



**IMI**

A member of  **AC Industrials**  
An Ayala Company



## 2018 Full Year Analysts' Briefing

February 11, 2019

33rd floor, Han and Tang Function Room

Philamlife Tower, 8767 Paseo De Roxas, Makati City

CONFIDENTIAL AND PROPRIETARY

Any use or dissemination of this material without the expressed written permission of AC Industrial Technology Holdings Inc. is strictly prohibited.

# Disclaimer

This document is highly confidential and being made available solely for information and may not be retained by you nor may this document, or any portion thereof, be shared, copied, reproduced or redistributed to any other person in any manner.

The information in this document has been prepared by Integrated Micro-Electronics, Inc. ("IMI"). The statements contained in this document speak only as at the date as of which they are made, and IMI expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. By preparing this presentation, none of IMI, its management, its advisers nor any of their respective affiliates, shareholders, directors, employees, agents or advisers undertakes any obligation to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent. None of IMI, any of its advisers nor any of their respective affiliates, shareholders, directors, employees, agents or advisers makes any expressed or implied representation or warranty as to the accuracy and completeness of the information contained herein and none of them shall accept any responsibility or liability (including any third party liability) for any loss or damage, whether or not arising from any error or omission in compiling such information or as a result of any party's reliance or use of such information. The information and opinions in this presentation are subject to change without notice.

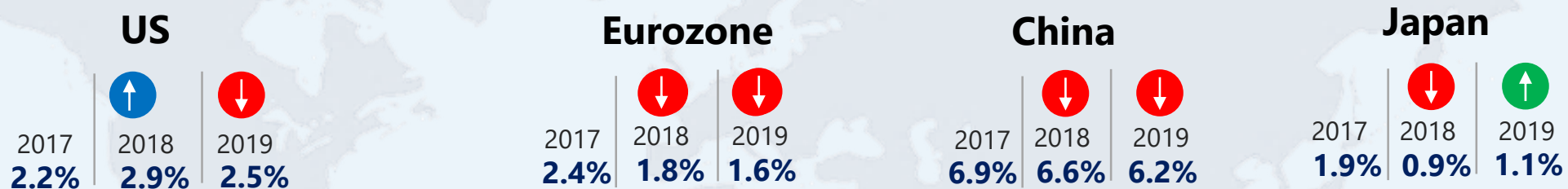
This presentation contains certain "forward-looking statements". Forward-looking statements may include words or phrases such as IMI or any of its business components, or its management "believes", "expects", "anticipates", "intends", "plans", "foresees", or other words or phrases of similar import. Similarly, statements that describe IMI's objectives, plans or goals both for itself and for any of its business components also are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Such forward-looking statements are made based on management's current expectations or beliefs as well as assumptions made by, and information currently available to, management. Neither IMI nor any of its advisers assumes any responsibility to update forward-looking statements or to adapt them to future events or developments.

# Operating Environment



# Global Economy

*Risks to global growth tilt to the downside*



## WORLD



## Advanced Economies



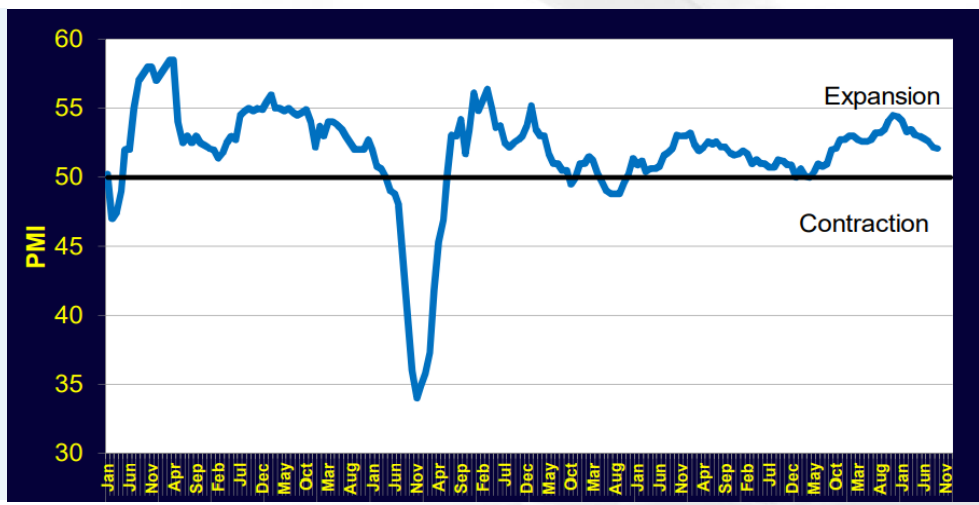
## Emerging & Developing Economies



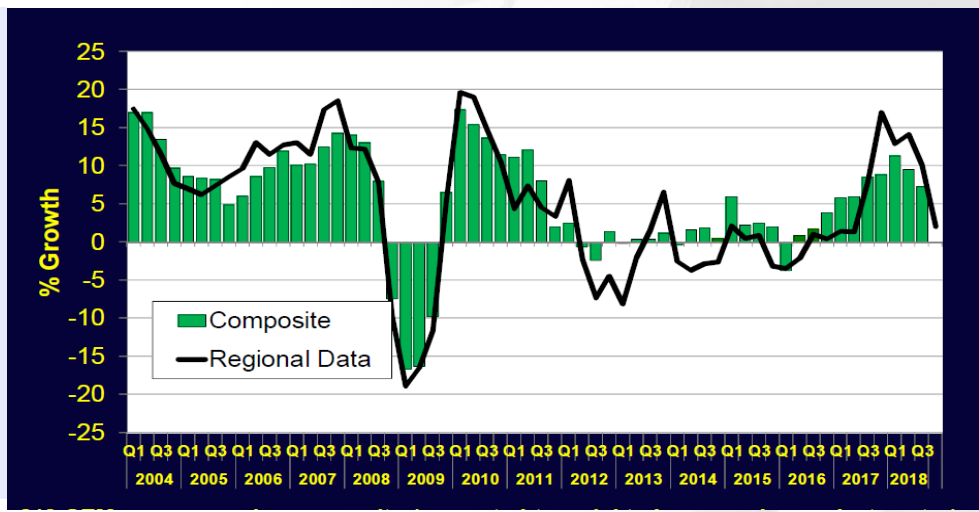
# Electronics Manufacturing & Semiconductors

*A slowdown is seen to be approaching*

Global **Purchasing Managers Index** is still at expansion mode despite slowdown in US, Eurozone and China



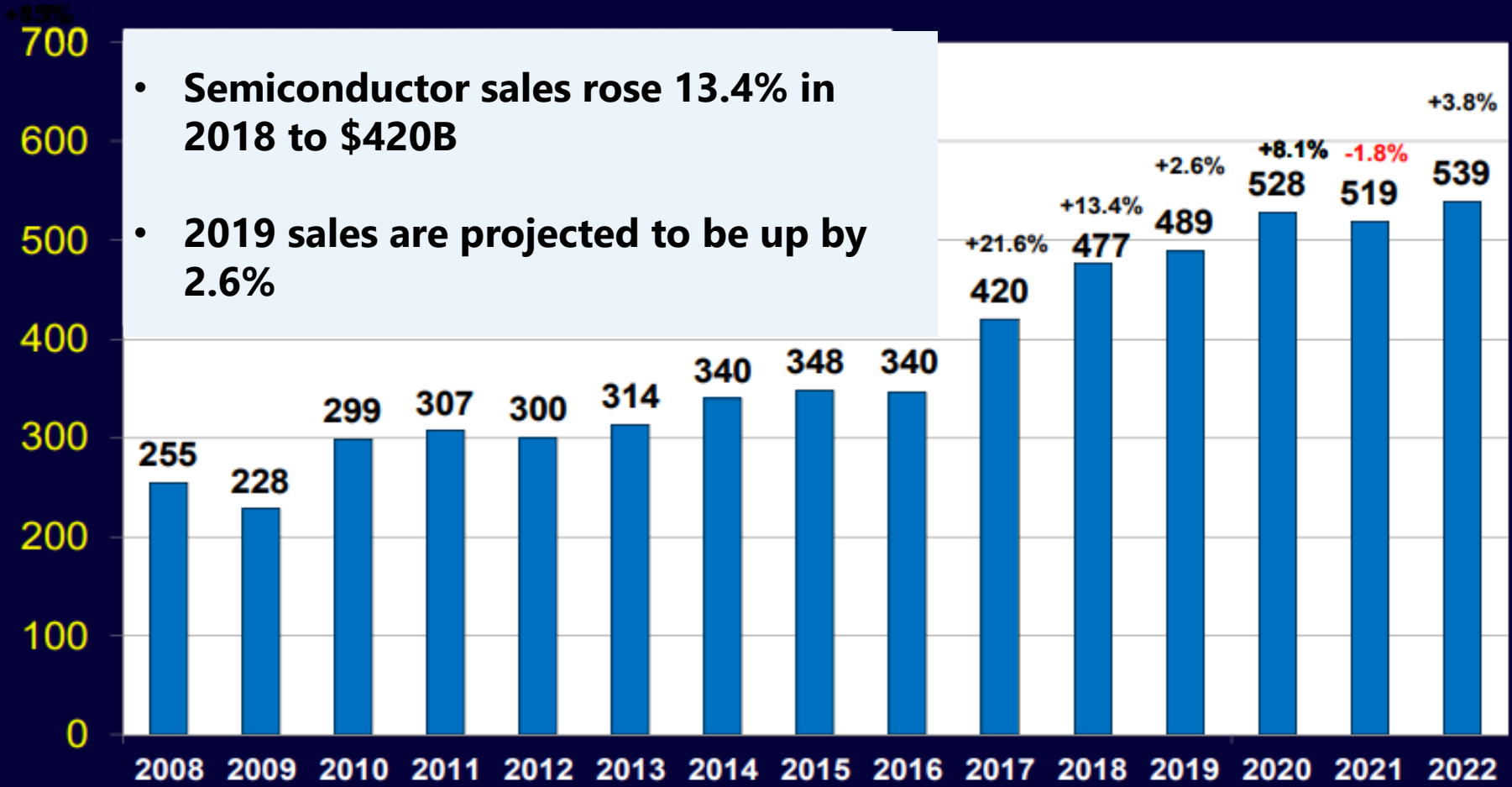
Global **Electronic Equipment Sales** have been slowing down since Q3 2017 but is still positive at 2%





# Semiconductors

\$ Billions

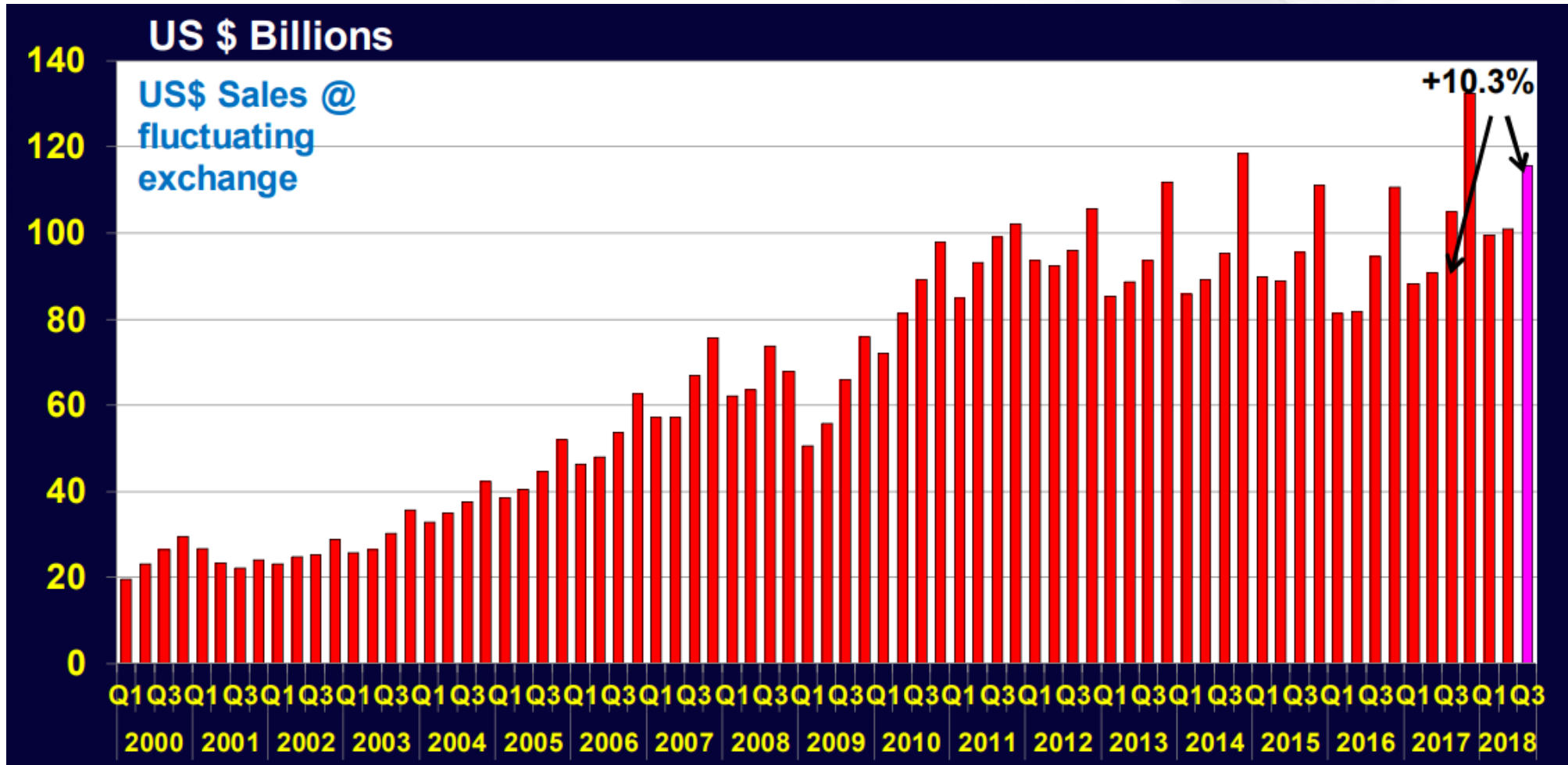


- Semiconductor sales rose 13.4% in 2018 to \$420B
- 2019 sales are projected to be up by 2.6%

Gartner 1/19 & prior reports,  
SEMI 9/18 for 2017, 2018 & 2019

# EMS Industry

*EMS Industry has had positive growth from Q1-Q3 2018 from previous year*



# Emerging Megatrends

**ADAS**  
23% CAGR  
2019-2023

**EV Sales**  
40% growth  
2019

**Mobility**  
2018 Wins  
\$92M

**Power Electronics**  
\$51 B by 2023  
5.5% CAGR  
2018-2023

**EV Charging Market**  
33% CAGR  
2019-2023

**Smart Energy**  
2018 Wins  
\$60M

**Controllers & Sensors**  
64% revenue share of lighting controls, by 2025

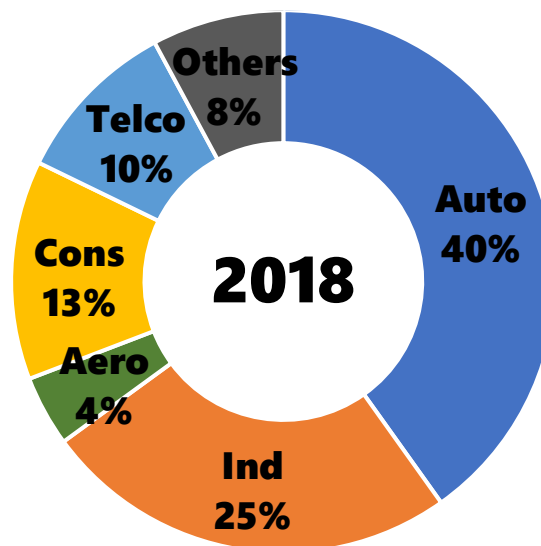
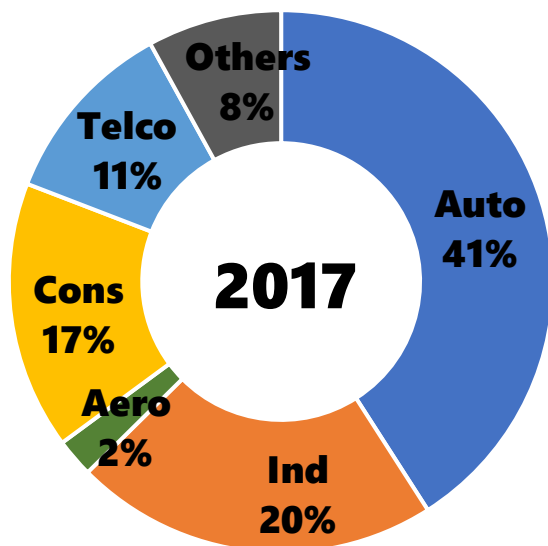
**Connectivity**  
2018 Wins  
\$49M

**Connected Logistics**  
22% CAGR  
2018-2024



# Segment Updates

	2017	2018	Y/Y%
<b>Auto</b>	446.5	541.9	21%
<b>Ind*</b>	227.0	334.6	47%
<b>Aero*</b>	45.5	56.8	25%
<b>Cons</b>	188.8	176.2	-7%
<b>Telco</b>	121.6	134.1	10%
<b>Others</b>	87.1	105.8	21%
<b>TOTAL</b>	<b>1,090.6</b>	<b>1,349.4</b>	<b>33%</b>



\*2017 Jan - Dec STI Rev

CONFIDENTIAL AND PROPRIETARY

Any use or dissemination of this material without the expressed written permission of AC Industrial Technology Holdings Inc. is strictly prohibited.

# Staying Ahead of the Curve

- Company focus is shifting to high tech solutions in emerging technologies
- \$180M of CAPEX in the past 3 years to build up capabilities and capacity
- Leveraging IP and patents in flip-chip, cameras and SMT process to provide customized solutions
- Global Technology Group headcount at ~1300



**Traditional EMS**



**Basic Automotive and Industrial**



**Customized High Complexity**

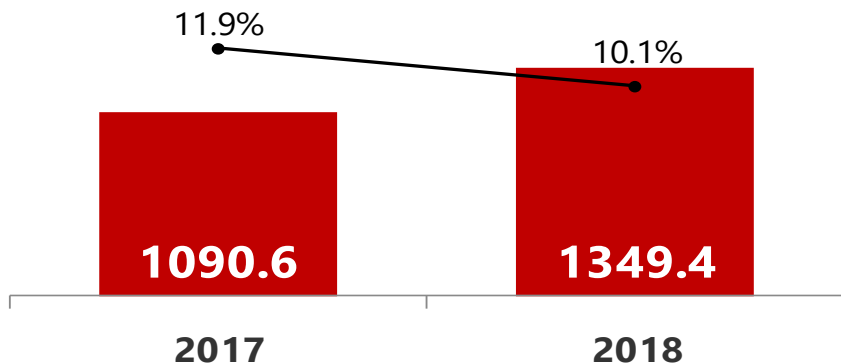
**Emerging Technologies**

# 2018 Financials

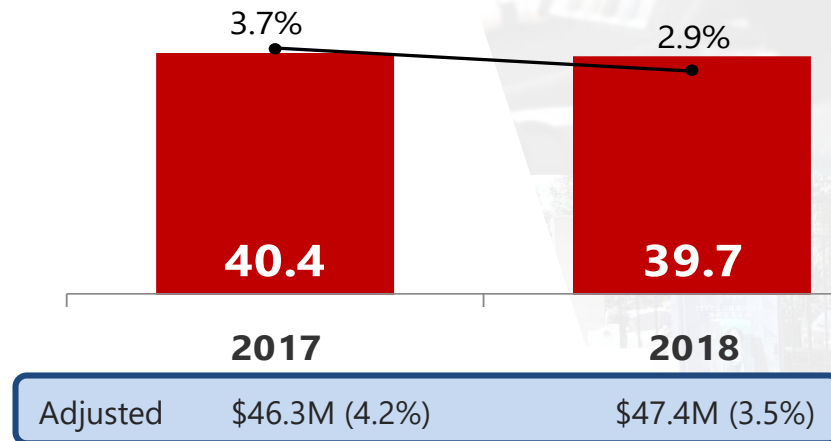


# 2018 Performance

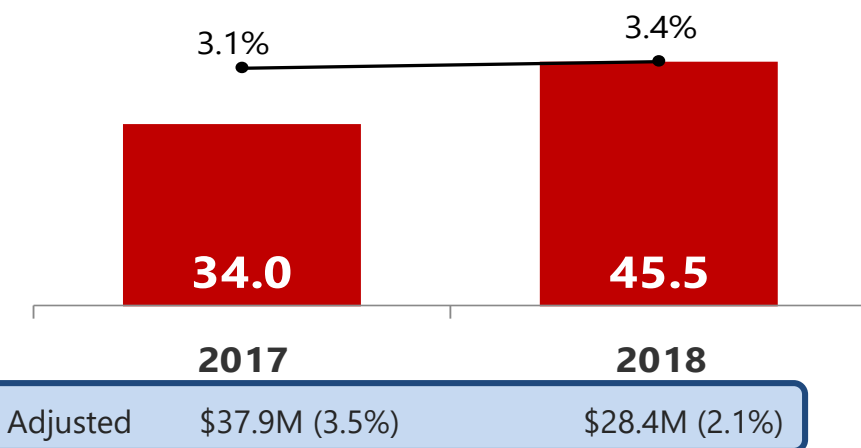
## Revenue and Gross Profit Margin



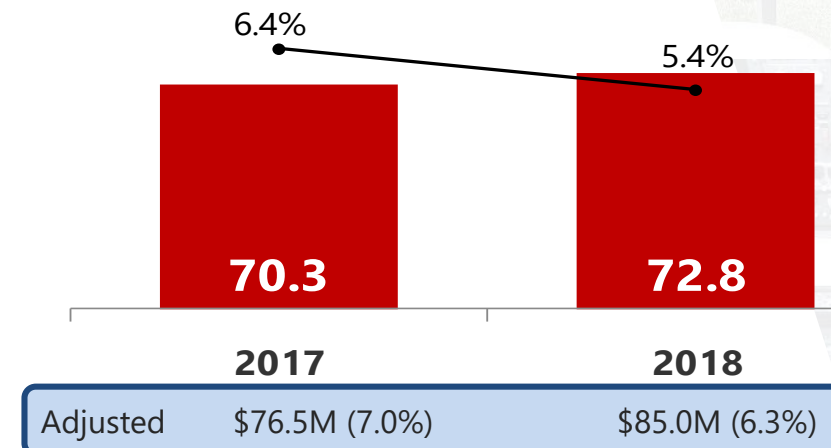
## Operating Income



## Net Income



## EBITDA

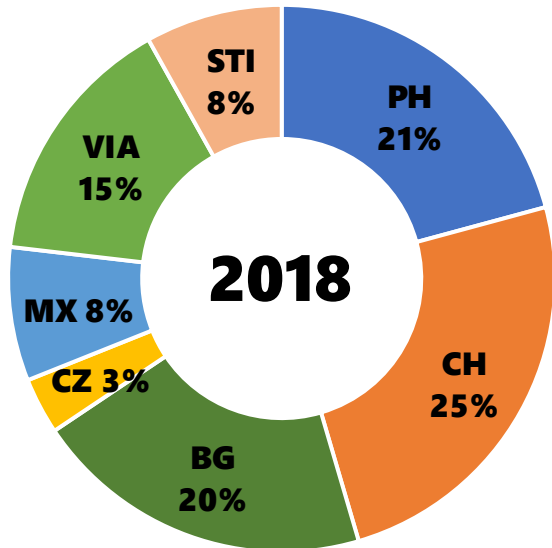
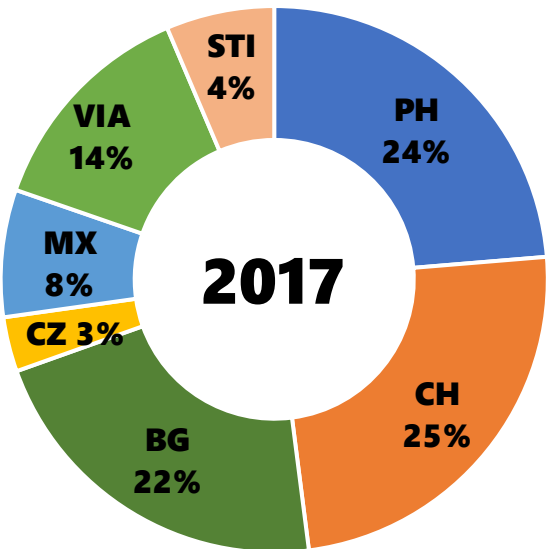




# Region Updates

	2017	2018	Y / Y %	CAPEX
PH	264.5	280.6	6%	18.5
CH	271.2	332.8	23%	12.5
BG	240.9	274.3	14%	7.7
CZ	36.1	45.0	25%	2.0
MX	84.1	107.1	27%	4.6
VIA	148.4	203.1	37%	3.3
STI*	71.5	109.3	53%	1.4
SERBIA	-	0.7		15.0
<b>TOTAL</b>	<b>1,090.6</b>	<b>1,349.4</b>	<b>24%</b>	<b>65.0</b>

- PH benefitting from international trade tariffs; various customers are looking to move manufacturing base from China to the Philippines
- CH surge driven by emerging tech product in asset tracking (+\$14M)
- MX Mass production delay and operational challenges (~\$7M)
- VIA Target markets Auto and Industrial growing rapidly, now 42% of revs vs 16% last year.

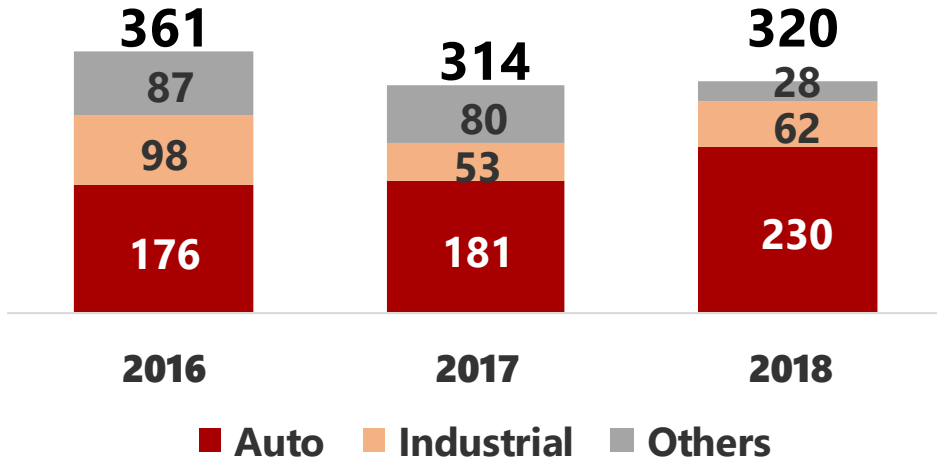


\*2017 Jan-Dec STI Rev  
CONFIDENTIAL AND PROPRIETARY

Any use or dissemination of this material without the expressed written permission of AC Industrial Technology Holdings Inc. is strictly prohibited.

# IMI Core Program Wins 2018: \$320M

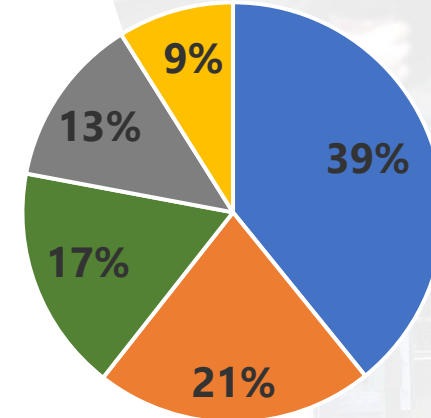
## New Program Wins



## Notable Wins in 2018

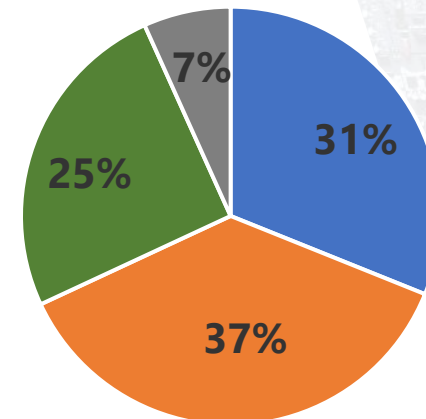
Power Module Applications	Auto/Ind	Philippines
360° Camera	Auto	Philippines
Wiper Systems	Auto	Mexico
Automotive Lighting	Auto	Various
EBS and ABS control units	Auto	Serbia
Motor Driver	Auto	Bulgaria

## Win Location - 2018

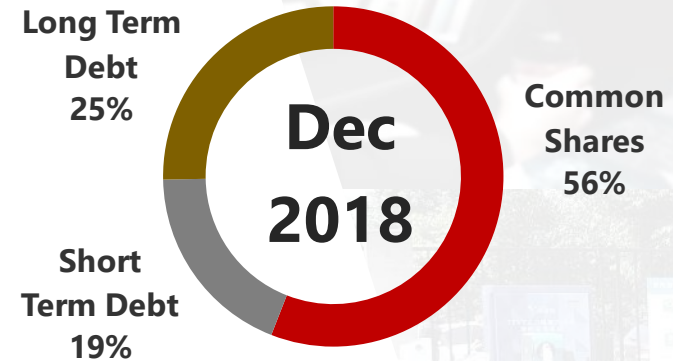
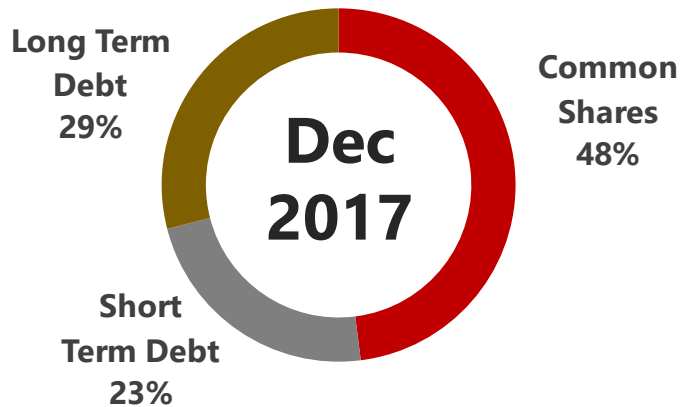


■ Philippines ■ China ■ Europe ■ MX ■ Serbia

## Win Location - 2017



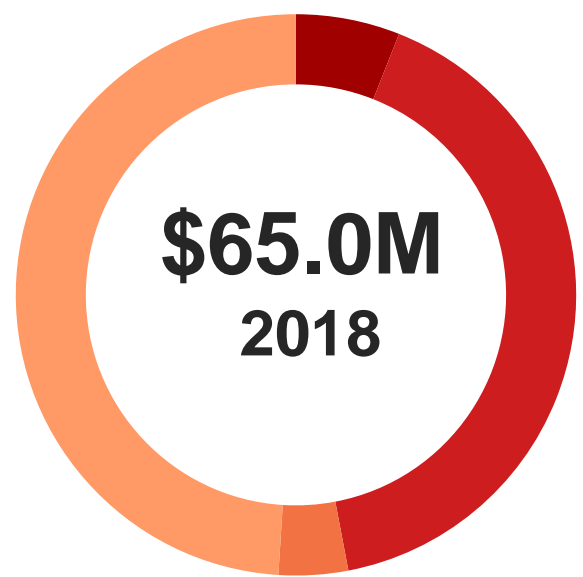
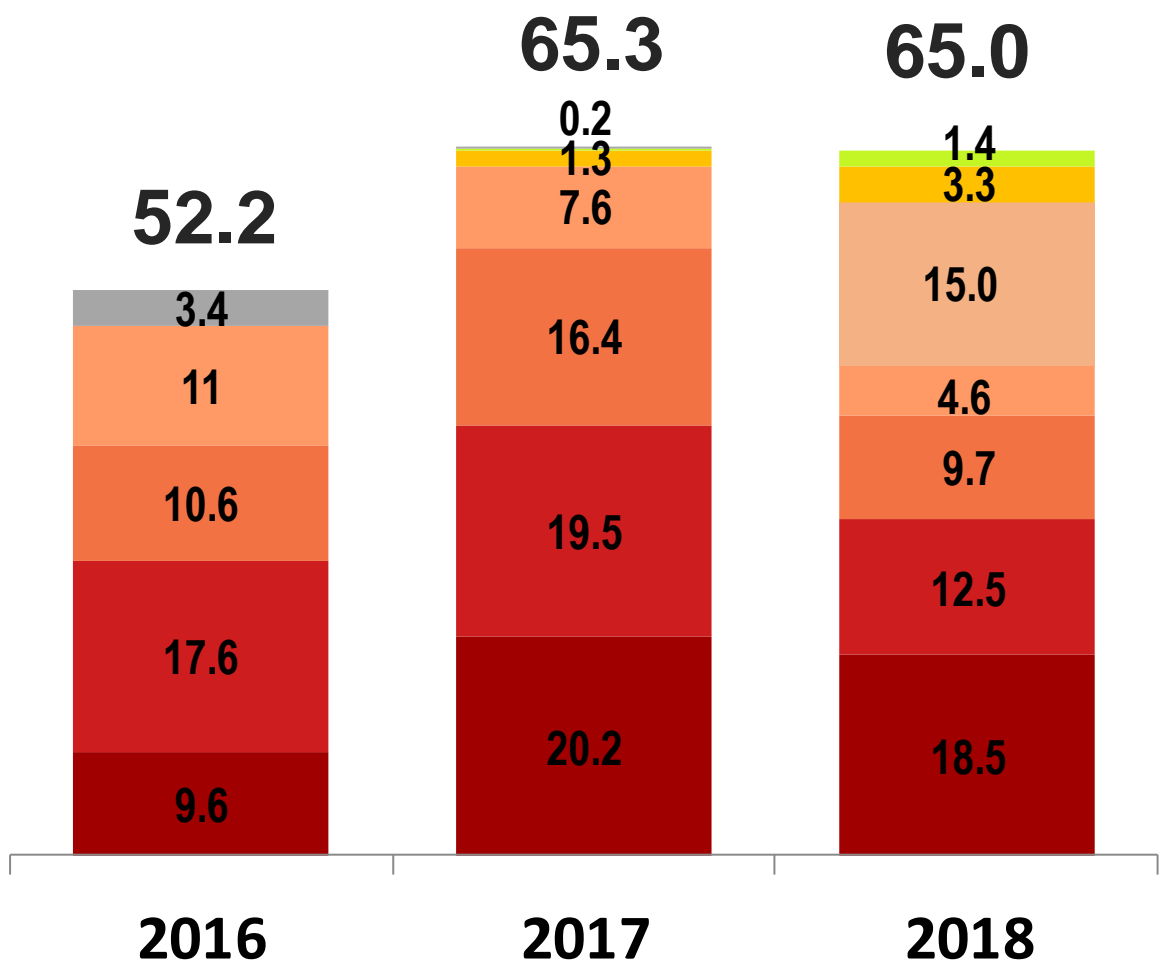
# Capital Structure



(US\$ Millions)	Dec 2017	Dec 2018
Short-term debt	135.1	136.3
Long-term debt	160.0	183.6
Total Bank Debts	295.1	319.9
Cash	90.6	108.5
Net Debt	204.5	211.4
Common Equity	273.7	400.7

Key financial ratios	Dec 2017	Dec 2018
Current ratio	1.28	1.34
Bank Debt/Equity	1.08	0.80
Book value/share (\$)	0.147	0.181
Return on equity	13.3%	13.5%
<i>Return on equity (Adjusted)</i>	14.8%	9.1%
P/E at ₱20.8 / ₱12.9	22.7	11.5

# Disciplined Capital Investments



- Buildings.....6%
- Machinery.....41%
- Furn & Fix.....4%
- Constr. in progress.....49%

■ Philippines ■ China ■ Europe ■ Mexico ■ Serbia ■ VIA ■ STI ■ Others





**For more information:**  
**[www.global-imi.com](http://www.global-imi.com)**  
**[ir@global-imi.com](mailto:ir@global-imi.com)**