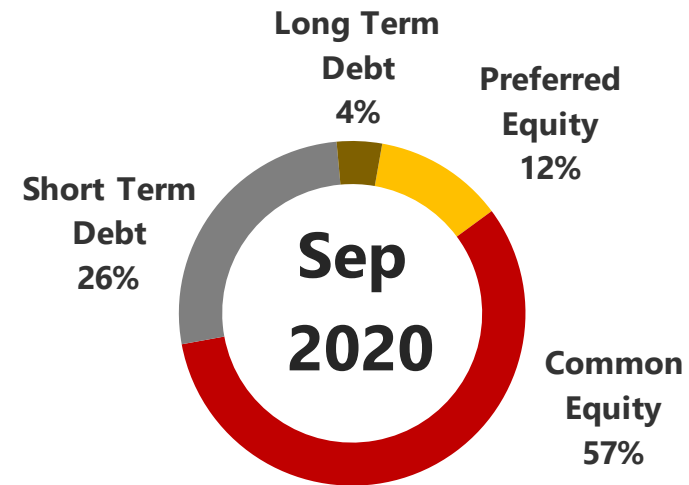
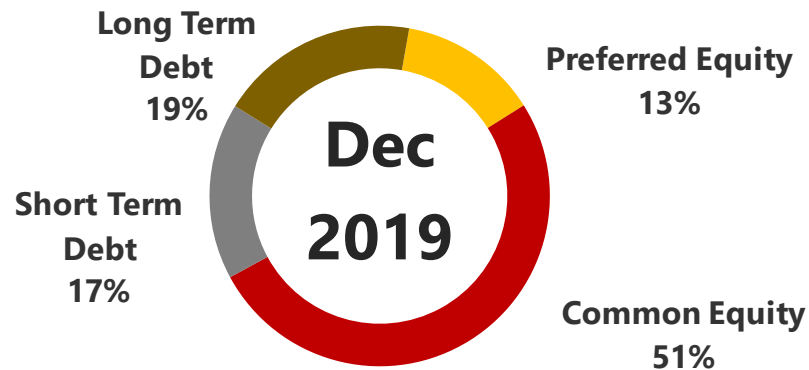
■ Philippines ■ China ■ E. Europe ■ MX ■ UK

Win Location - 2019



Notable Wins in 2020		
Aerospace Projects	Aero	UK
Door Control Unit	Auto	China
Industrial Control and Sensor	Ind	Philippines
High Temp Sensor	Ind	Philippines
HV Coolant	Auto	Czech
Industrial Security System	Ind	Philippines
Seismic Detector	Ind	China

Capital Structure



(US\$ Millions)	Dec 2019	Sep 2020
Short-Term Debt	126.1	218.2
Long-Term Debt	142.4	34.8
Total Bank Debts	268.5	253.0
Cash [*]	152.7	265.2
Net Debt / (Net Cash)	115.8	(12.2)
Common Equity	383.8	472.4

Key Financial Ratios	Dec 2019	Sep 2020
Current ratio	1.49	1.55
Bank Debt/Equity	0.55	0.44
Bank Debt/ Common Equity	0.70	0.54
Book value/share (\$) ^{**}	\$0.17	\$0.18
Book value/share (PHP) ^{**}	₱8.74	₱8.98

^{*}Does not include \$20M Corning Investment made in Oct 2020

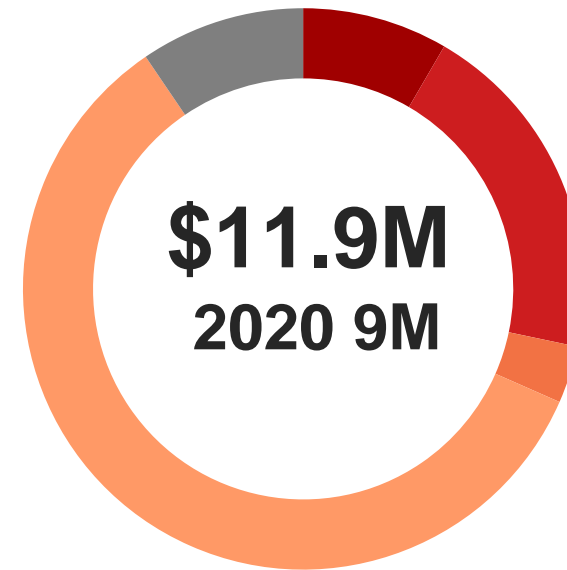
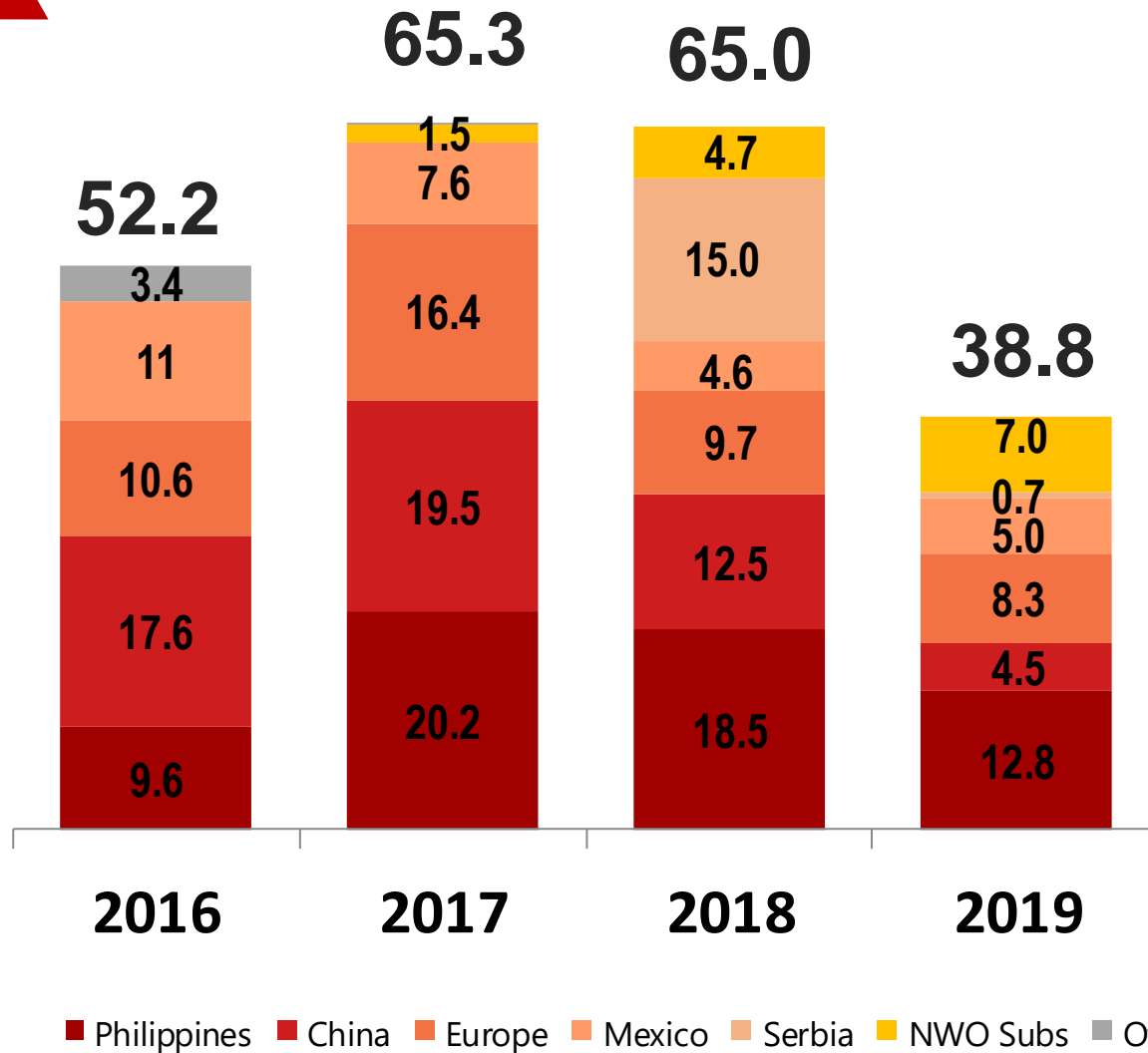
^{**}Excluding Preferred Dividends and Minority interest

Source:

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Disciplined Capital Investments



- Buildings.....8%
- Machinery.....20%
- Furn & Fix.....3%
- Constr. in progress.....59%
- Others.....10%




Key Takeaways

- IMI's diversified footprint enabled a faster, stronger rebound in Q3. Revenues reached record levels in multiple sites while gross margin already at 9.7% for the group
- IMI target segments of Automotive, Industrial, Aerospace, and Medical showing strong sustained recovery with projects for mass production lined up and pipeline projects still continually being won
- IMI trading at ~29% discount to book value; IMI owned portion of VIAO currently representing ~36% of IMI market cap
- Second wave of infections continue to be a risk worldwide but proactive measures in place across all operating sites

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