



IMI Analyst Briefing 2022 Q3

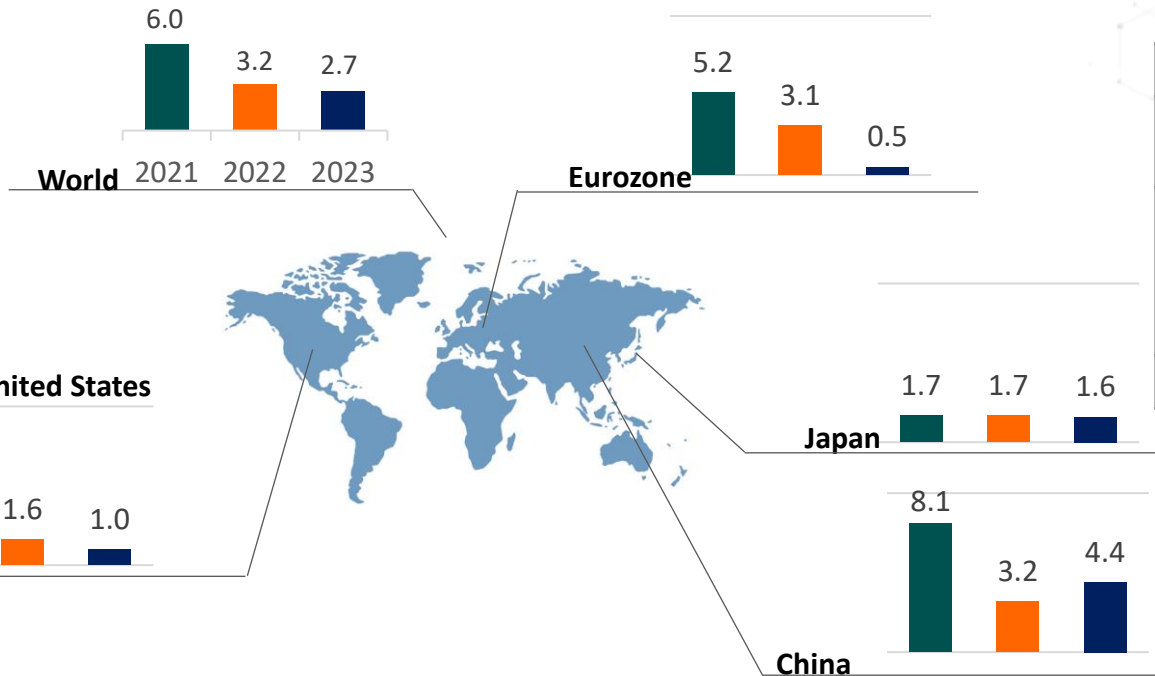
November 9, 2022
Online



Global Economic Outlook

Global Economy – Inflation & Uncertainty

Global growth in 2022 will be half of 2021. Slow-down is broad-based with global inflation reaching 8.8% in 2022 then easing at 6.5% in 2023. Recovery depends on successful monetary and fiscal policies, the course of the war in Ukraine, and growth prospects in China.



Region	2021	2022	2023
Advance Economies	5.2	2.4	1.1
Emerging Markets & Developing Economies	6.6	3.7	3.7
ASEAN-5	3.4	5.3	4.9

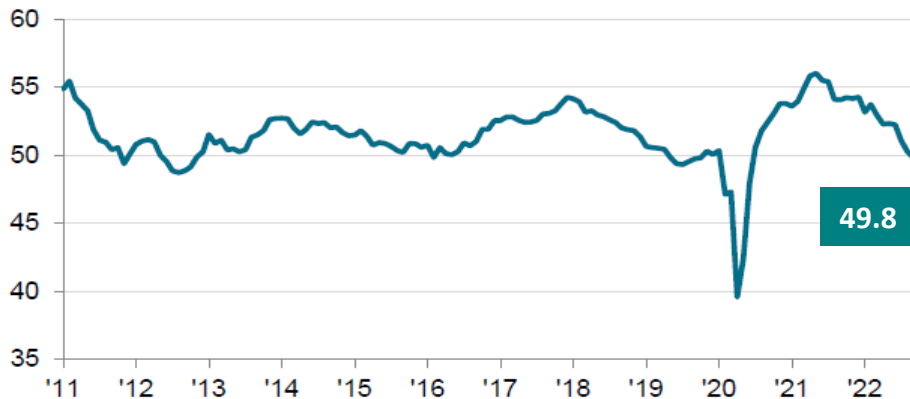
Source: IMF World Bank Outlook July 2022

Manufacturing PMI and Electronics PMI

Due to global headwinds, electronics PMI has breached the 50-point mark suggesting the tempering of demand

Global Manufacturing PMI fell to 49.8 in September, from 50.3 in August, the first time that it is posted below 50 mark since June 2020.

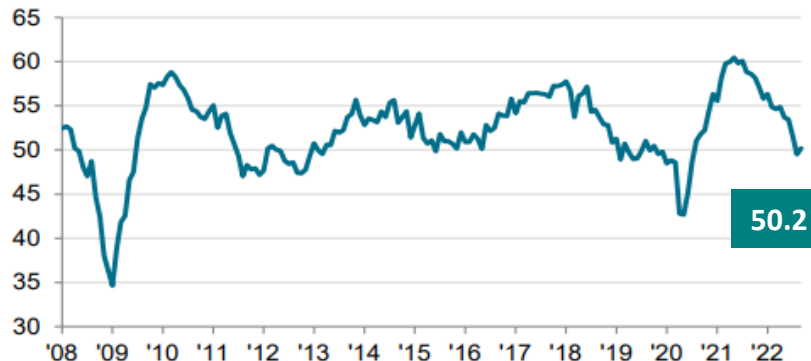
J.P.Morgan Global Manufacturing PMI™
sa, >50 = improvement since previous month



Source: J.P.Morgan, S&P Global.

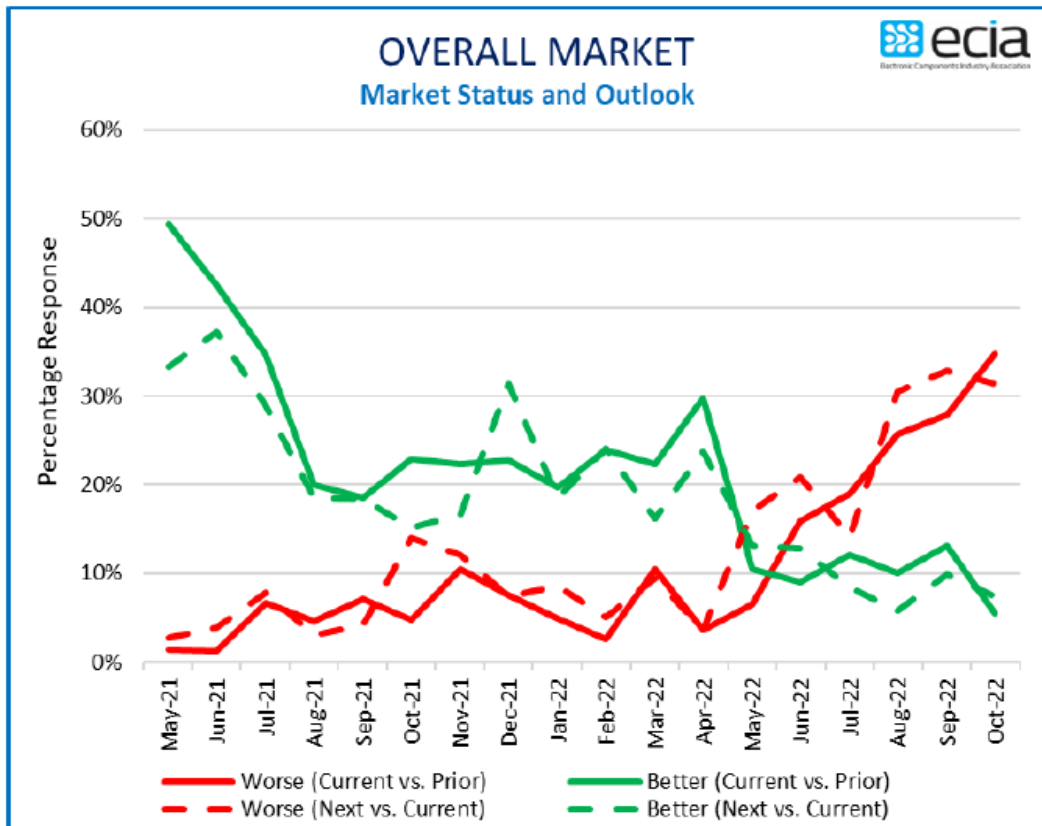
Electronics PMI in September shows slight improvement to 50.2 from 49.5 in August

S&P Global Electronics PMI
sa, >50 = improvement since previous month



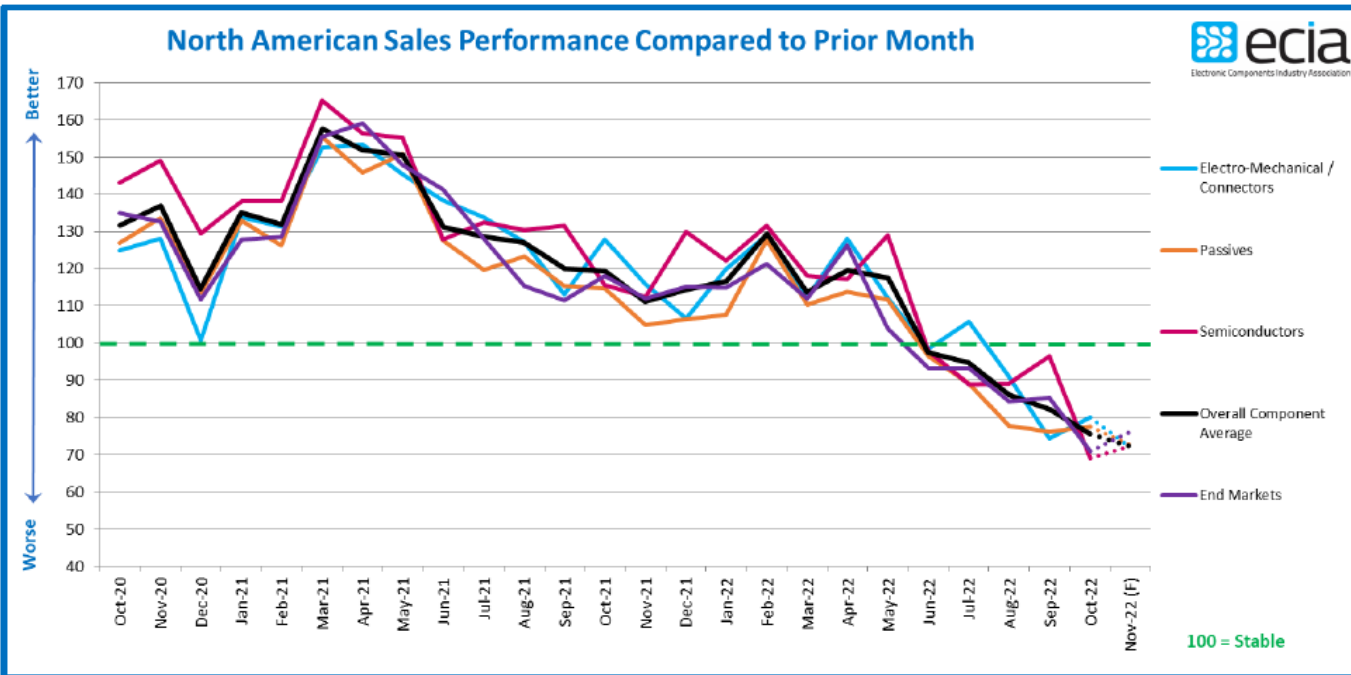
Source: S&P Global.

Electronics Components Industry Sentiment (Aug 2022)



- Overall, the market expects to continue a weakening trend
- All market segments are experiencing declines in market sentiment.
- Aerospace, Defense, Automotive and Industrial markets, though relatively better than other markets, still saw sharp drops October
- Consumer and Computer electronics indices have hit an all time low

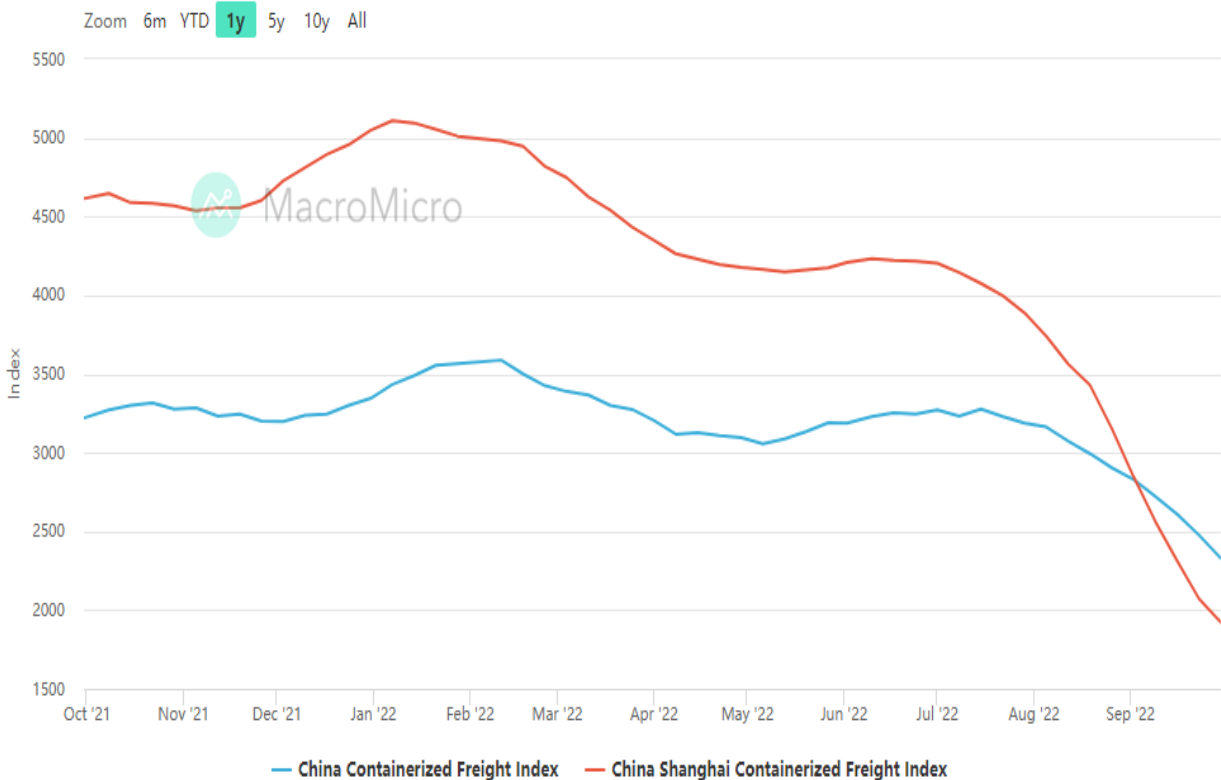
Components Supply Status , 2020-2022



- After a sharp recovery in September, Semiconductor sales join the other segments in a downtrend for October and November
- While some suppliers are still struggling to recover, others are able to ship more allocated quantities to major automotive customers
- Leadtime has reduced for semiconductors (average 18 weeks), relatively better than other segments in the market

Logistic and Freight Cost

Oct 2021- Oct 2022

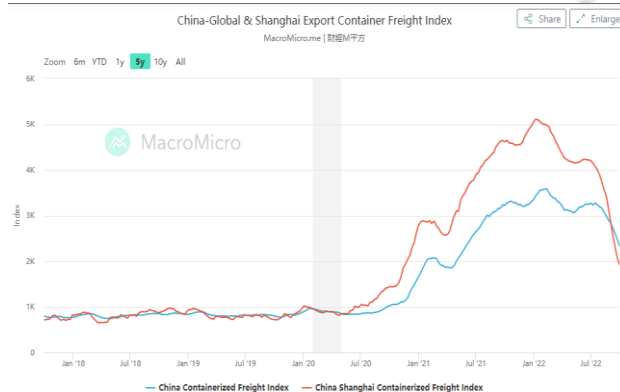


SCFI

CFI

- The index is down by 43.9% against the same period last year.
- The current in index is still about 2x of the pre-pandemic levels.

Oct 2017- Oct 2022

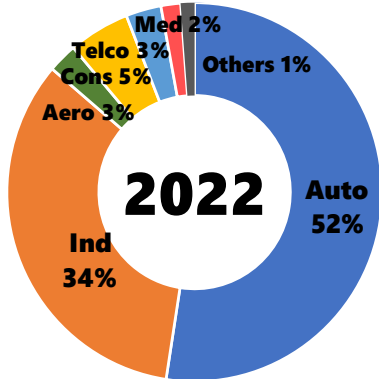
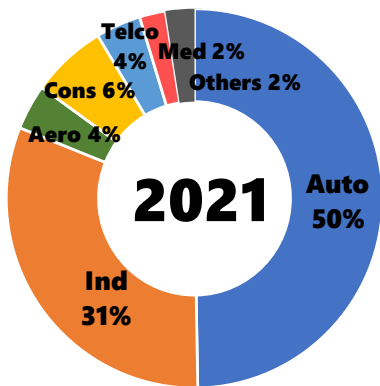




Financials

2022 Q3 Segment Updates

	'21 Q3	'22 Q3	Y/Y%		'21 9M	'22 9M	Y/Y%
Auto	150.9	181.6	20%		483.8	546.4	13%
Ind	109.6	124.2	13%		305.0	352.7	16%
Aero/Def	10.0	5.6	-44%		38.4	26.4	-31%
Cons	24.2	18.9	-22%		63.0	54.9	-13%
Telco	15.0	10.8	-28%		37.7	31.7	-16%
Medical	6.2	6.0	-3%		21.7	17.6	-19%
TOTAL	326.4	351.2	8%		973.0	1,042.1	7%



➤ Automotive:

- Positive growth figures despite further weakening of EUR. Increases driven mostly by launch of new projects, recovery of high raw material prices and negotiated price increases
- Starting to see some easing in component lead times

➤ Industrial:

- Growth driven by successful ramp up of new projects from new and existing customers primarily in the Philippines and Serbia

➤ Aerospace:

- STI continues to face challenging market environment with limited component availability and ongoing geopolitical challenges in the UK

➤ Consumer:

- Component allocation challenges drove decrease in VIA's consumer laptop market

➤ Telco:

- In the process of exiting low margin businesses

2022 Q3 Region Updates

	'21 Q3	'22 Q3	Y/Y%		'21 9M	'22 9M	Y/Y%
PH	80.9	81.5	1%		228.6	245.1	7%
CN	74.7	76.8	3%		206.5	230.0	11%
BG/Serbia	60.3	67.7	12%		204.7	215.3	5%
CZ	9.1	16.8	85%		32.1	42.3	32%
MX	29.8	39.6	33%		99.1	111.6	13%
VIA + STI	77.0	76.2	-1%		221.9	218.9	-1%
TOTAL	326.4	351.2	8%		973.0	1,042.1	7%

➤ PH:

- Extended component shortage led to reduction of demand; backlog currently at \$20M

➤ CN:

- China continues to recover despite latest round of government mandated lockdowns in Q2. Growth driven by automotive focused manufacturing site in Jiaxing

➤ EU:

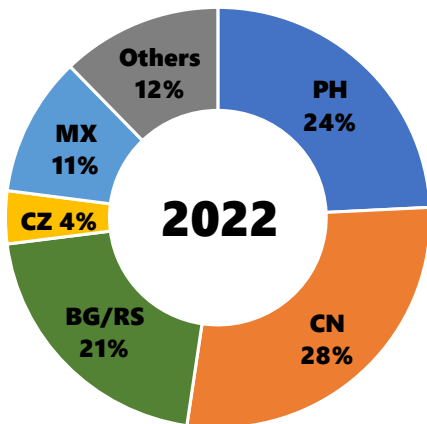
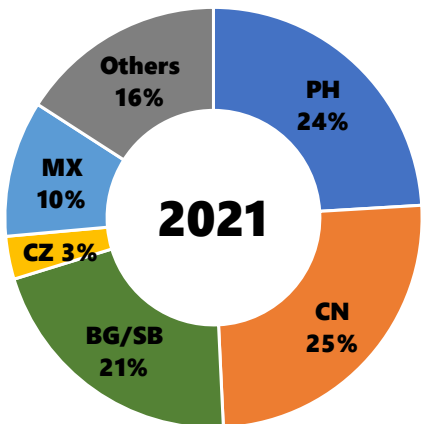
- EUR has continued to weaken down to parity with the USD. Despite this, IMI sites achieved strong volume growth from existing and new customers.
- Czech Republic successfully launched a new major project with an existing key automotive business
- Longstanding relationships with European automotive customers allowed successful negotiation of price increases and cost recoveries

➤ MX:

- Growth in revenues and pipeline activity due to industry trend of onshoring manufacturing activities to North America

➤ VIA +STI:

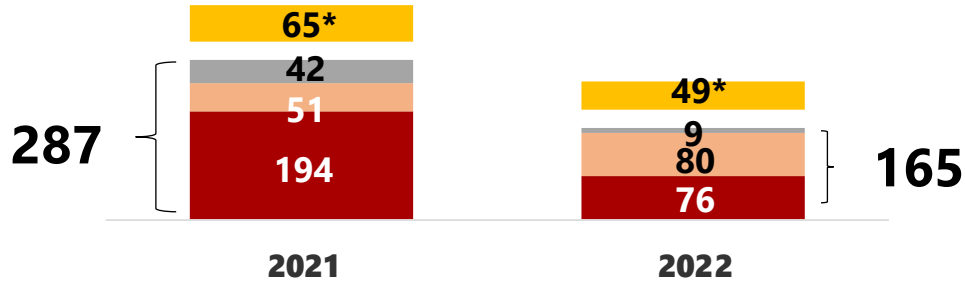
- Global return to office of companies led to drop in demand for laptop sales affected VIA consume segment
- A&D in the UK continues to be challenged by long lead time of components and the continuous burden of geopolitical factors in the area





2022 Group Program Wins

2022 9M New Program Wins



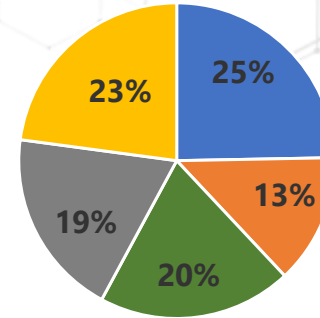
■ Mobility ■ Industrial ■ Others ■ STI*

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

Notable Wins in 2022

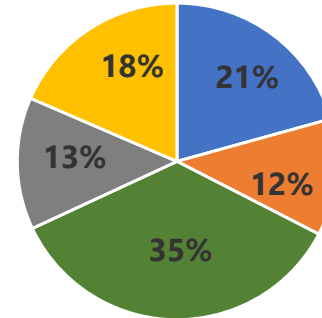
IoT System	Industrial	Philippines
EV Battery Isolation Box	Mobility	Mexico
Industrial LED Lighting	Industrial	Mexico
Mobility LED Lighting	Mobility	Bulgaria
Cashless Payment System	Industrial	Philippines
Power Operated Tailgate	Mobility	Bulgaria
EV Battery Management System	Mobility	Mexico

Win Location - 2022



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

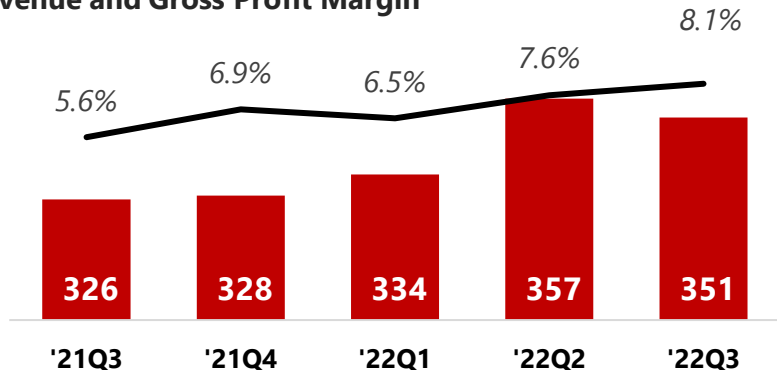
Win Location - 2021



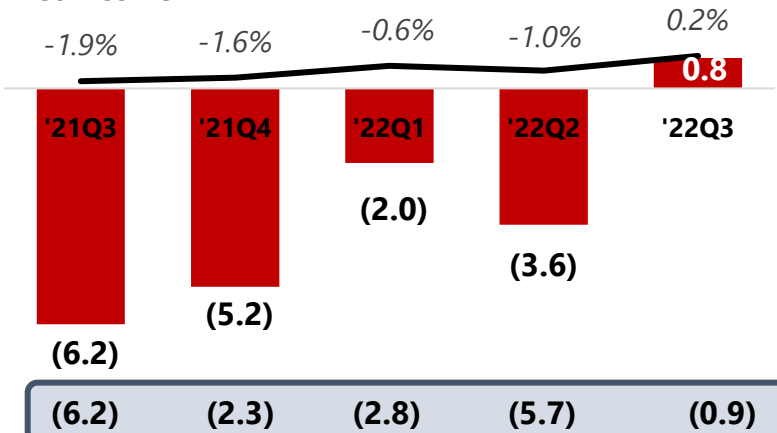


2022 Q3 Performance

Revenue and Gross Profit Margin



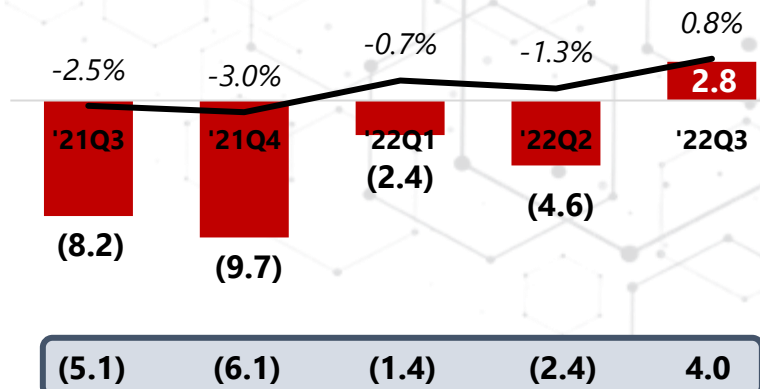
Net Income



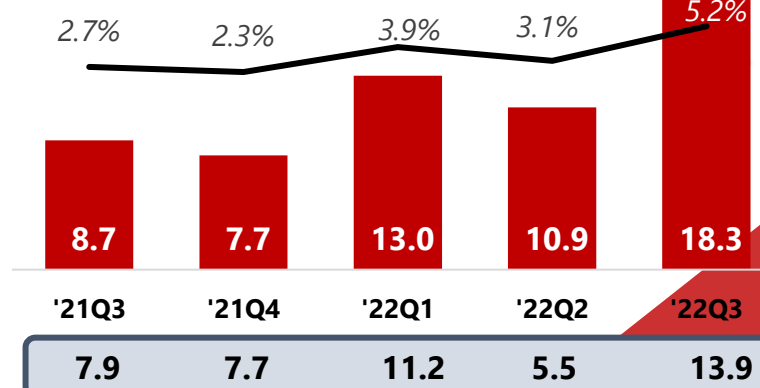
Non GAAP

Non GAAP

Operating Income



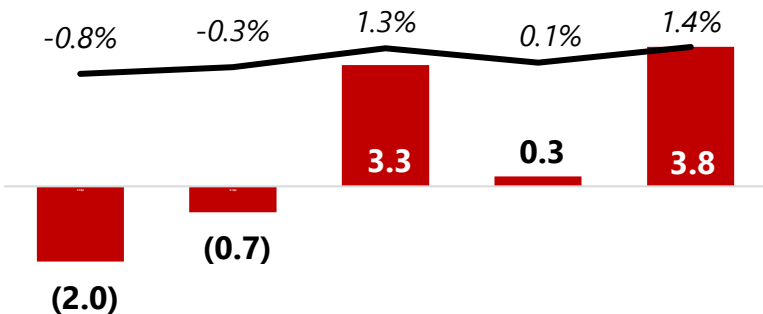
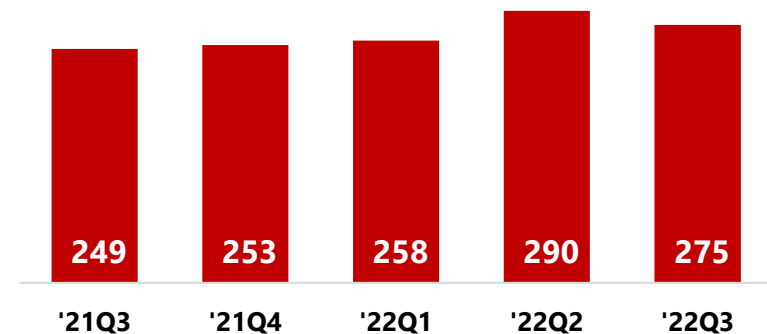
EBITDA





2022 Q3 Performance

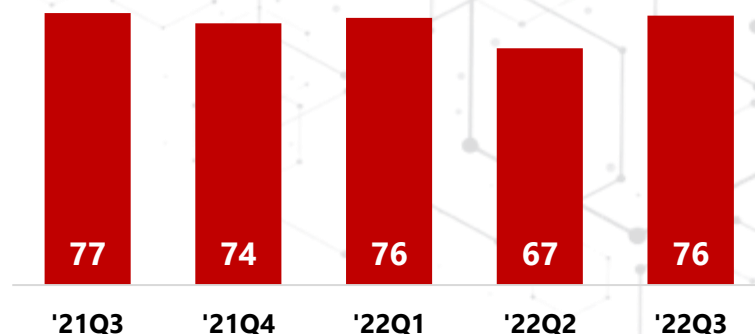
Wholly Owned Subsidiaries



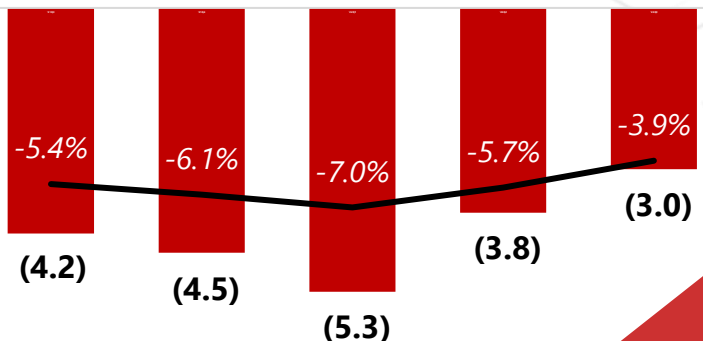
(0.9)	3.3	2.8	1.2	4.1
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Revenue

Non Wholly Owned Subsidiaries



Net Income

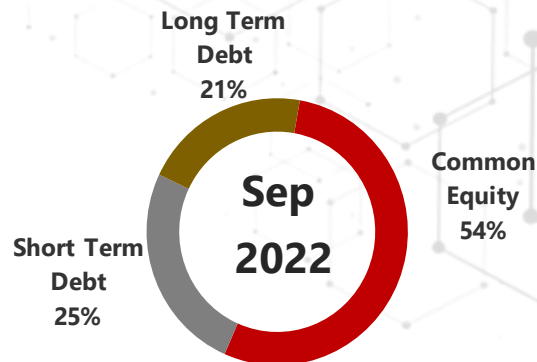
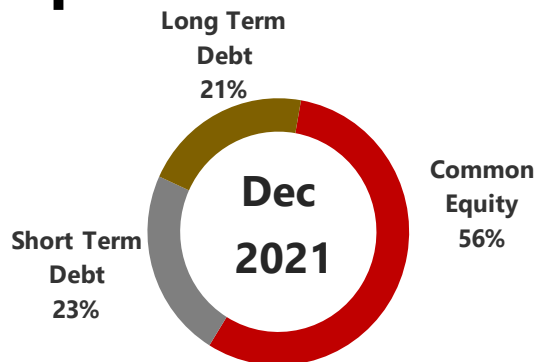


(5.3)	(5.6)	(5.6)	(7.0)	(5.0)
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Non GAAP



Capital Structure



(US\$ Millions)	Dec 2021	Sep 2022
Short-Term Debt	165.8	185.3
Long-Term Debt	151.5	151.0
Total Bank Debts	317.3	336.3
Cash	159.8	124.2
Net Debt / (Net Cash)	157.5	212.1
Common Equity Attributable to Parent	404.6	353.0

Key Financial Ratios	Dec 2021	Sep 2022
Current ratio	1.59	1.51
Bank Debt/ Total Equity	0.69	0.86
Book value/share (\$) *	\$0.18	\$0.16
Book value/share (PHP) *	₱9.19	₱8.94

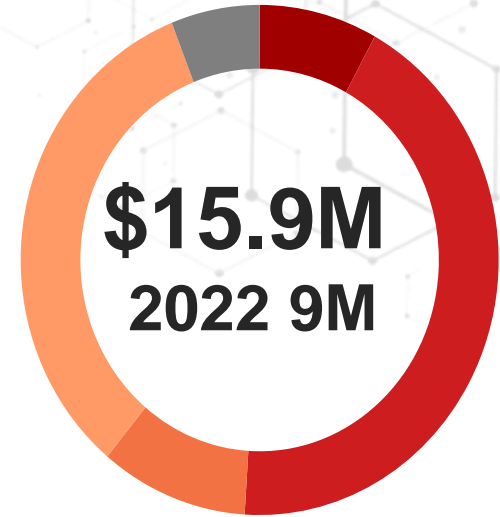
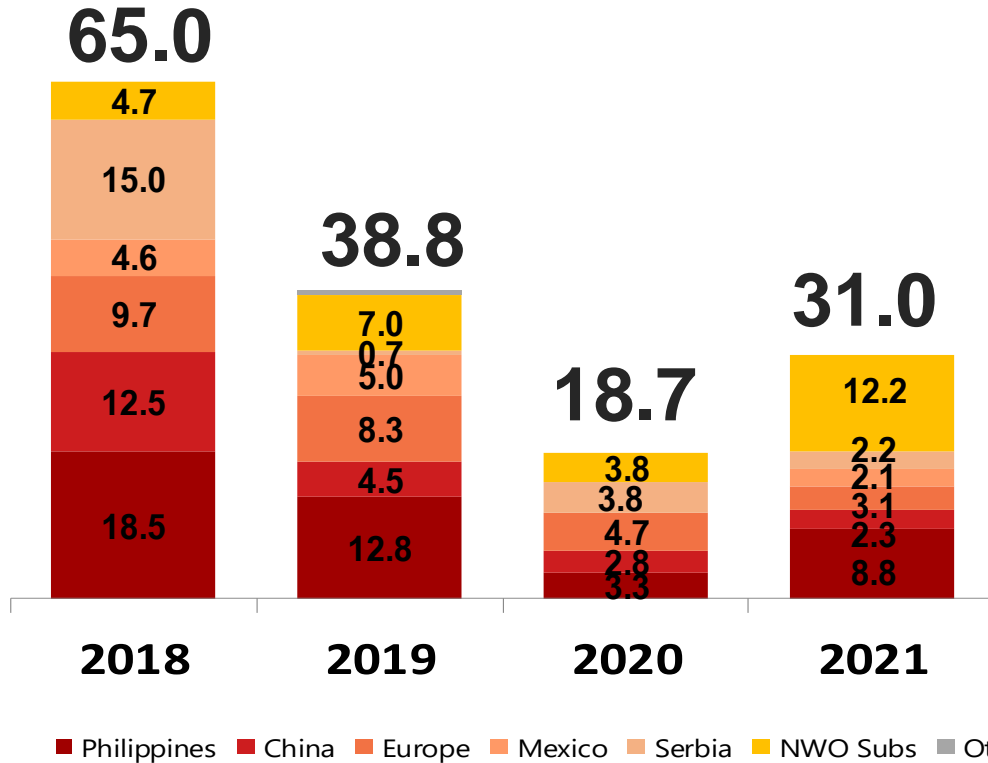
*Excluding Preferred Equity and Minority Interest

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Disciplined Capital Investments

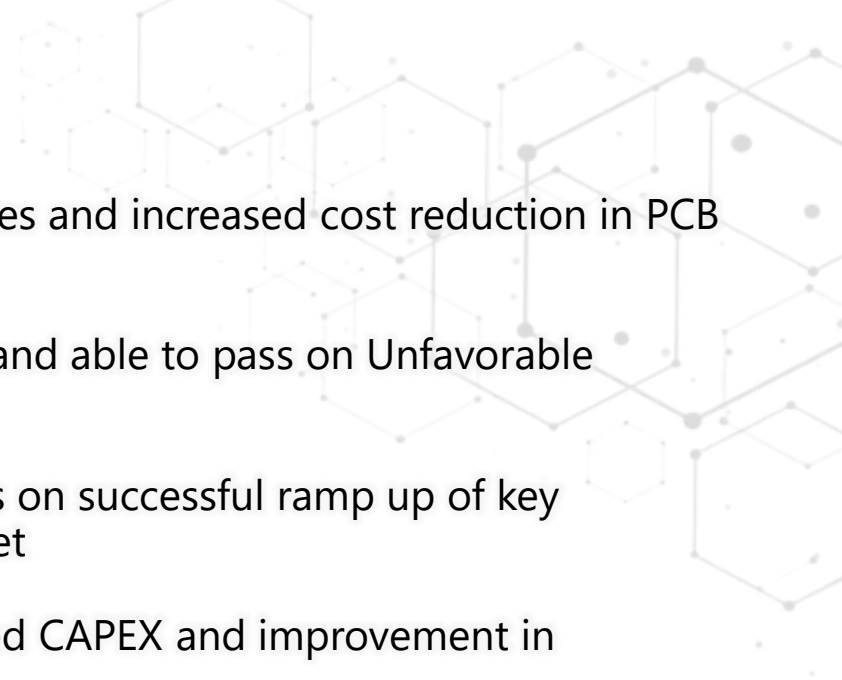


\$15.9M
2022 9M

- Buildings.....8%
- Machinery.....43%
- Furn & Fix.....10%
- Constr. in progress.....33%
- Others.....6%



Key Takeaways



- Starting to see normalization of component lead times and increased cost reduction in PCB and passive components
- Improving recovery of increased raw material costs, and able to pass on Unfavorable Purchase Price Variance
- With good utilization figures across IMI sites, focus is on successful ramp up of key segment wins in 2022, particularly from the EV market
- Continued active management of cash with controlled CAPEX and improvement in inventory turnover
- Inflationary pressure from energy and labor markets mitigated by renegotiation of prices and manufacturing cost reduction



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