



IMI Analyst Briefing 2021 Q2

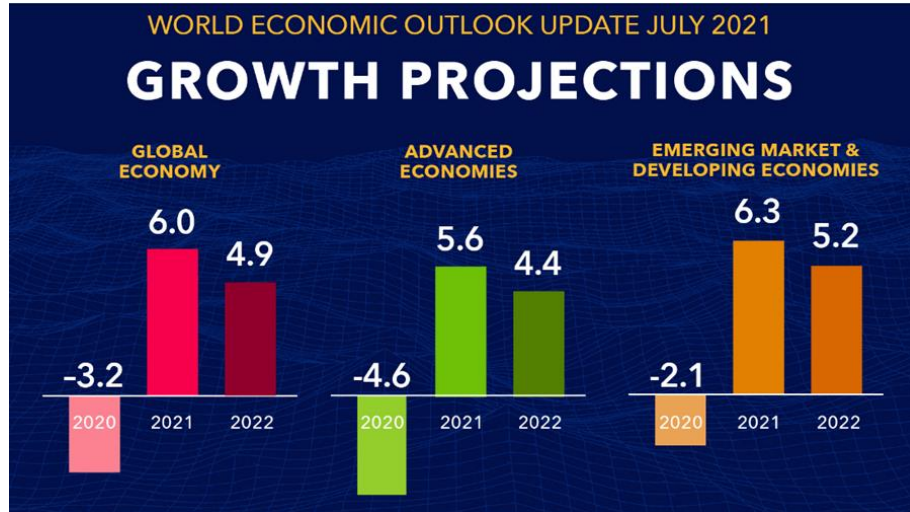
July 30, 2021
Online



Global Economic Outlook



Global Economic Outlook



Real GDP, annual % change	2020	2021	2022
United States	-3.5	7.0	4.9
Euro Area	-6.5	4.6	4.3
Germany	-4.8	3.6	4.1
France	-8.0	5.8	4.2
UK	-9.8	7.0	4.8
Japan	-4.7	2.8	3.0
China	2.3	8.1	5.7
ASEAN-5	-3.4	4.3	6.3

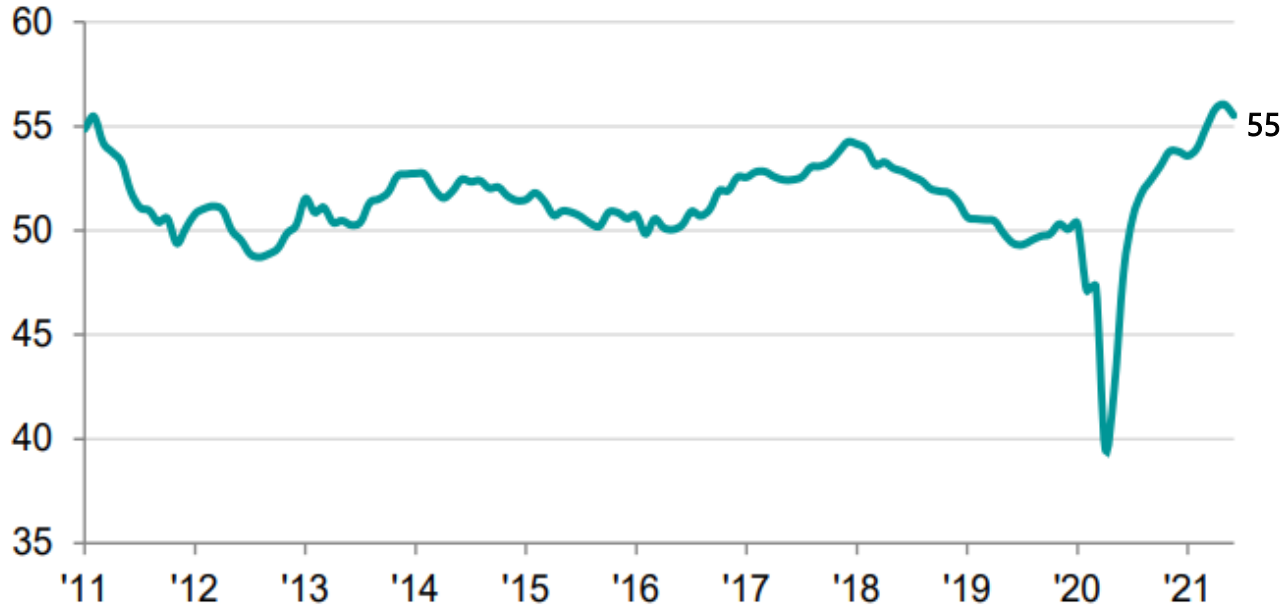
Source: IMF

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Global Manufacturing PMI June '21



Sources: J.P.Morgan, IHS Markit.

Manufacturing PMI

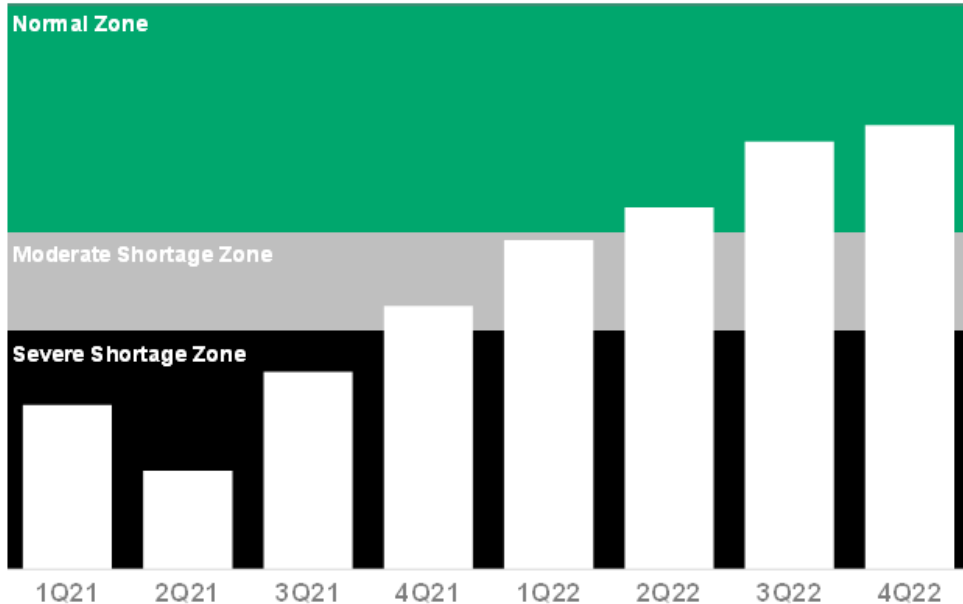
sa, >50 = improvement since previous month

Jun '21





Projected Worldwide Semiconductor Index

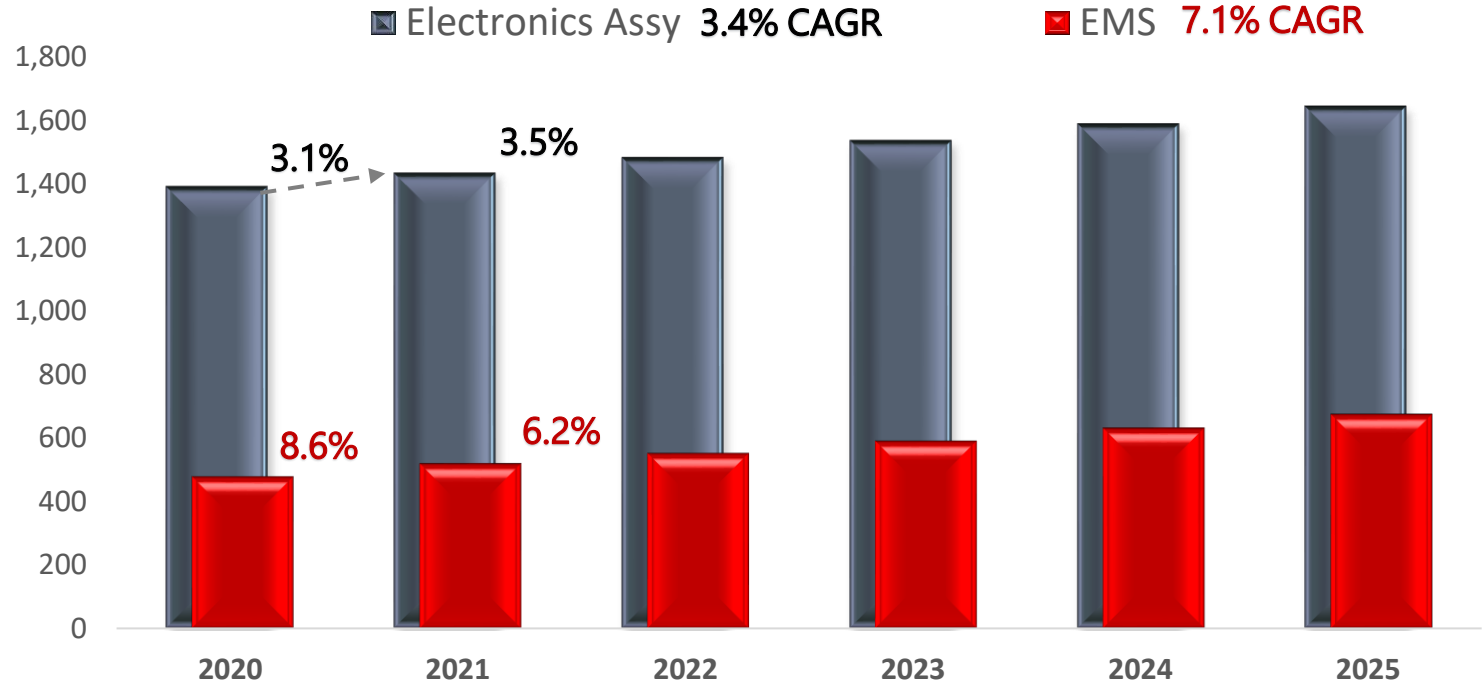


- Major headwinds in the 1st half of 2021 but should start to ease towards the end of the year
- Key economic regions including Europe, USA and Japan now looking to prioritize semi-conductor production to encourage the self-sufficiency of their supply chains.

Note: 1Q21 is a model estimate is subject to changed based on actual financials reported by vendors in2Q21. The index bar for 2Q21 to 4Q2 is only a directional estimate. Source: Gartner May 2021

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Source: New Venture Research, July 2021

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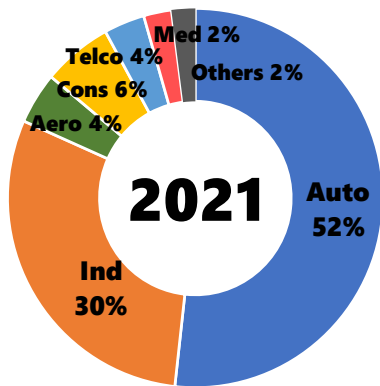
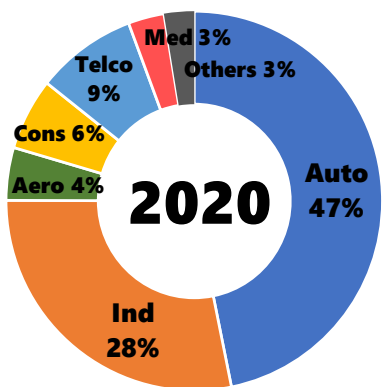




Financials

2021 Q2 Segment Updates

	'20 Q2	'21 Q2	Y/Y%	'20 1H	'21 1H	Y/Y%
Auto	78.8	158.1	101%	223.0	330.4	48%
Ind	76.8	97.4	27%	134.4	193.4	44%
Aero/Def	10.6	12.2	15%	21.4	28.4	33%
Cons	16.6	20.6	24%	29.2	38.8	33%
Telco	26.1	11.7	-55%	41.2	22.7	-45%
Medical	6.9	6.8	-1%	14.7	15.5	5%
TOTAL	220.4	319.0	45%	476.2	646.6	36%



➤ Automotive:

- Continued strong demand from customer forecasts and new project wins
- The segment faces significant challenges with securing in-demand components
- IMI pursuing strong penetration in electric vehicle market. Majority of the \$184M automotive new program wins in the first half are for EV platforms

➤ Industrial:

- Asset tracking and I-o-T devices continue to drive IMI growth in the segment

➤ Aerospace:

- Revenue slowed down from Q1 due to the difficulties of producing Low-Volume-High-Mix projects in the midst of the current component shortage

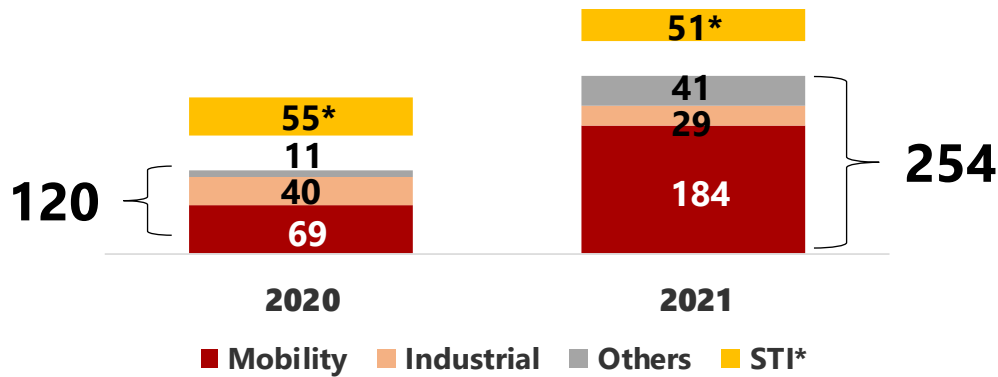
➤ Telco:

- Demand fluctuations from key China customers affecting production efficiency

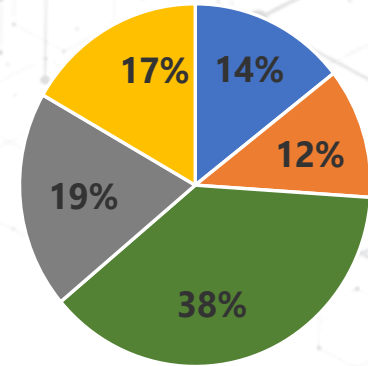


2021 1st Half Group Program Wins

1H New Program Wins

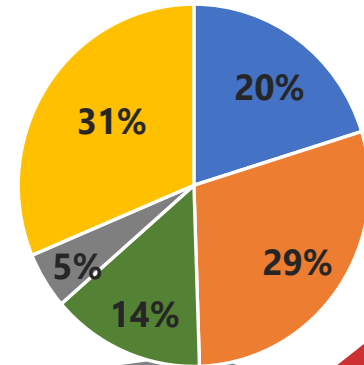


Win Location - 2021



■ Philippines ■ China ■ E. Europe ■ MX ■ STI

Win Location - 2020



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

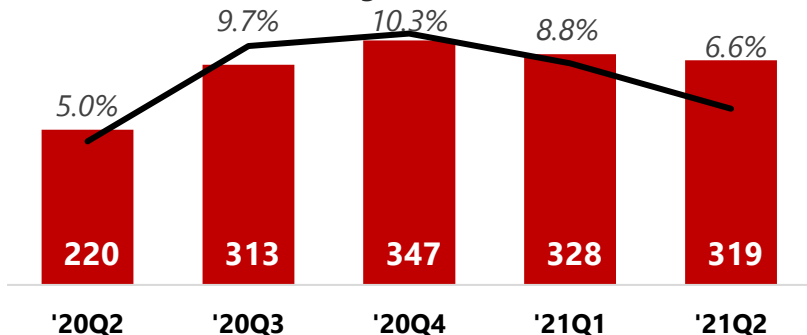
Notable Wins in 2021

Electric Vehicle Integrated Power Box	Mobility	Bulgaria
Electric Vehicle Cabin System	Mobility	Mexico
HV Coolant Heater	Mobility	Czech
Telecom Infrastructure	Telecom	China
Cameras for Autonomous Driving	Mobility	Philippines
Data Communication System	Comm.	Philippines

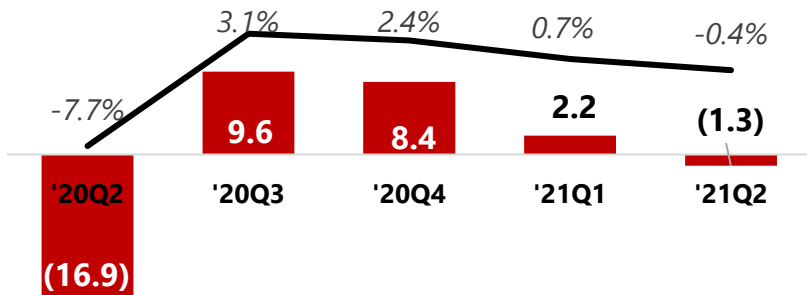


2021 Q2 Performance

Revenue and Gross Profit Margin



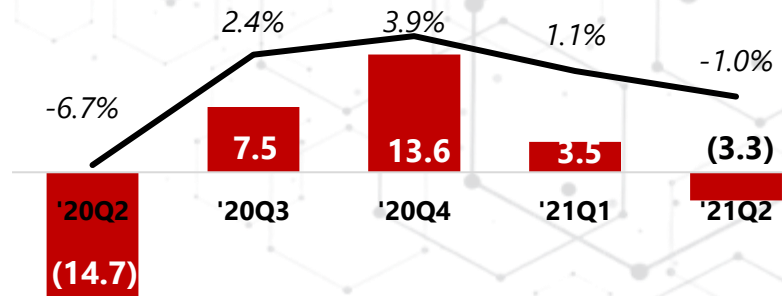
Net Income



Non GAAP

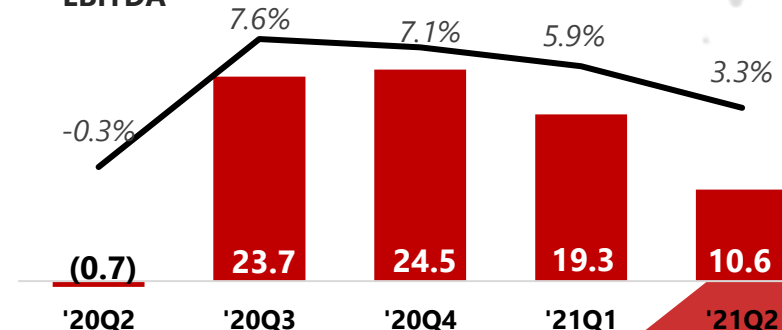
Non GAAP

Operating Income



(12.9) 9.4 15.9 5.3 (1.4)

EBITDA

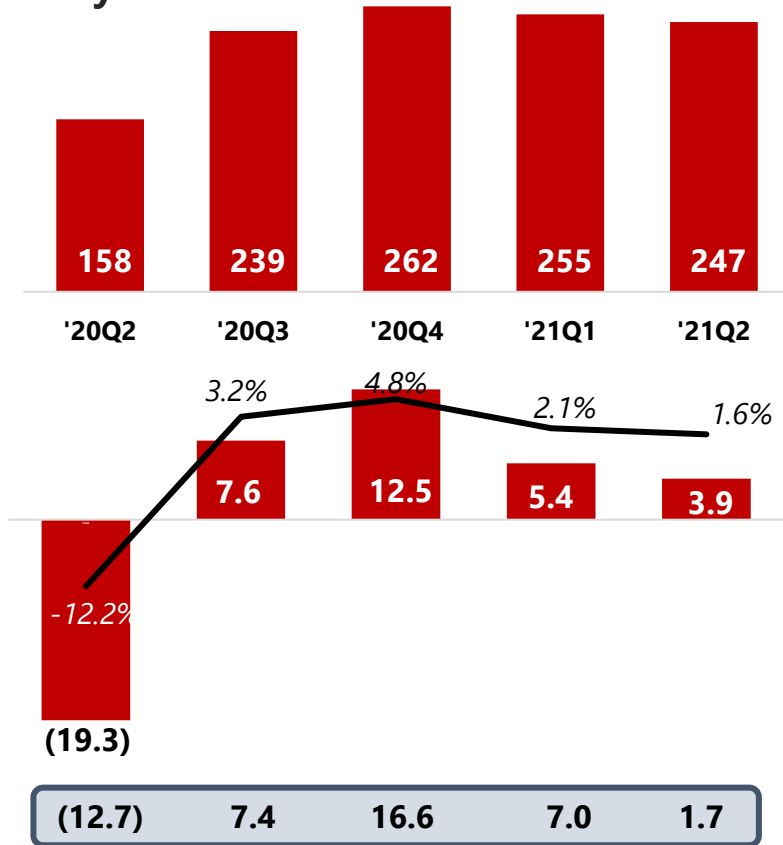


(1.1) 22.9 29.2 17.5 10.9



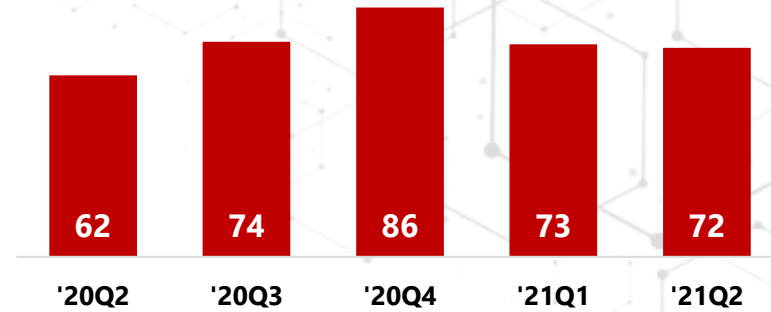
2021 Q2 Performance

Wholly Owned Subsidiaries

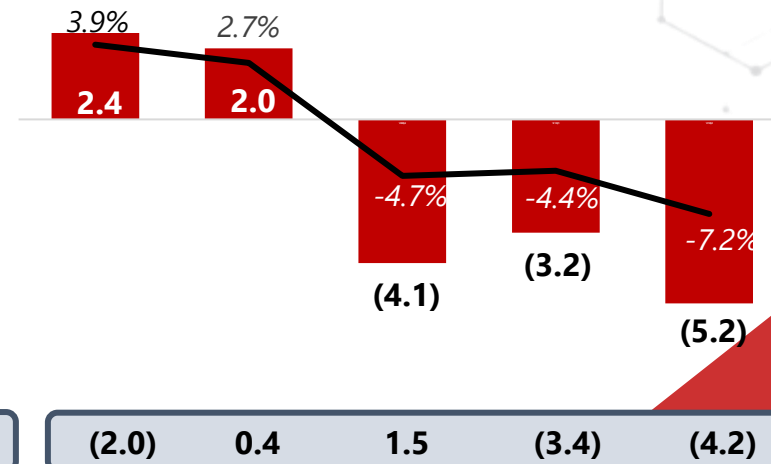


Non Wholly Owned Subsidiaries

Revenue



Net Income

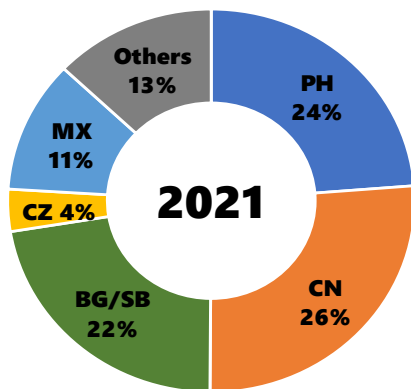
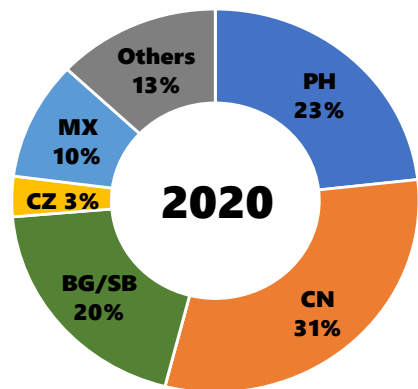


Non GAAP



2021 Q2 Region Updates

	'20 Q2	'21 Q2	Y/Y%		'20 1H	'21 1H	Y/Y%
PH	49.0	73.4	50%		104.7	146.8	40%
CN	71.0	66.2	-7%		120.2	133.3	11%
BG/Serbia	28.4	68.8	142%		93.7	144.3	54%
CZ	5.0	10.0	99%		16.2	23.0	41%
MX	14.4	34.8	141%		47.5	72.0	52%
VIA + STI	62.3	71.8	15%		109.4	144.9	32%
TOTAL	220.4	319.0	45%		476.2	646.6	36%



➤ PH:

- Material shortage hindering PH rebound. ~\$25M of revenue backlog in the first half + increased freight expenses cutting into margins

➤ CN:

- Customer orders and forecasts stronger than estimated, however the increased demand cannot be served at the moment given the long lead time of components
- Jiaxing faces skilled-labor attrition as new companies establish manufacturing facilities in the region

➤ EU/MX:

- Automotive sector hit particularly hard by component shortage. ~\$23M of revenue backlog accumulated in the first half.
- While increased material costs are mostly passed on, freight and productivity expenses are affecting margins

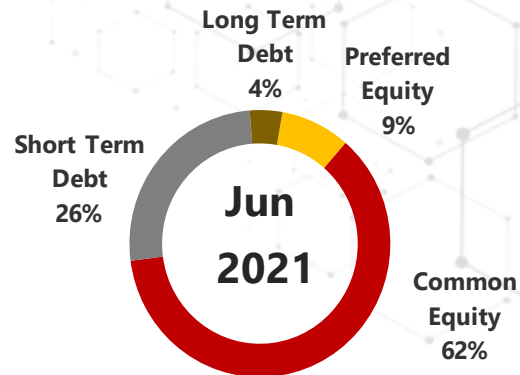
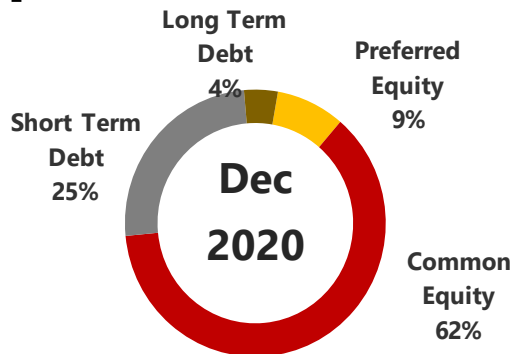
➤ VIA

- Currently reinforcing tech capabilities in preparation for start of mass production of automotive projects in the 2nd half of 2021.

➤ STI:

- UK Covid 3rd wave and component shortage slowing down STI growth. Cost reduction measures being implemented across UK and Cebu facilities

Capital Structure



(US\$ Millions)	Dec 2020	Jun 2021
Short-Term Debt	206.5	209.4
Long-Term Debt	34.3	32.7
Total Bank Debts	240.8	242.1
Cash	244.4	223.2
Net Debt / (Net Cash)	(3.6)	18.9
Common Equity Attributable to Parent	447.7	441.8

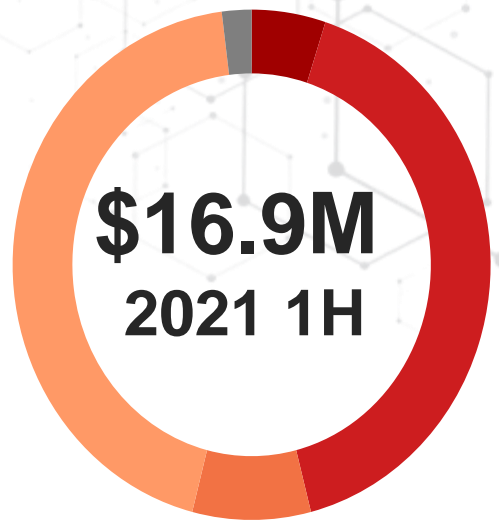
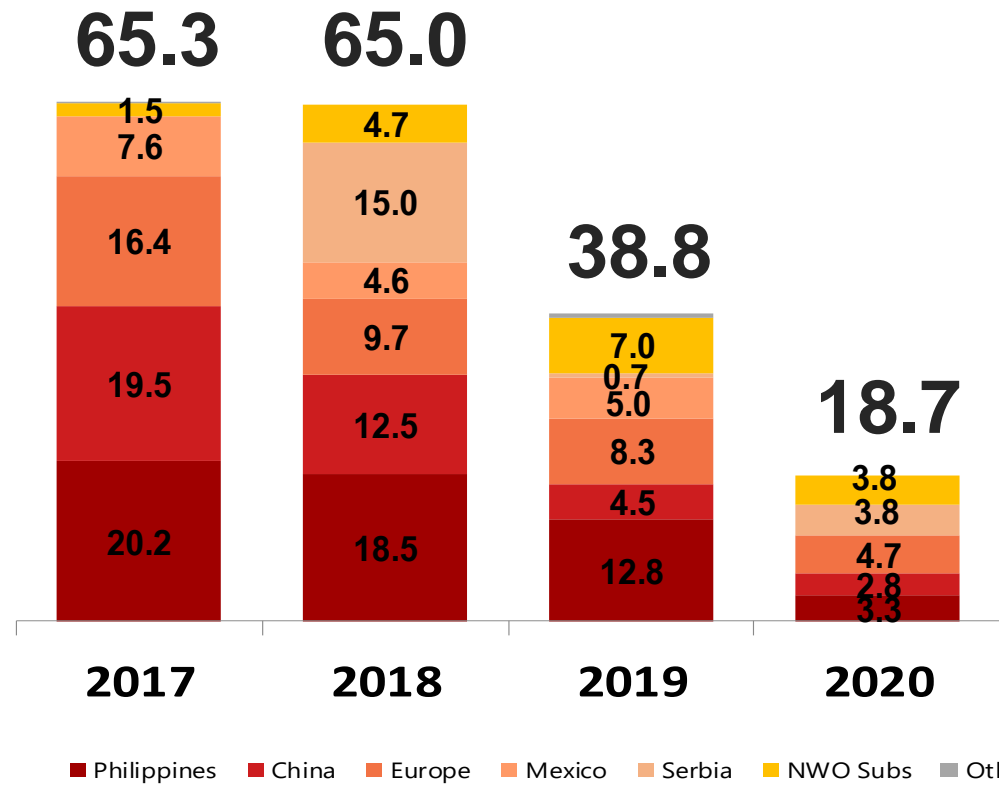
Key Financial Ratios	Dec 2020	Jun 2021
Current ratio	1.54	1.49
Bank Debt/Equity	0.41	0.43
Bank Debt/ Common Equity	0.47	0.48
Book value/share (\$) *	\$0.21	\$0.20
Book value/share (PHP) *	₱9.87	₱9.67

*Excluding Preferred Equity and Minority Interest

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Disciplined Capital Investments



- Buildings.....5%
- Machinery.....41%
- Furn & Fix.....8%
- Constr. in progress.....44%
- Others.....2%





Key Takeaways



- Component shortage continues to be a challenge
 - Backlog due to the unavailability of components has grown to ~\$60M in the first half
 - As forecasted, easing of the situation is expected towards the end of the year and into 2022
 - Direct material price increases are mostly shared with customers but logistic and efficiency consequences have been dragging down margins
- Continued success in pipeline activity with \$122M of ARP wins in Q2 for wholly owned subsidiaries
- Keeping an eye on possibility of increased COVID infections as economies start to re-open in developed countries



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