



IMI Analyst Briefing 2021 Q3

November 2, 2021
Online



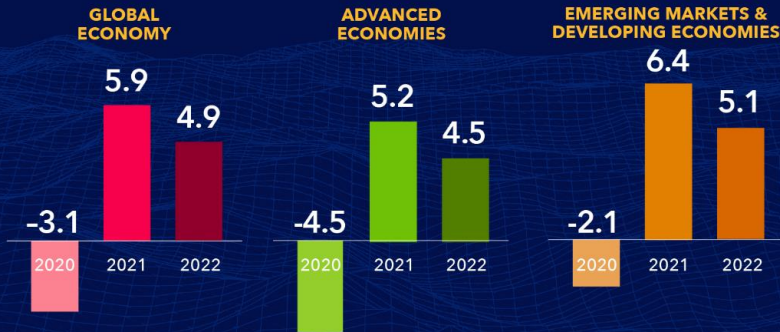
Global Economic Outlook



Global Economy

WORLD ECONOMIC OUTLOOK OCTOBER 2021

GROWTH PROJECTIONS








INTERNATIONAL MONETARY FUND

IMF.org #WEO

Real GDP, annual % change	2020	2021	2022
United States	-3.4	6.0	4.5
Euro Area	-6.3	5.0	4.3
Germany	-4.6	3.1	4.6
France	-8.0	6.3	3.9
UK	-9.8	6.8	5.0
Japan	-4.6	2.4	3.2
China	2.3	8.0	5.6
ASEAN-5	-3.4	2.9	5.8



COVID 19 has spawned multiple problems in the global supply chain

				
<p>Increased Demand → Chip Shortage</p>	<p>Container shortage</p>	<p>Port Congestion</p>	<p>Factory Shutdown</p>	<p>Labor Shortage</p>

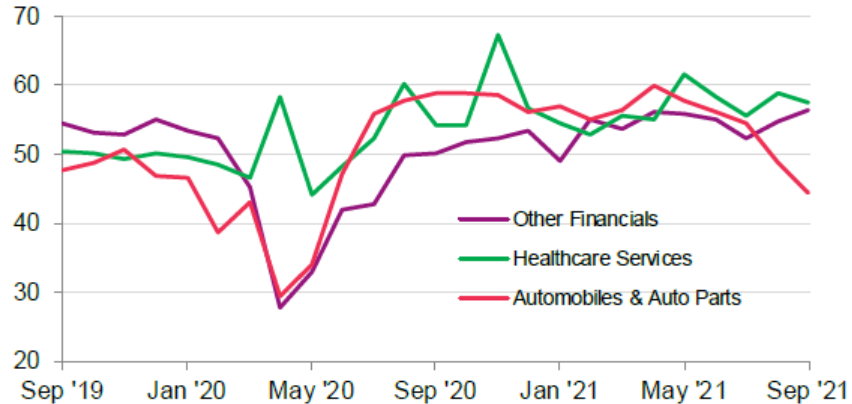


Global Manufacturing and Electronics PMI

Global Manufacturing PMI stays at 54.1 in September, still in expansion mode but automotive has dropped significantly. Overall Electronics PMI is still in expansion mode but continues to fall.

Global Business Activity Index

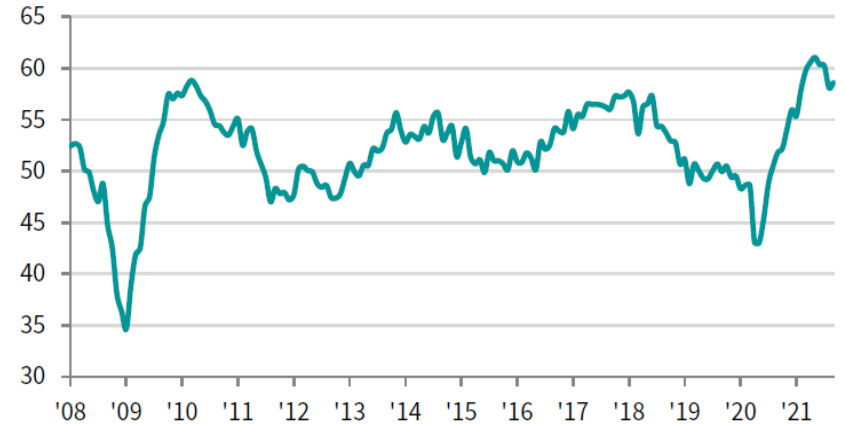
sa, >50 = growth since previous month



Source: IHS Markit.

Global Electronics PMI

sa, >50 = improvement since previous month



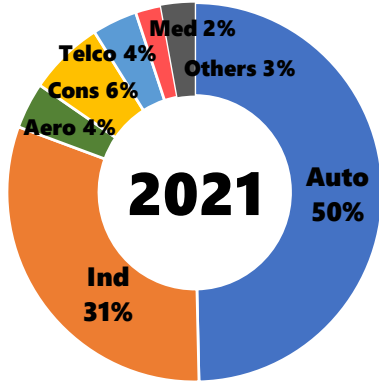
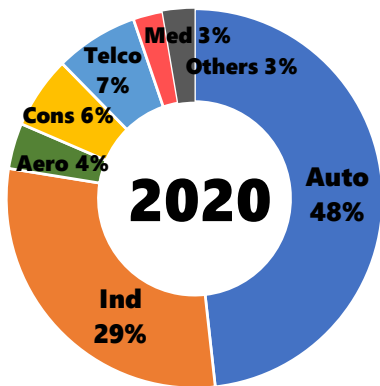
Source: IHS Markit.



Financials

2021 Q3 Segment Updates

	'20 Q3	'21 Q3	Y/Y%		'20 9M	'21 9M	Y/Y%
Auto	157.4	152.6	-3%		380.4	483.0	27%
Ind	96.6	107.9	12%		231.0	301.3	30%
Aero/Def	9.3	10.0	8%		30.7	38.4	25%
Cons	19.5	24.2	24%		48.7	63.0	29%
Telco	15.1	15.0	-1%		56.3	37.7	-33%
Medical	5.5	6.1	11%		20.2	21.6	7%
TOTAL	312.4	326.4	4%		788.6	973.0	23%



➤ Automotive:

- Forecasts remain strong for automotive sales moving forward
- Still very challenging to secure component allocation for automotive market. Difficult to swap components for alternative parts
- IMI Electric Vehicle programs continue to develop. VIA EV project started ramp up in new Germany facilities

➤ Industrial:

- Component shortage issues now also spreading into other markets
- Security devices, along with asset tracking still driving improvement vs 2020

➤ Aerospace:

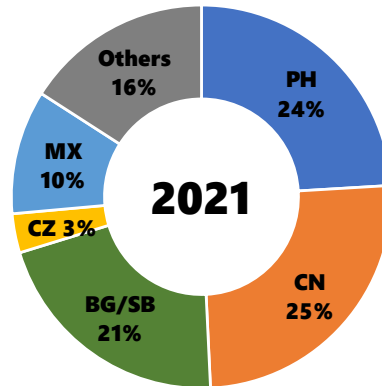
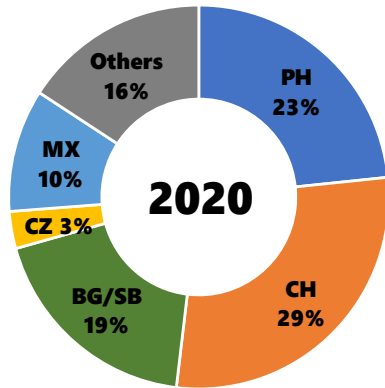
- Similar to Automotive, also facing difficulties in securing component allocation. Significant amount of secured business is delayed while waiting for materials shipment

➤ Telco:

- Supply chain issues partially resolved leading to stronger 2nd half performance

2021 Q3 Region Updates

	'20 Q3	'21 Q3	Y/Y%		'20 9M	'21 9M	Y/Y%
PH	76.0	80.5	6%		180.7	227.3	26%
CN	68.0	74.7	10%		188.2	208.0	11%
BG/Serbia	59.4	60.3	2%		153.1	204.7	34%
CZ	9.2	9.2	-1%		25.5	32.1	26%
MX	36.9	29.8	-19%		84.4	101.9	21%
VIA + STI	73.9	77.0	4%		183.3	221.9	21%
TOTAL	312.4	326.4	4%		788.6	973.0	23%



➤ PH:

- Solid growth despite increasing backlogs now at ~\$50M

➤ CN:

- Recovery in telco market but component shortage continues to suppress automotive facilities in the region
- Government mandated wage increases being implemented. High employment rate also challenges headcount attrition rates

➤ EU/MX:

- Continued difficulties in component allocation is further complicated by extreme shipping logistic prices between Asia and Europe

➤ VIA

- Successful start to ramp up EV business in new German facilities

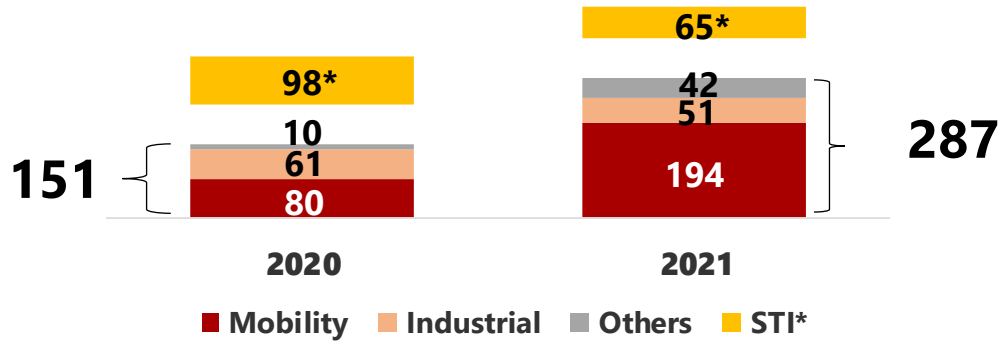
➤ STI:

- As component allocation continues to delay revenues, STI management team is implementing cost reduction measures in its manufacturing sites

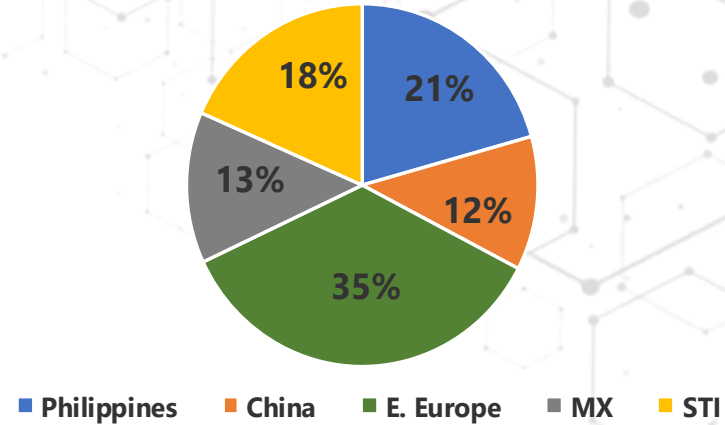


2021 9M Group Program Wins

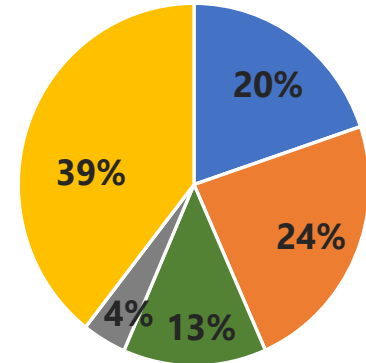
9M New Program Wins



Win Location - 2021



Win Location - 2020



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

Notable Wins in 2021

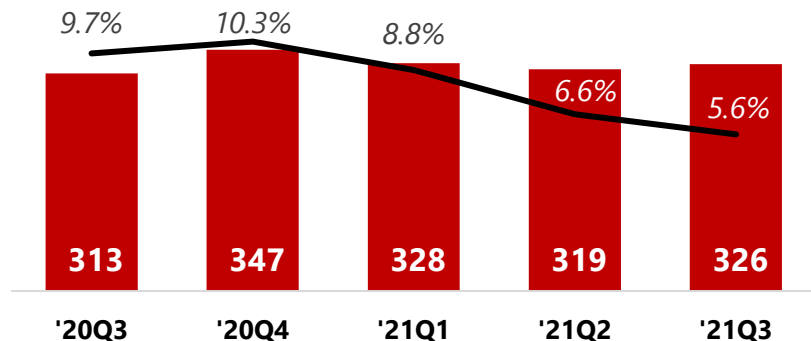
Electric Vehicle Integrated Power Box	Mobility	Bulgaria
Electric Vehicle Cabin System	Mobility	Mexico
HV Coolant Heater	Mobility	Czech
Telecom Infrastructure	Telecom	China
Cameras for Autonomous Driving	Mobility	Philippines
Data Communication System	Telecom	Philippines



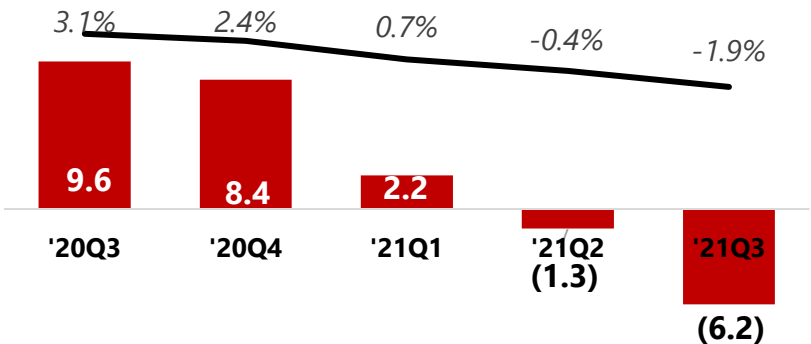


2021 Q3 Performance

Revenue and Gross Profit Margin



Net Income

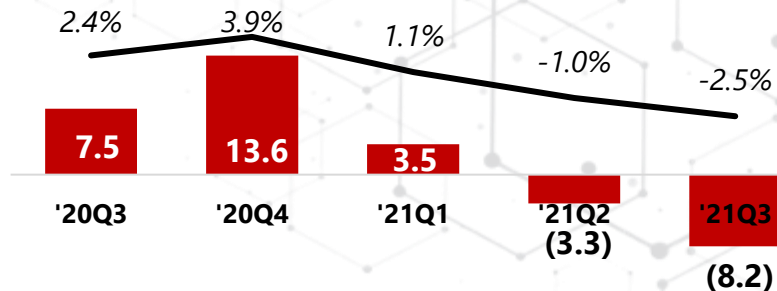


7.8 18.1 3.6 (2.5) (6.2)

Non GAAP

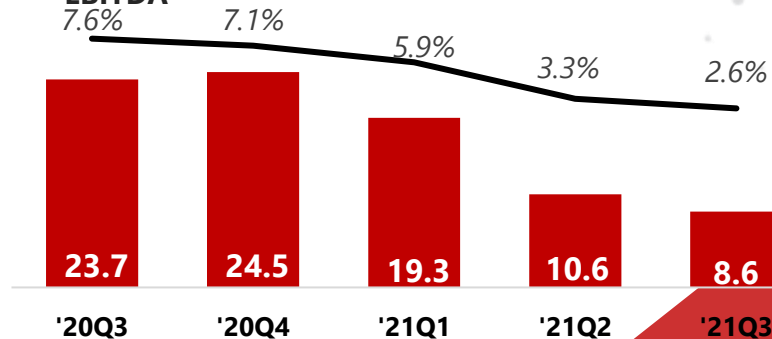
Non GAAP

Operating Income



9.4 15.9 5.3 (1.4) (5.1)

EBITDA

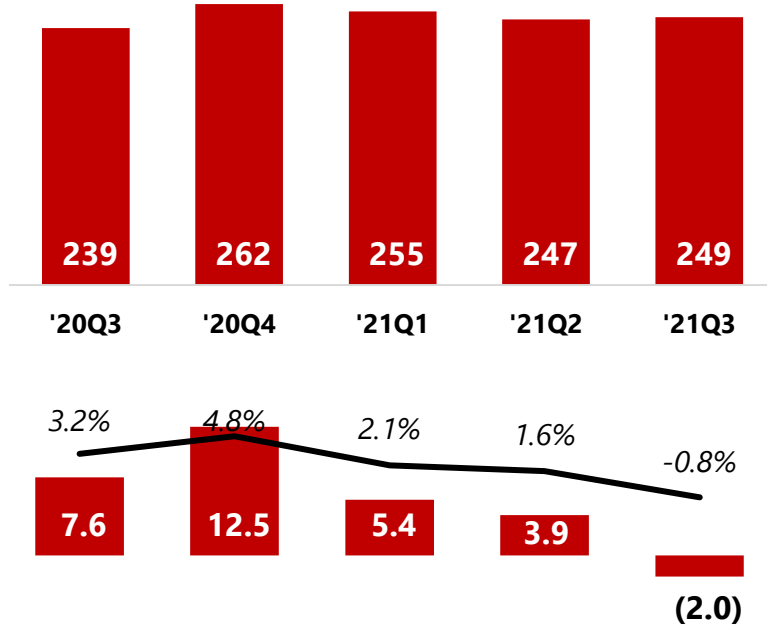


22.9 29.2 17.5 10.9 7.8



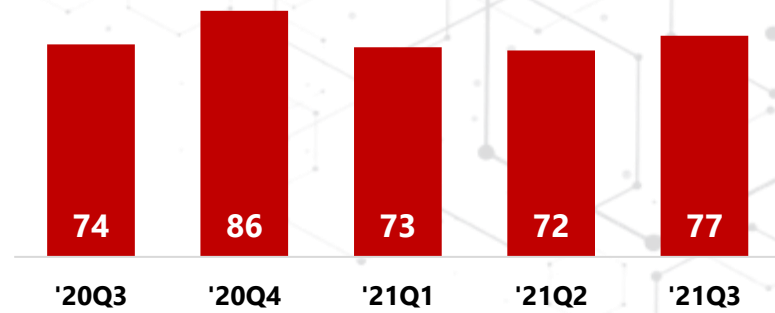
2021 Q3 Performance

Wholly Owned Subsidiaries

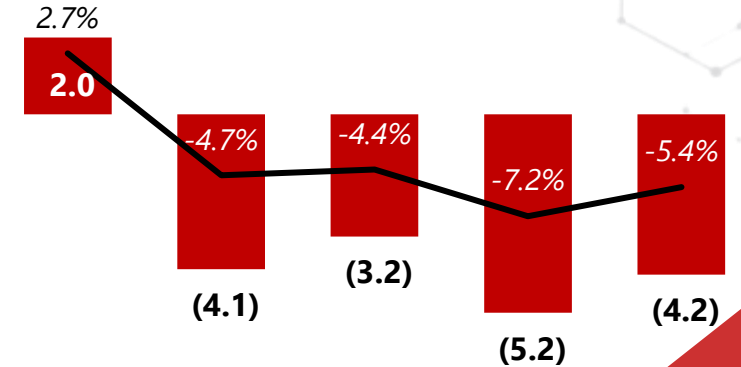


7.4	16.6	7.0	1.7	(0.9)
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Revenue



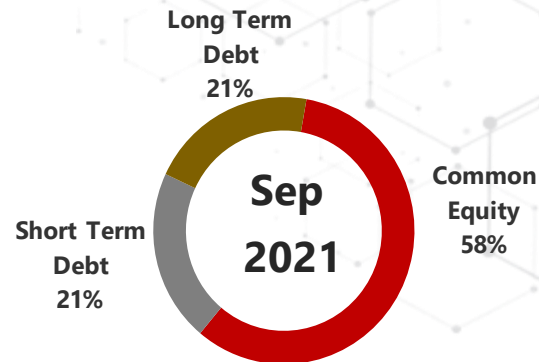
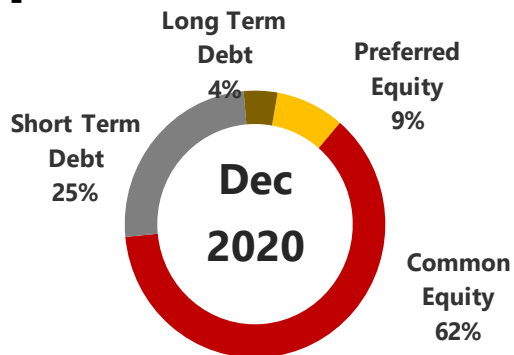
Net Income



Non GAAP

0.4	1.5	(3.4)	(4.2)	(5.3)
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Capital Structure



(US\$ Millions)	Dec 2020	Sep 2021
Short-Term Debt	206.5	152.0
Long-Term Debt	34.3	151.3
Total Bank Debts	240.8	303.3
Cash	244.4	168.1
Net Debt / (Net Cash)	(3.6)	135.2
Common Equity Attributable to Parent	447.7	423.8

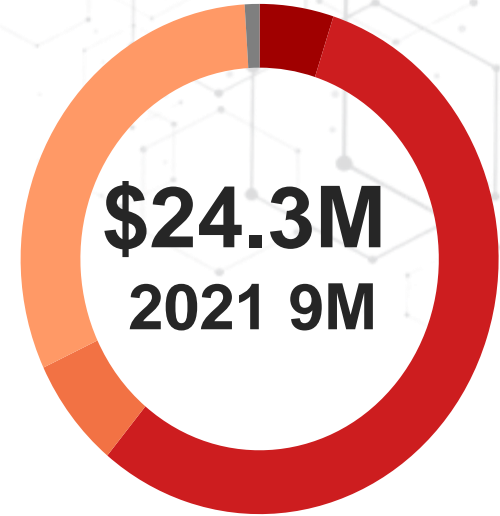
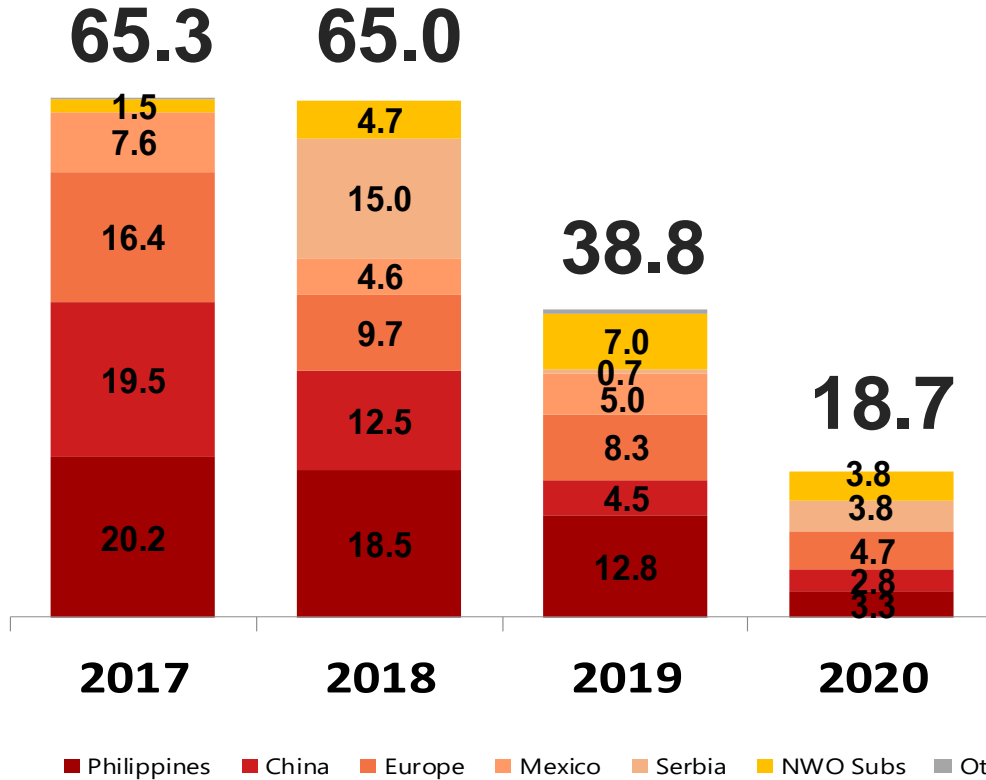
Key Financial Ratios	Dec 2020	Sep 2021
Current ratio	1.54	1.65
Bank Debt/ Total Equity	0.41	0.63
Book value/share (\$) *	\$0.20	\$0.19
Book value/share (PHP) *	₱9.70	₱9.51

*Excluding Preferred Equity and Minority Interest

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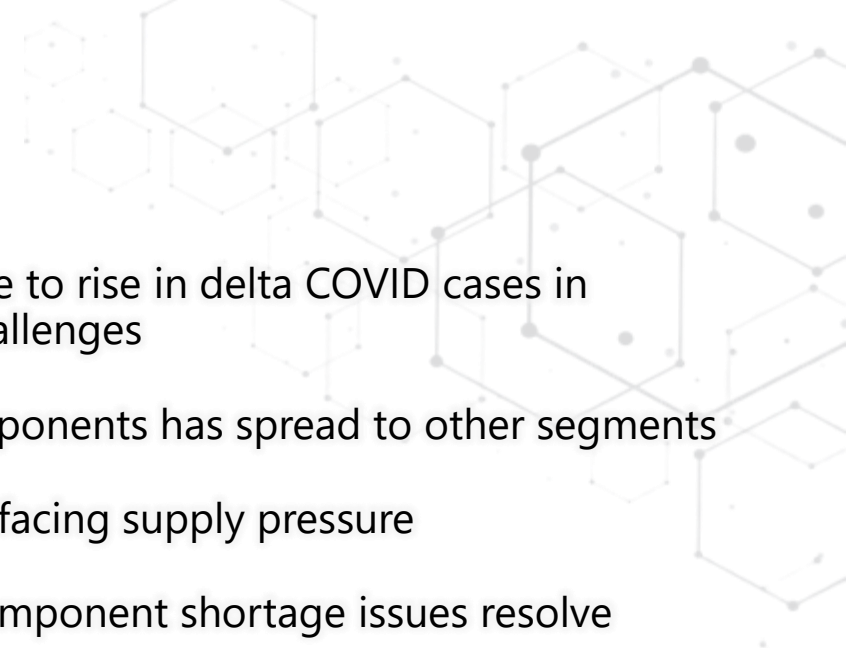
Disciplined Capital Investments



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



Key Takeaways



- Component shortage recovery has been delayed due to rise in delta COVID cases in supplier facilities and significant shipping logistic challenges
 - Backlog has grown to \$88M – Shortage of components has spread to other segments
 - IMI-controlled common components now also facing supply pressure
- Continued strong pipeline activity will improve as component shortage issues resolve
- Industry now forecasting a staggered recovery in 2022.
- Customers more receptive to price increase due to recognition of global inflationary environment. However, there is a lag between renegotiation and new price implementation



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