



# IMI Analyst Briefing 2024 Q4

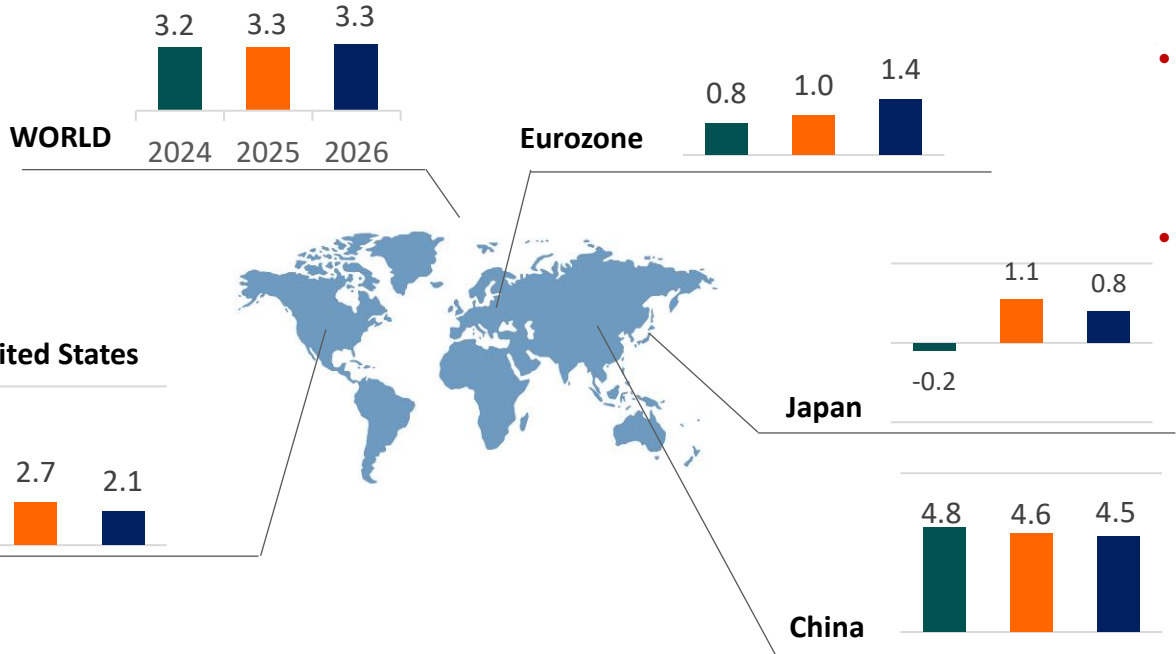
March 13, 2025  
Online



# Market Outlook



# Economic Growth Figures



- Growth forecast in Europe trending positively but weakness in 2024 significantly affected automotive segment
- Continued disinflation will ease cost of expansion and reinvigorate consumer spending
- Global uncertainty driven by threats of retaliatory tariffs

	2024	2025	2026
<b>Global Inflation</b>	<b>5.8%</b>	<b>4.2%</b>	<b>3.5%</b>

Source: Annual GDP growth: IMF World Bank Outlook January 2025

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# Automotive Market Outlook



- Inflationary environment led to cautious consumer spending with reduced demand for non-essential features
- Rebound expected in 2025 driven by easing supply chain constraints and improved consumer confidence
- Despite pace of adoption to EV falling below expectations in 2024, investments in technologies enabling autonomous driving continues
- Robotaxi services such as Alphabet's Waymo gaining traction with additional rollouts expected in the coming years



# Industrial Market Outlook



- Growing need for real-time monitoring and threat prevention systems to safeguard critical infrastructure
- Energy storage systems seen as key segment with increased adoption of smart grid technologies
- Significant expansion of IoT devices and sensors within industrial settings to enable real-time data collection, predictive maintenance and process optimization

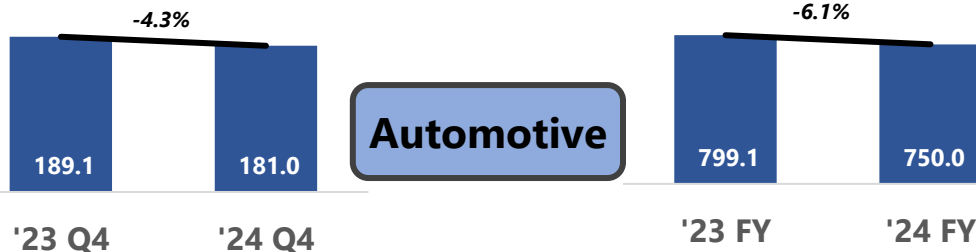


# Financials

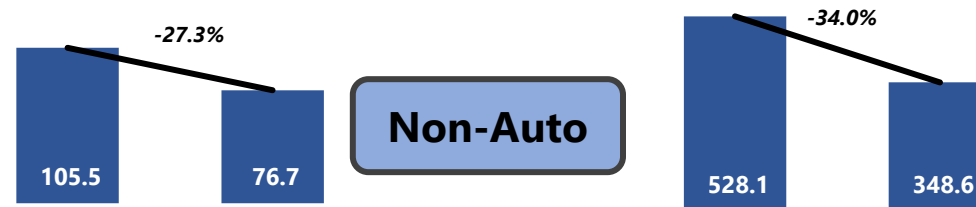




# 2024 Q4 Segment Updates



**Automotive**



**Non-Auto**

## ➤ Automotive:

- Segment remains soft but trending positively with gradual recovery of European market
- \$120M ARP wins secured in 2024
- Delayed ramp up of steering application project has been resolved and will progress in the next quarters
- VIA Optronics will shift some projects to consignment model with less revenue but better margins and less working capital requirements

## ➤ Non-Automotive:

- Continued exit from low margin non-focus businesses
- Inventory balance issues with customers starting to recover, narrowing revenue gap in Q4
- Growing footprint in industrial sensors and refocusing on security markets
- Identifying additional opportunities in renewable energy applications and data center products
- \$77M of ARP wins in 2024

*Includes non-core businesses*

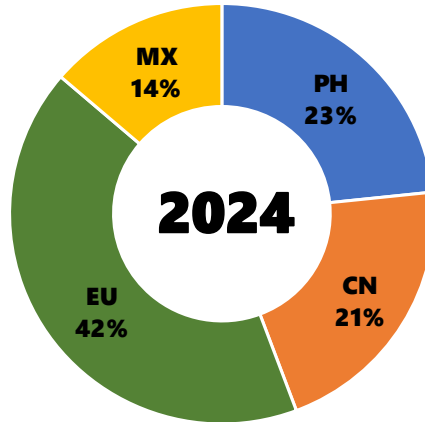
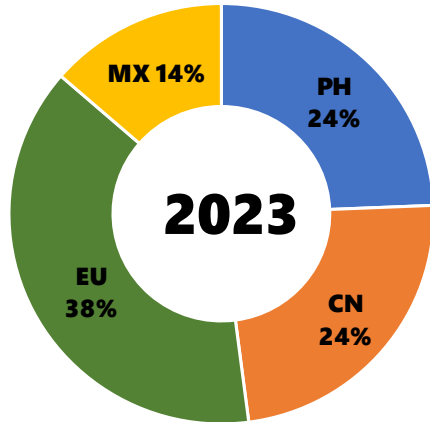
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# 2024 Q4 Region Updates

	'23 Q4	'24 Q4	Y/Y%		'23 FY	'24 FY	Y/Y%
PH	66.4	57.3	-14%		279.6	236.8	-15%
CN	68.2	46.4	-32%		270.5	212.3	-22%
EU	112.0	95.3	-15%		441.0	425.8	-3%
MX	35.0	30.9	-12%		156.4	139.0	-11%



## ➤ Philippines:

- Softness from automotive market led to weak demand in cameras but offset by growth in certain customers including industrial payment systems
- Gradual recovery of customer inventory correction efforts in 2024 leading to slow normalization of ordering patterns
- Restructuring of local and global support functions aligned company structure to dynamic business environment

## ➤ China:

- Ramp down of old generation steering application business
- Closure of Chengdu site completed in Q4
- End-of-life in telecom products; reconsidering participation in the segment given low-margin nature of the market
- Sites benefited from cost reduction initiatives with more restructuring activities being implemented

## ➤ Europe:

- European demand remains soft on uncertain European geo-political situation
- Transition period of customer transfers within European sites disrupting monthly volume

## ➤ Mexico:

- New generation of steering application now beginning to ramp up

Core business revenues

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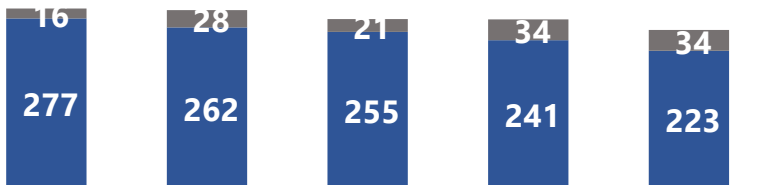




# 2024 Q4 Group Performance (Non-GAAP)

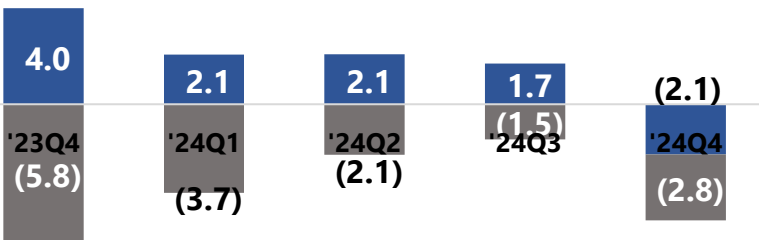
CORE

## Revenue and Gross Profit Margin



'23Q4 '24Q1 '24Q2 '24Q3 '24Q4

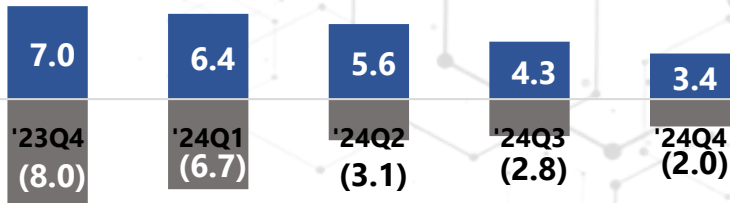
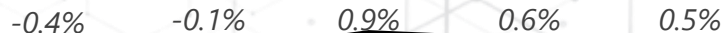
## Net Income



(23.9) (3.7) (5.1) (0.5) (40.6)

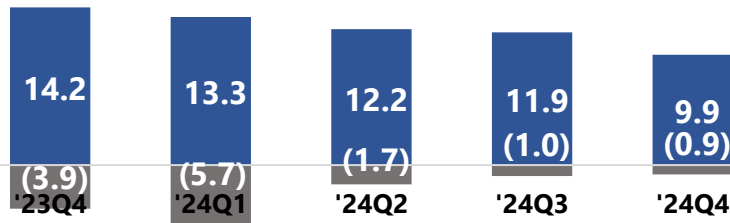
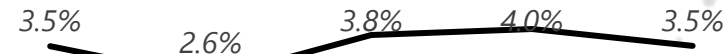
Reported

## Operating Income



(2.2) (0.8) (2.9) (0.8) (19.2)

## EBITDA



8.9 7.0 5.1 9.5 (12.3)

Reported

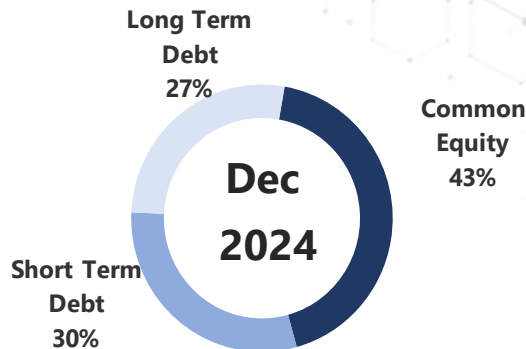
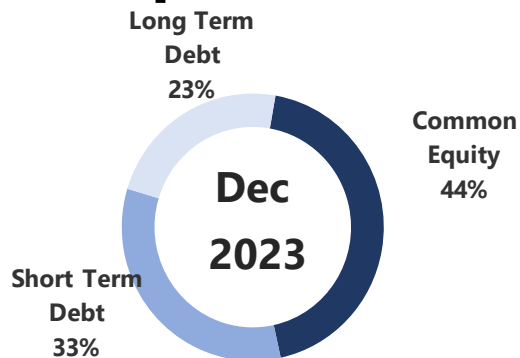
Includes non-core businesses

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# Capital Structure



(US\$ Millions)	Dec 2023	Dec 2024
Short-Term Debt	209.7	152.6
Long-Term Debt	146.7	137.9
Total Bank Debts	356.4	290.5
Cash and Investments	103.0	92.0
Net Debt	253.4	198.5
Common Equity Attributable to Parent	278.5	218.6

Key Financial Ratios	Dec 2023	Dec 2024
Current ratio	1.43	1.39
Bank Debt/ Total Equity	1.15	1.30
Net Debt / Total Equity	0.82	0.89
Book value/share (\$) *	\$0.13	\$0.10
Book value/share (PHP) **	₱6.95	₱5.78

- \$13M of debt repaid in Q4 to further reduce interest expenses
- Cash at a comfortable level with additional credit lines available
- Balance sheet ratios within target
- Equity and book value reduction largely driven by one-offs in Q4

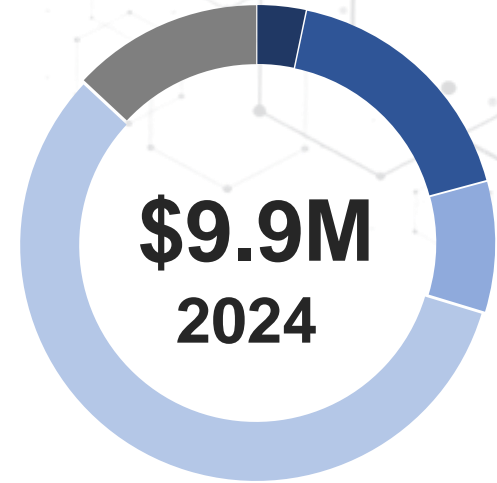
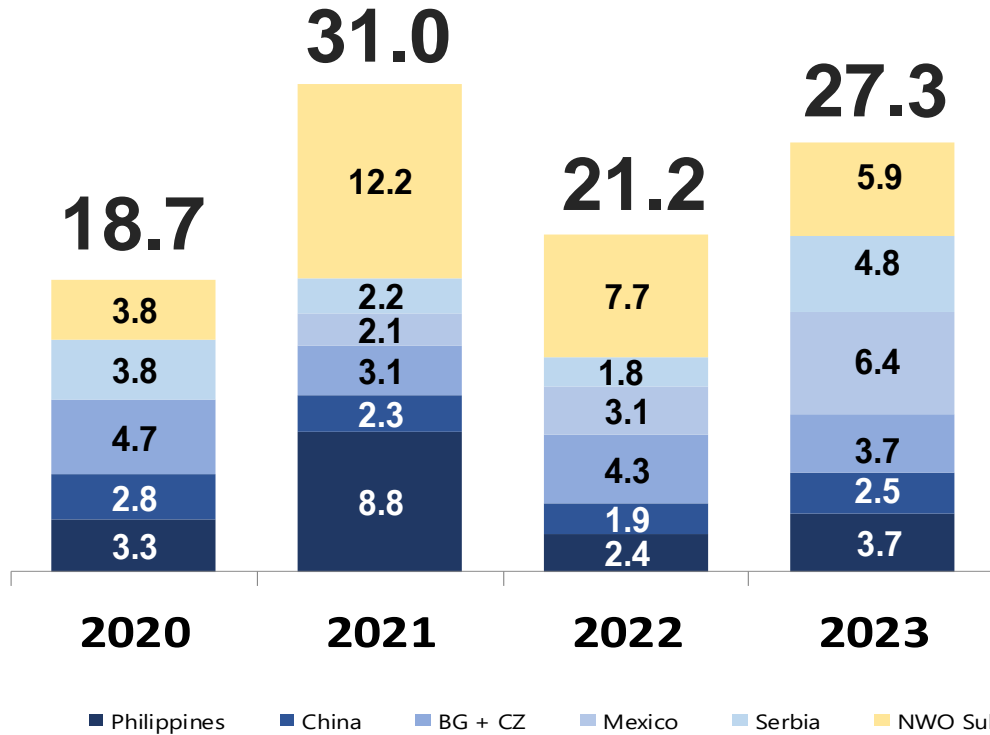
\*Excluding Minority Interest

\*\* Forex Rates at respective period close





# Disciplined Capital Investments



- Buildings.....3%
- Machinery.....18%
- Furn & Fix.....9%
- Constr. in progress.....57%
- Others.....13%



# Key Takeaways

## ➤ \$24M actual reduction in core FOH and GAE vs last year

- Headcount reduction
  - Simplified organization structure
  - Removed non-core departments
  - Decentralized support functions
  - Increased accountability across all levels
- Rationalization of footprint
  - USA, Japan, Malaysia, Singapore, Chengdu
  - Effects of restructuring not yet fully realized in 2024 since initiatives started mid-year
- Volume-driven reduction

## ➤ Logistics capabilities in IMI Philippines

- Facilitation of internal logistics activities
- Enhanced value proposition to customers

## ➤ Stock appreciation rights program:

- Based on future share price improvements
- Non-dilutive
- Vesting period encourages talent retention



**Q&A**



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