



IMI Analyst Briefing 2021 Full Year

March 28, 2022
Online

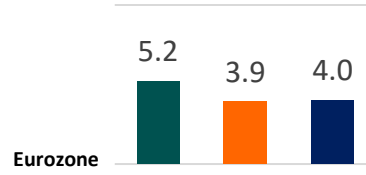
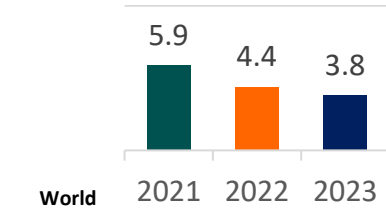


Global Economic Outlook

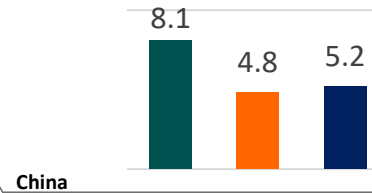
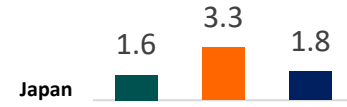
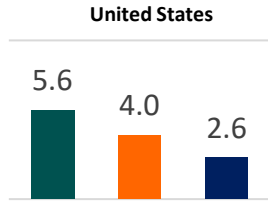


Global Economy

Global growth downgraded to 4.4% due to slowdown for US and China



Region	2021	2022	2023
Germany	2.7	3.8	2.5
France	6.7	3.5	1.8
UK	7.2	4.7	2.3



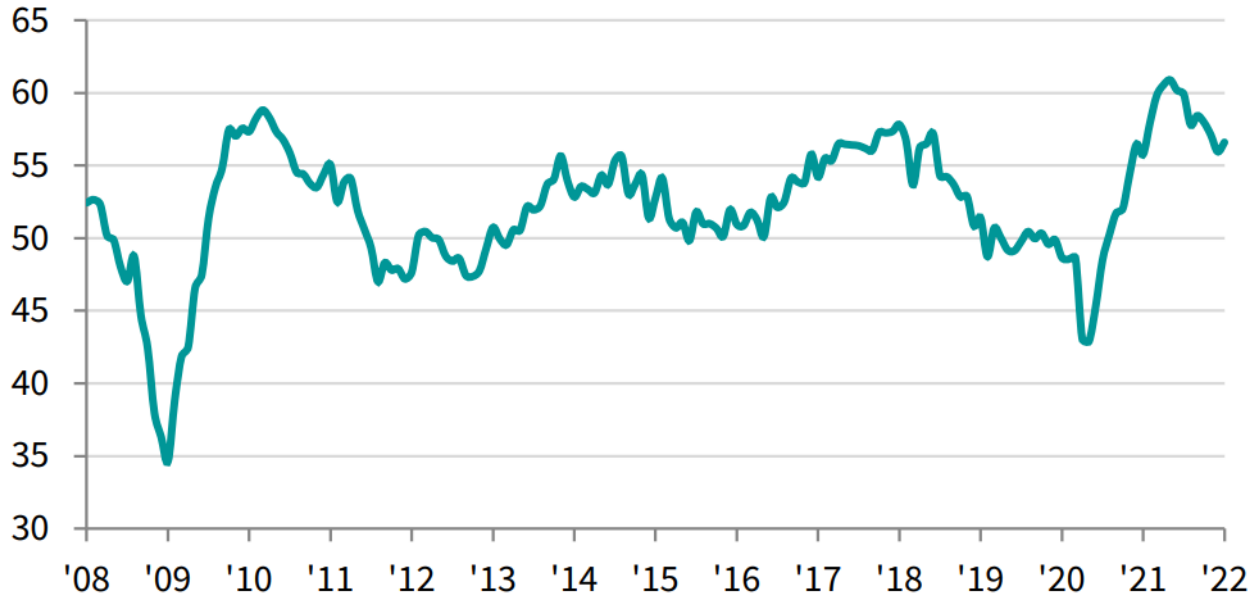
Region	2021	2022	2023
Advanced Economies	5.0	3.9	2.6
Emerging Markets & Developing Economies	6.5	4.8	4.7
ASEAN-5	3.1	5.6	6.0



Global Electronics PMI (February 2022)

Electronics PMI is at 56.6, still at an expansion mode but supply chain issues and COVID 19 continue to drag on growth

>50 = improvement since previous month

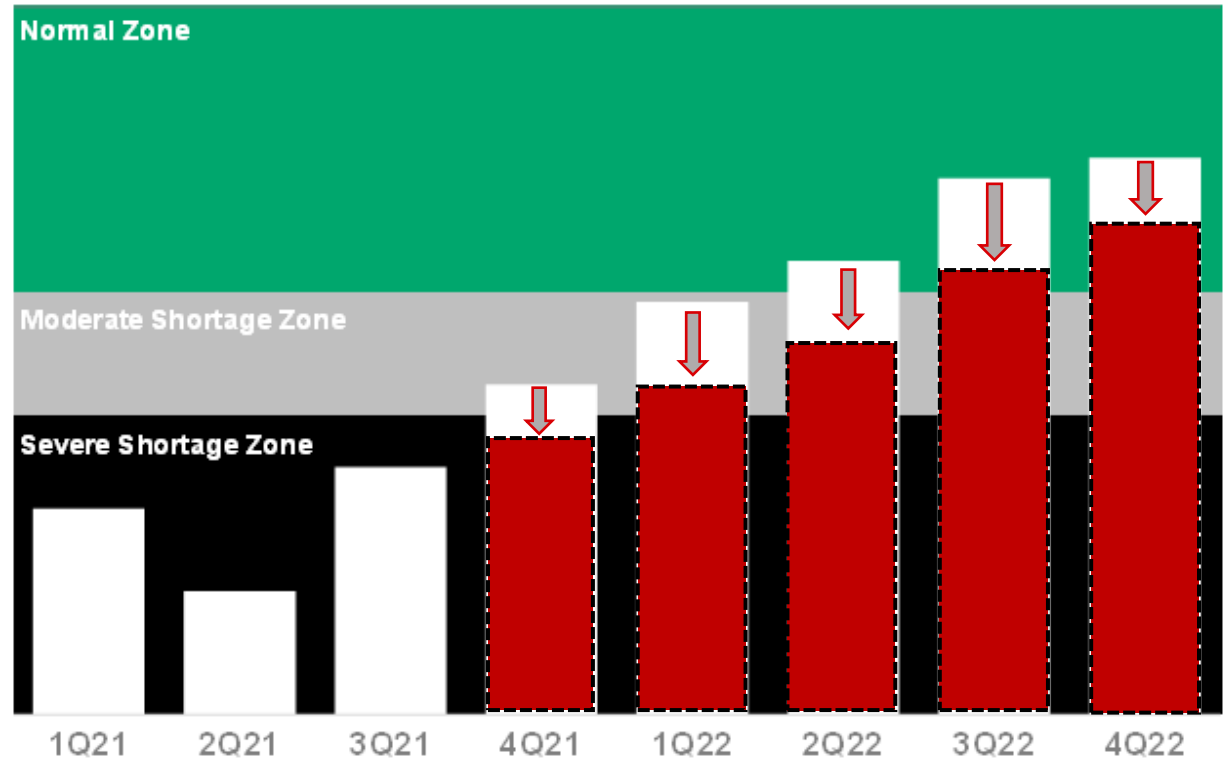


Source: IHS Markit.



Delay in Supply Chain Recovery

- **Delta variant** spike in Asian manufacturing regions delayed the recovery of the market in 2021
- **Automotive** segment particularly behind due to slow acceptance of price increase and alternative component approval
- **Component price and supply** is expected to ease towards the normal zone beginning in the second half of 2022

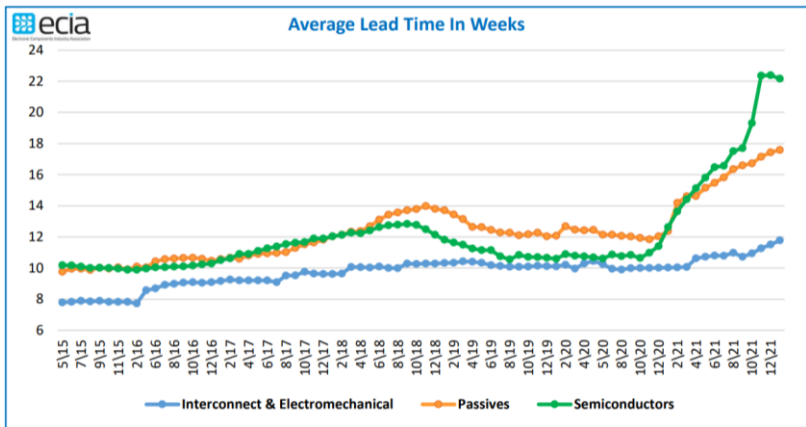


Source: Gartner

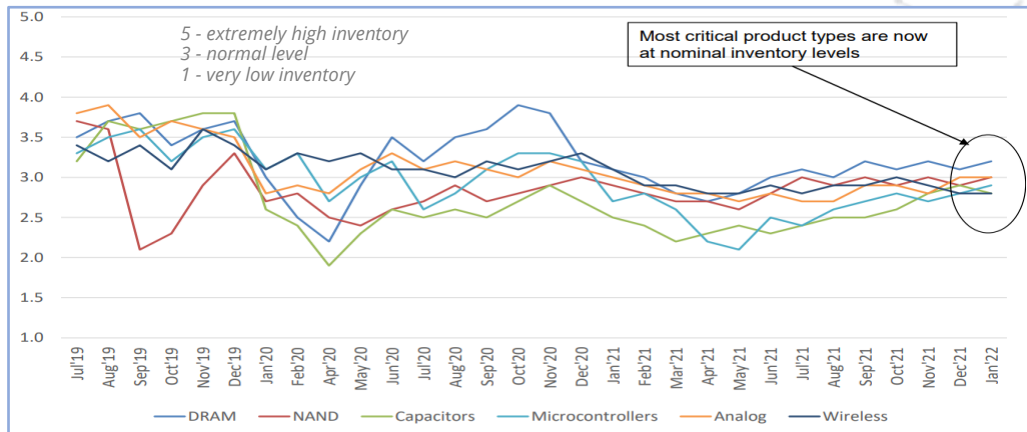
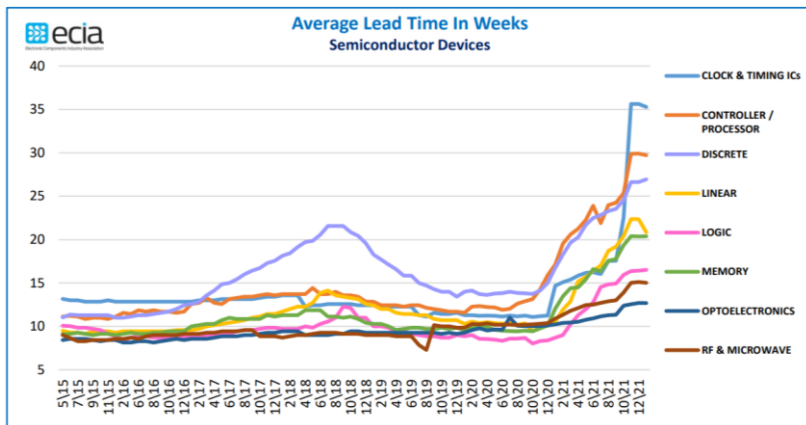
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Components Leadtime Update



- Leadtime of semiconductors showed signs of peaking in Q4 2021
- Some key suppliers are now able to ship more allocated quantities to major automotive customers
- Component supply levels now coming back to more manageable levels



Source: Electronic Component Industry Association

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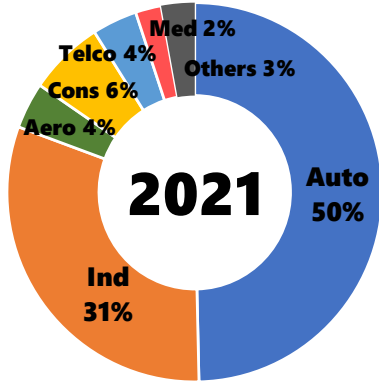
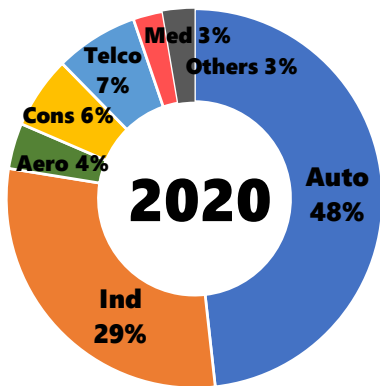




Financials

2021 Q4 Segment Updates

	'20 Q4	'21 Q4	Y/Y%		'20 FY	'21 FY	Y/Y%
Auto	140.7	165.0	17%		521.1	648.0	24%
Ind	124.5	112.6	-10%		355.5	413.9	16%
Aero/Def	16.6	15.9	-4%		47.3	54.3	15%
Cons	37.2	19.4	-48%		85.9	82.4	-4%
Telco	8.6	14.6	70%		64.9	52.3	-19%
Medical	17.8	7.2	-60%		38.0	28.8	-24%
TOTAL	347.2	327.6	-6%		1,135.8	1,300.6	15%



➤ Automotive:

- Key EV projects have started to ramp up in Europe and Mexico
- Strong pipeline performance with US\$218M of ARP won in 2021 is 68% better than 2020

➤ Industrial:

- Recent power module pipeline wins shifting to industrial applications
- \$83M of new wins led by data logger system to be manufactured in Mexico

➤ Aerospace:

- Supply situation has not yet improved for aerospace components. Leadtimes still very stretched, resulting in significant business delays

➤ Consumer

- Consumer slowing down from 2020 figures as WFH demand normalizing

➤ Telco:

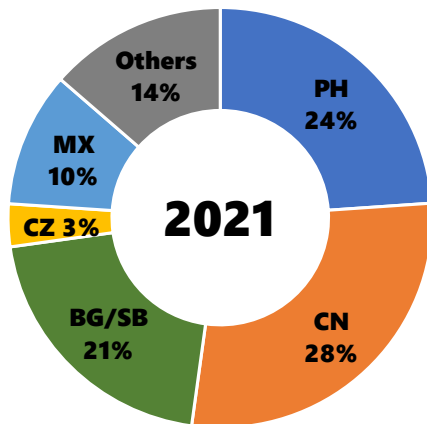
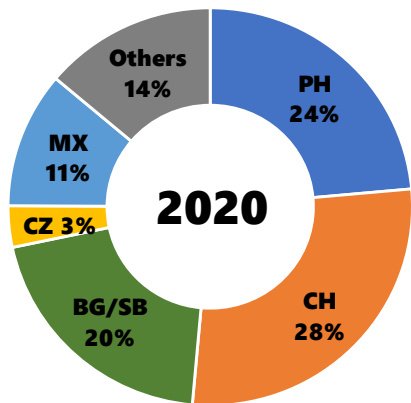
- Delayed revenues because of transition to local supply network to mitigate trade tensions and shipping logistic challenges

➤ Medical:

- Similar to consumer, Medical business had strong 2020 demand due to covid related products

2021 Q4 Region Updates

	'20 Q4	'21 Q4	Y/Y%		'20 FY	'21 FY	Y/Y%
PH	72.2	70.4	-2%		252.8	297.7	18%
CN	64.3	81.7	27%		252.5	289.6	15%
BG/Serbia	77.5	63.3	-18%		230.6	268.0	16%
CZ	12.8	10.6	-17%		38.2	42.7	12%
MX	41.3	33.0	-20%		125.8	134.9	7%
VIA + STI	85.7	74.1	-13%		269.0	296.0	10%
TOTAL	347.2	327.6	-6%		1,135.8	1,300.6	15%



➤ PH:

- Buildup of backlog and inventory levels due to component shortage
- ~\$5M of cost savings in headcount reduction and increased focus on efficiency

➤ CN:

- Automotive facility in Jiaxing achieved significant automotive revenue growth in 2021
- Government mandated wage increases and increased logistic expenses affecting margins
- High level of labor attrition and supply chain disruptions leading to inefficient manufacturing process

➤ EU/MX:

- Continued component shortage causing build up of backlog and mass production delay
- Very competitive labor market driving attrition, labor cost and difficult access to skilled talent
- Inflationary pressure on utility prices

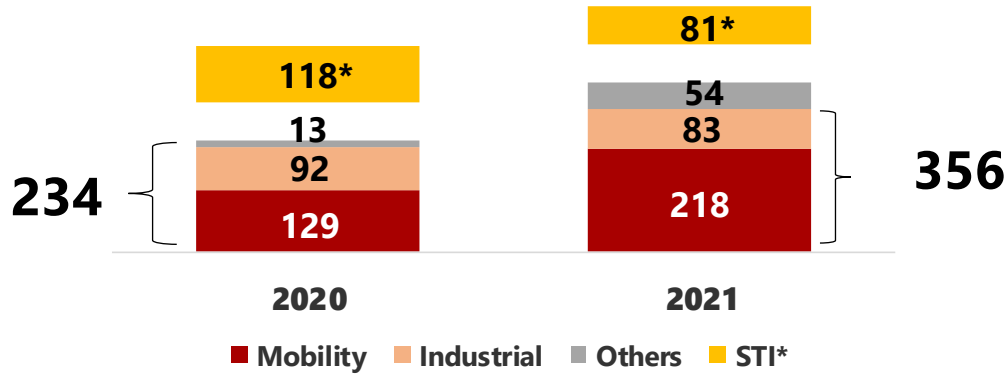
➤ STI:

- Covid and supply chain issues continue to affect operating results. ~12% headcount reduction in 2021 to manage operating costs

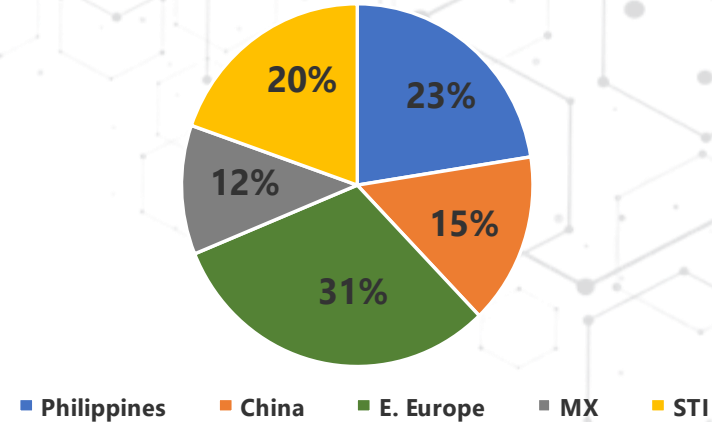


2021 Group Program Wins

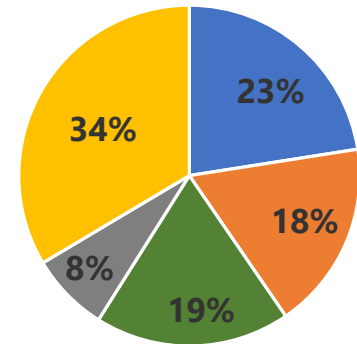
2021 New Program Wins



Win Location - 2021



Win Location - 2020



*IMI wins Annual Revenue Potential; STI wins total project size

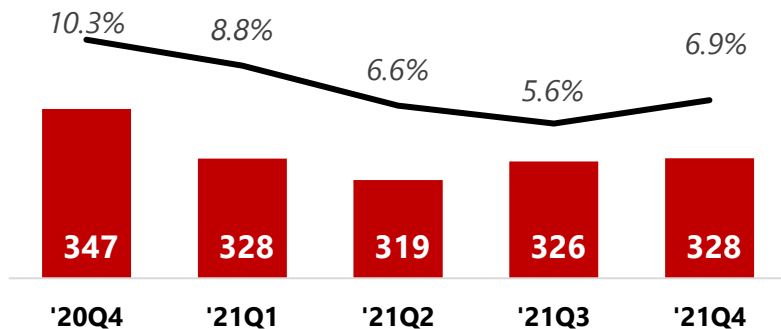
Notable Wins in 2021

Electric Vehicle Integrated Power Box	Mobility	Bulgaria
Electric Vehicle Cabin System	Mobility	Mexico
HV Coolant Heater	Mobility	Czech
Telecom Infrastructure	Telecom	China
Electro Mechanical Brake System	Mobility	China
Data Communication System	Industrial	Mexico

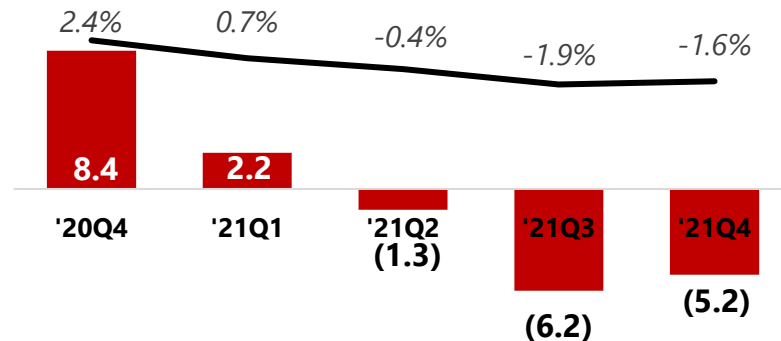


2021 Q4 Performance

Revenue and Gross Profit Margin



Net Income

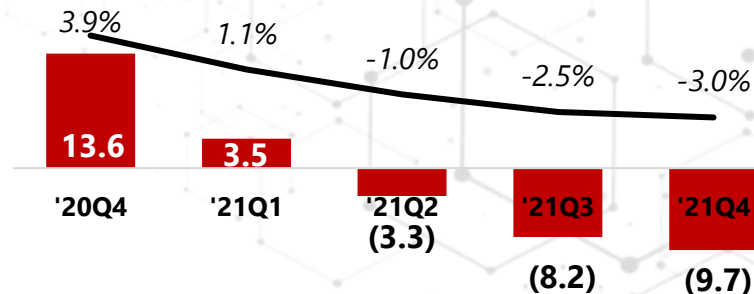


18.1 3.6 (2.5) (6.2) (2.3)

Non GAAP

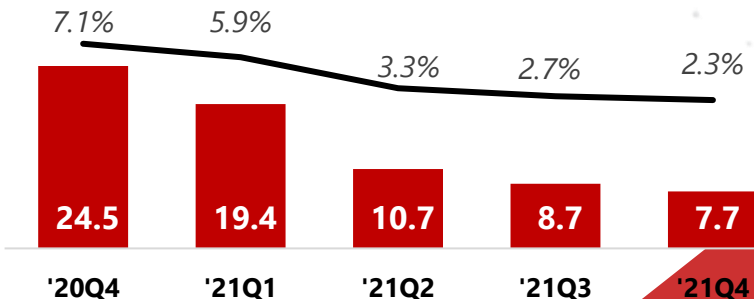
Non GAAP

Operating Income



15.9 5.3 (1.4) (5.1) (6.1)

EBITDA

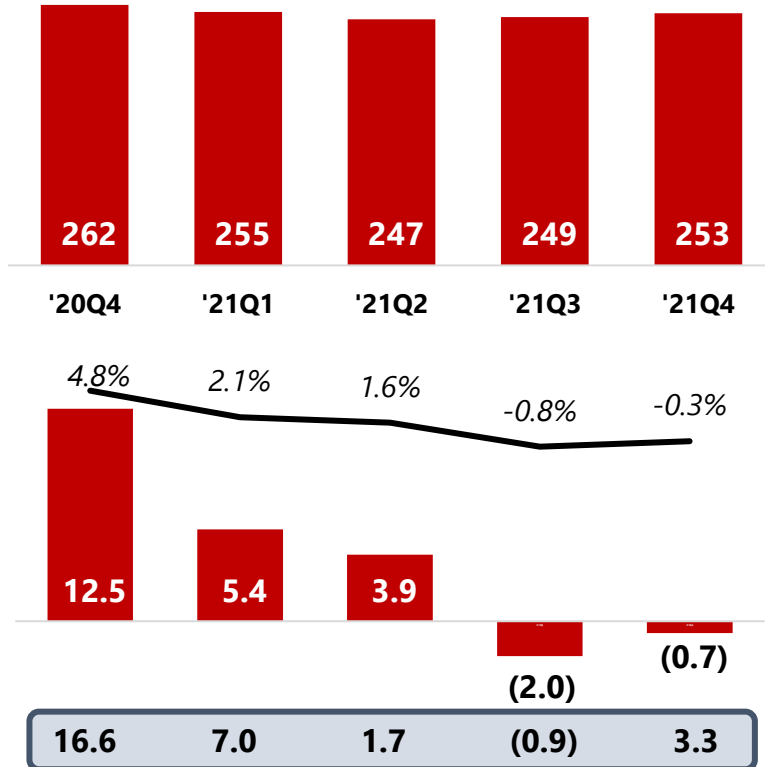


29.2 17.6 11.0 7.9 7.7



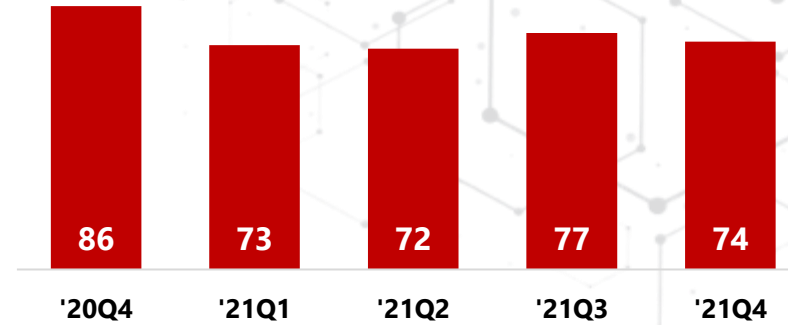
2021 Q4 Performance

Wholly Owned Subsidiaries

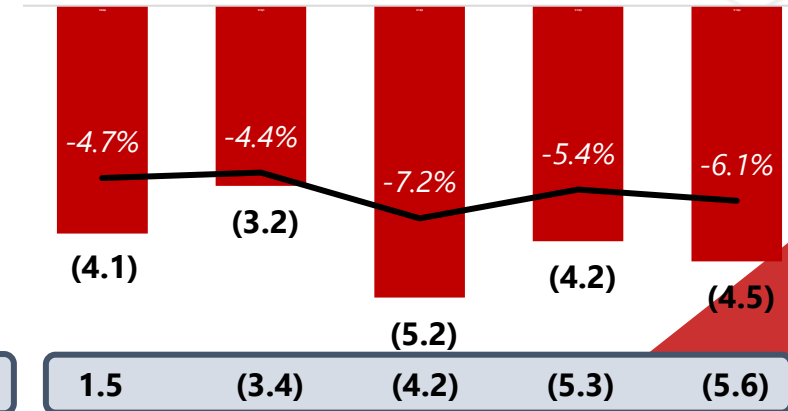


Non Wholly Owned Subsidiaries

Revenue



Net Income

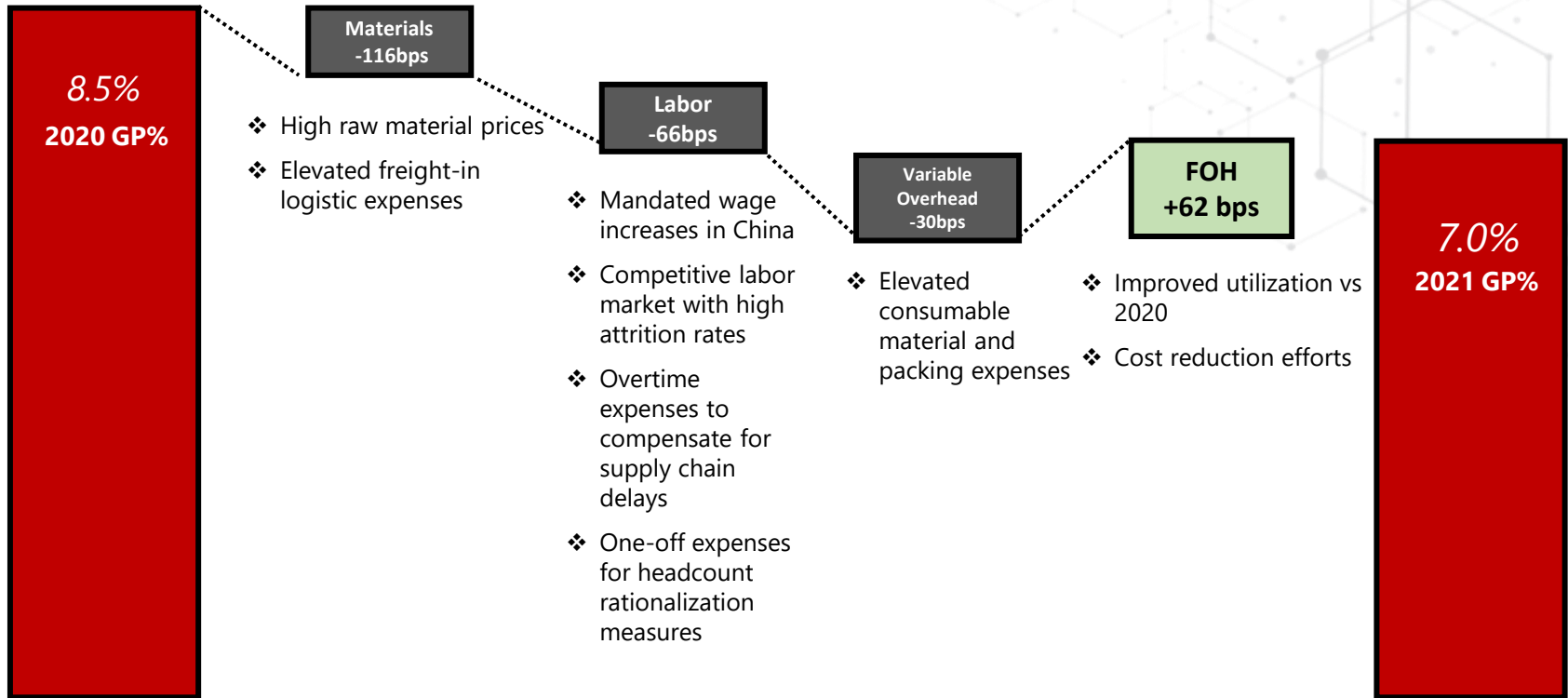


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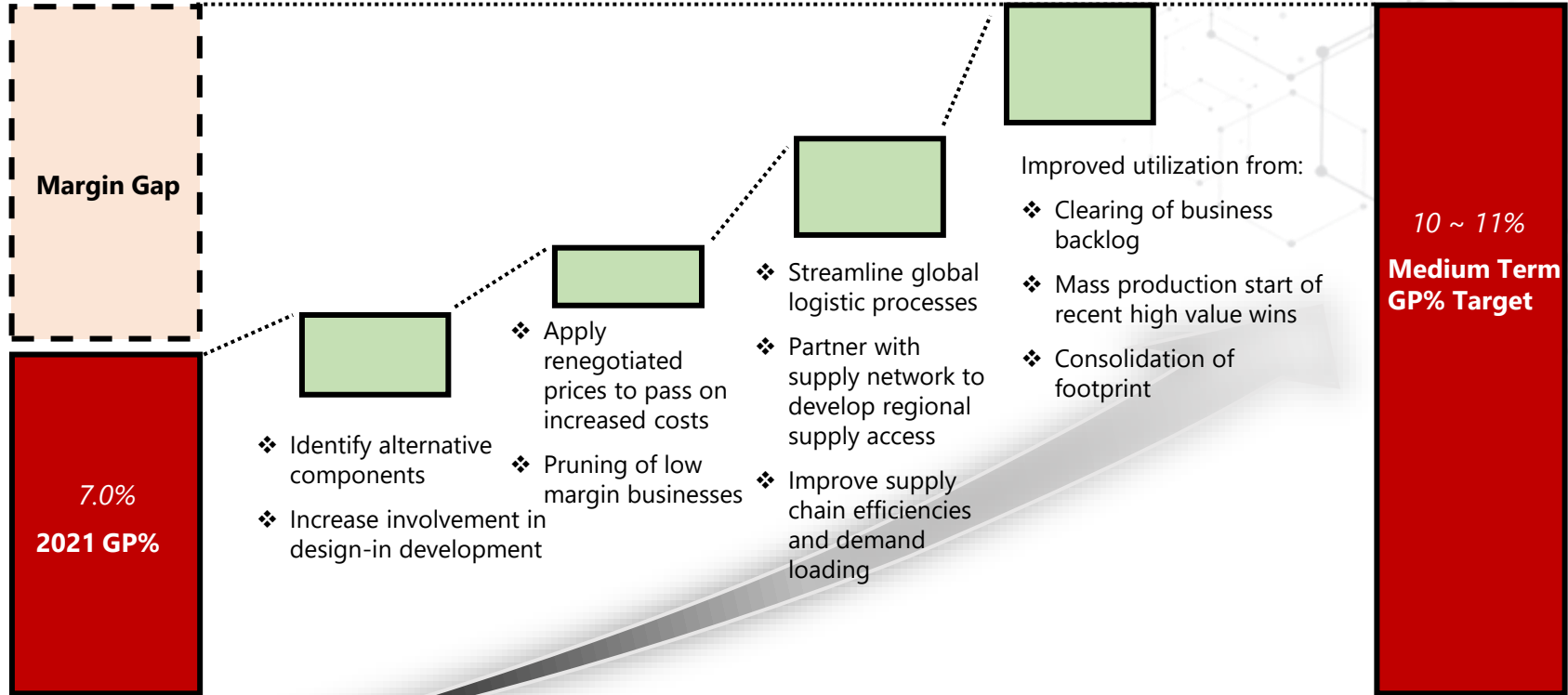


Decrease in Margins



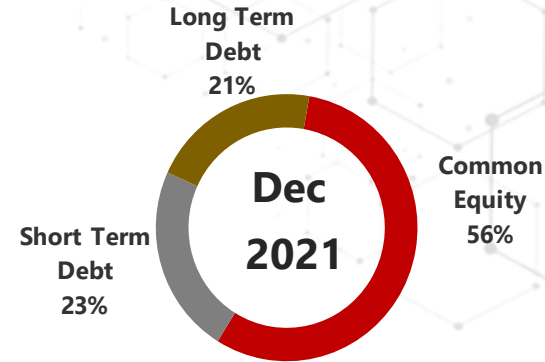
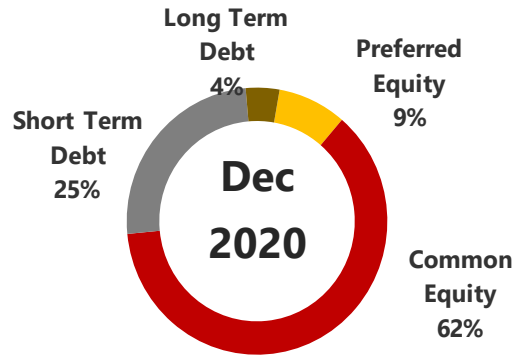


Return to Better Profitability





Capital Structure



(US\$ Millions)	Dec 2020	Dec 2021
Short-Term Debt	206.5	165.8
Long-Term Debt	34.3	151.5
Total Bank Debts	240.8	317.3
Cash	244.4	159.8
Net Debt / (Net Cash)	(3.6)	157.5
Common Equity Attributable to Parent	447.7	404.6

Key Financial Ratios	Dec 2020	Dec 2021
Current ratio	1.54	1.59
Bank Debt/ Total Equity	0.41	0.69
Book value/share (\$) *	\$0.20	\$0.18
Book value/share (PHP) *	₱9.70	₱9.19

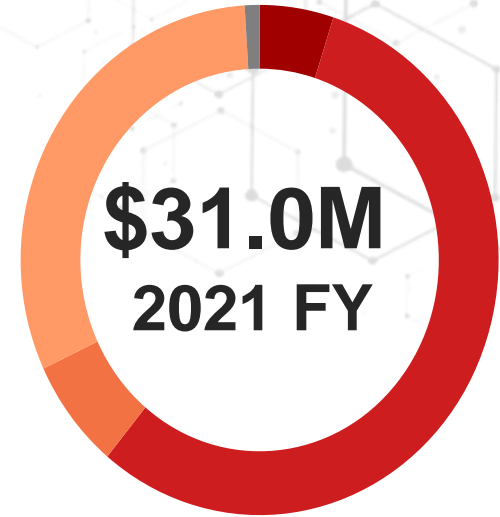
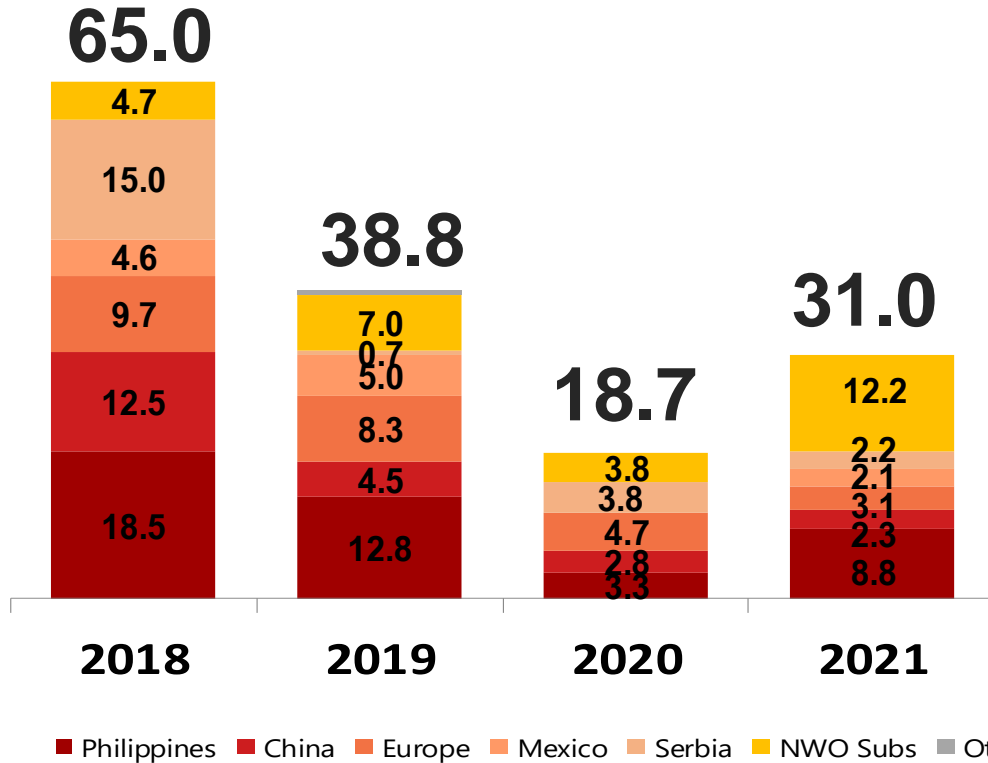
*Excluding Preferred Equity and Minority Interest

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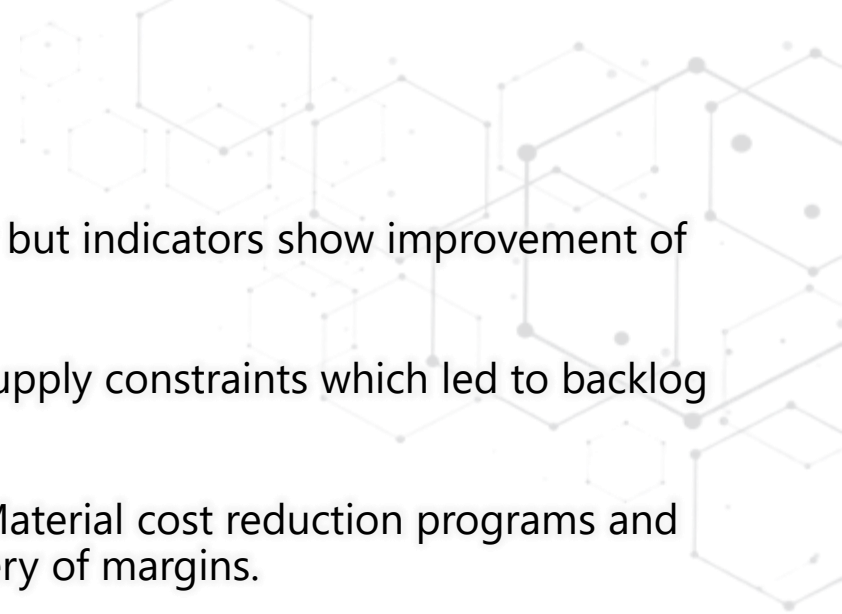
Disciplined Capital Investments



- Buildings.....5%
- Machinery.....56%
- Furn & Fix.....7%
- Constr. in progress.....31%
- Others.....1%



Key Takeaways



- Component shortage will continue to affect industry but indicators show improvement of supply situation towards the second half of 2022 .
- Strong customer demand in key sectors muted by supply constraints which led to backlog of \$66M at year end.
- Renegotiated prices to begin taking effect in 2022. Material cost reduction programs and improvement of supply network will also help recovery of margins.
- Limited direct risks from Ukraine-Russia conflict and Shenzhen COVID lockdown but IMI proactively preparing to address any potential issues.
- Significant infrastructure and equipment requirements to enable scaling of new projects already acquired in the past few years. IMI now equipped to deliver on ramp up volume of key businesses.



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