World Class – Flexible – Customer Focused

Corporate Presentation
NASDAQ:SMTX

November 12, 2019

FORWARD-LOOKING STATEMENT

This presentation contains forward-looking statements within the meaning of U.S. federal securities laws. These forward-looking statements include, but are not limited to, statements regarding our expectations, hopes, beliefs, intentions, plans, prospects or strategies regarding the future. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The forward-looking statements contained in this presentation are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

OVERVIEW

Global mid-size provider of end-to-end EMS

- PCBA production
- Systems integration
- Comprehensive testing services
- Product design
- Vertical integration
- Enclosure fabrication
- Sustaining engineering
- Supply chain management services
- Support and maintenance from product development to end-of-life transitioning

Improving Efficiencies & Scale Leading to EBITDA Growth

Q3 2019 revenue up 65% Y/Y
Q3 Proforma revenue down 5% Y/Y[1]
Q3 2019 Adj. EBITDA up 161% Y/Y
Q3 Proforma Adj. EBITDA up 14% Y/Y[1]

Industry quality recognition

Global EMS Award for Product Quality[2]

North American EMS Growth Leadership Award[3]

Customer Value Leadership Award[4]

Focused on Proactive Services & Solutions

Customer-Centric Culture

Engineering & Quality Depth

Quick turn Prototyping for Production Launch

Direct to Government Contract for Defense Business

Global Footprint/Lowest Landed Cost

Supporting Low-to-Medium Volume, High Value Mix Customers with over 50 manufacturing lines

[1]Proforma assumes MC Assembly had been part of SMTC in Q3 2018 [2]Frost & Sullivan 2012 [3] Frost & Sullivan 2013 [4] Frost & Sullivan 2019 & 2016

INVESTMENT HIGHLIGHTS

What is Changing?

Completed MC Assembly integration in Q2 2019, focus on operating efficiencies yield significant Adj. EBITDA gains vs. 2018

Renewed focus on growth after completing Rights Offering which lowered debt cost and enhanced capital structure to support growth plans

Optimizing global footprint by ceasing manufacturing in China by year end and evaluating alternative sites in Asia

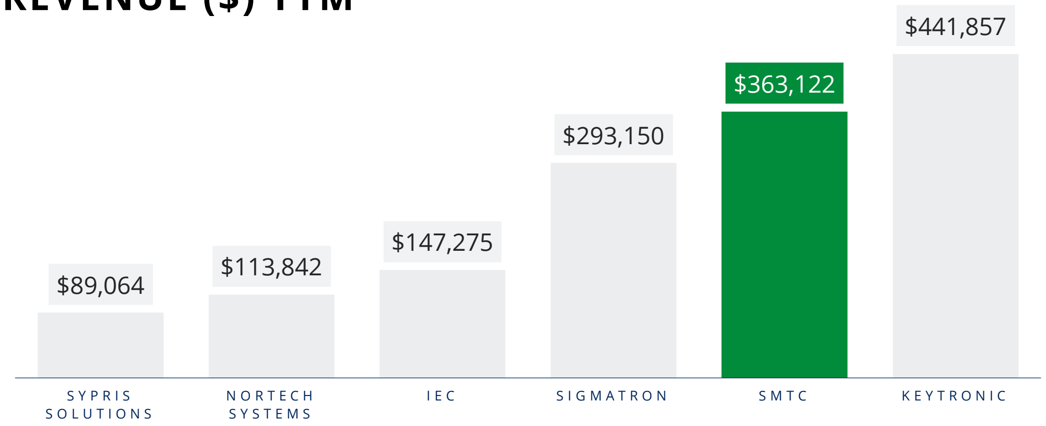
Delivering on Best-In-Class Financial Metrics among our peers to deliver premium shareholder value

- Gaining Share By Deepening Existing Customer Relationships and Adding New Customers
- Focusing on the Most Attractive End Markets, incl. IoT, 5G, Aerospace & Defense
- Local Experience, Global Reach Offers Best-of-Class Options to Customers
- Experienced management team proactively managing through changing market conditions
- Free Cash Flow Generation with Attractive Deleveraging Profile
- Transformational MC Assembly acquisition now integrated

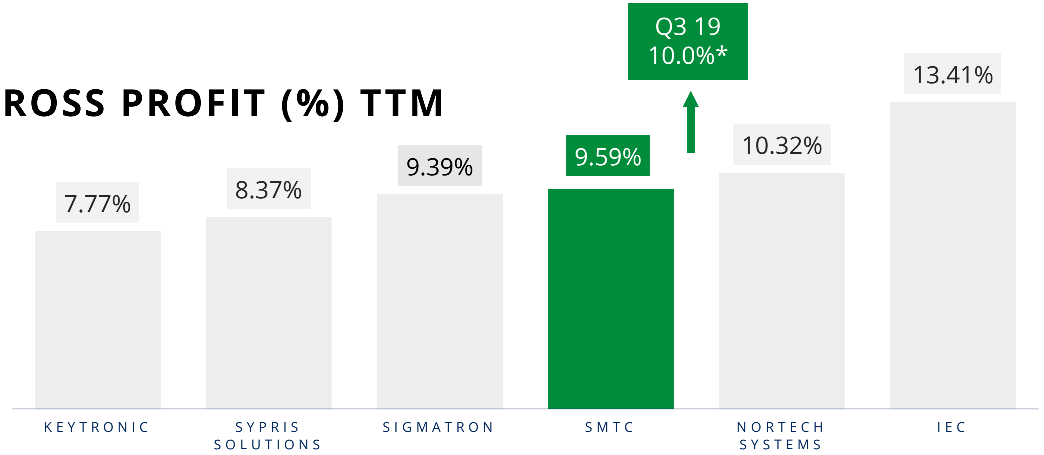
PROGRESSION TO BE BEST-IN-CLASS

PEER METRICS: SMTC TTM includes MC since acquisition on Nov. 9, 2018

REVENUE ($) TTM

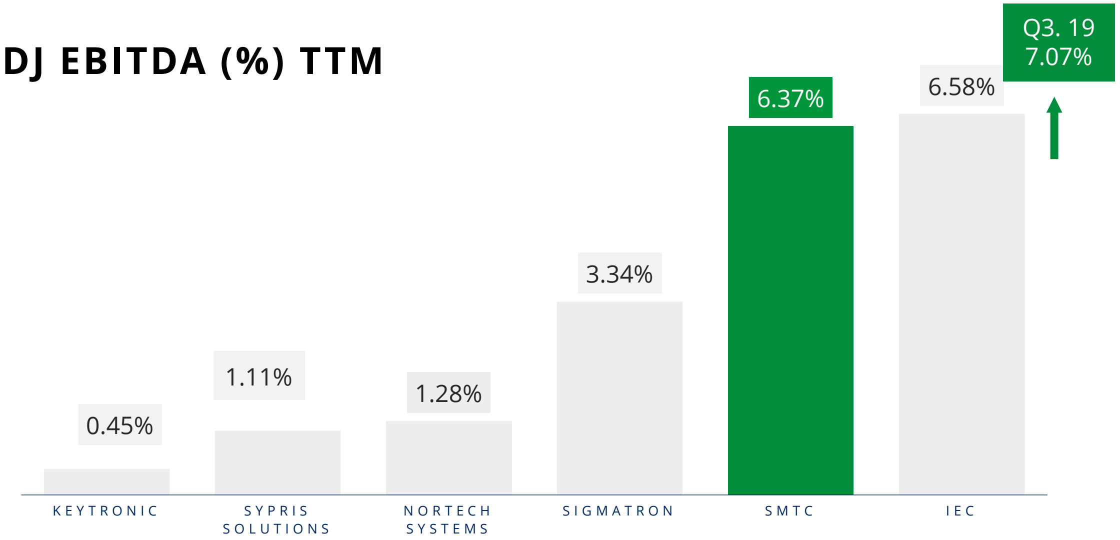


GROSS PROFIT (%) TTM

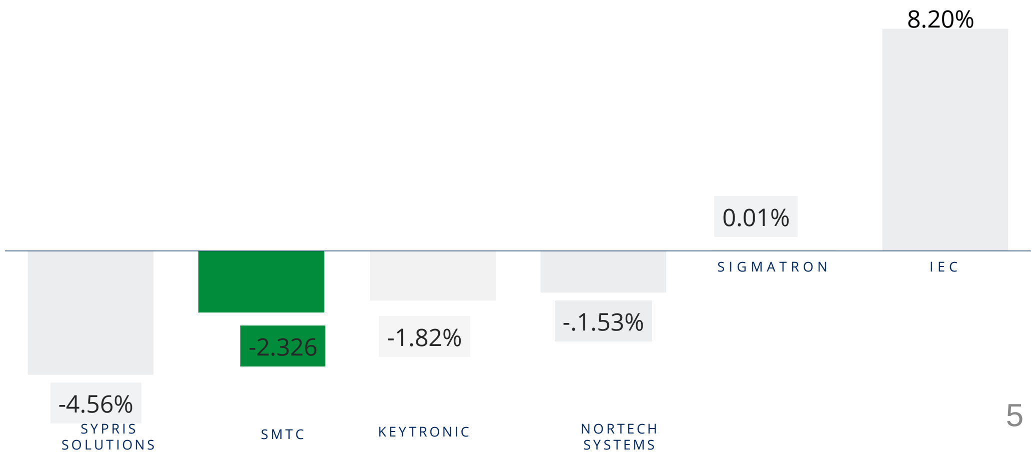


*Q3 2019 Adj. Gross Profit % excluding intangible amortization was 12.1% of revenue

ADJ EBITDA (%) TTM



NET INCOME (%) TTM



DIFFERENTIATING LEADERSHIP TEAM with Shared History of EMS Success

Ed Smith

President & CEO

25+ years EMS, electronic components distribution industry experience

SMTEK increased from $0.35 to $15.23 at takeout under his stewardship

At AVNET led Americas component operations growing from $ 1.2 to $4.0B
Started a global embedded business and grew to $2.2B in 7 years

Rich Fitzgerald

COO

18+ years: electronics industry experience

Steve Waszak

CFO & SVP M&A

20+ years finance, strategic M&A development experience

Terry Wegman

SVP Sales & Marketing

30+ years sales and marketing experience

Phil Wehrli

SVP Global Planning & Supply Chain

35+ supply chain management experience

DIFFERENTIATING BY HOW WE ENGAGE AND ONBOARD

NCI ► **New Customer Introduction Process** ► **Onboard**

Engagement Launch Team

Executive Review → Team Selection → Kick-off Meeting → Weekly Project Meeting → Weekly Customer Meeting → Weekly Executive Meeting → Execution to Production

PROCESS IMPROVMENT

NPI ► **New Product Introduction Stage Gates** ► **Production**

Customer Focused Team

1	2	3	4	5	6	7
Define Requirements	NPI Kickoff Meeting	Launching Preparation	Prototype/ Beta Build	Doc./Process Update	Post-launch Meeting	First Article / NPI Build
PO Received Data Package BOM Review & Acceptance Load into ERP	Review Project with Eng., QC, NCI & Mfg teams Assign Tasks Shipping Tasks	Create SMT, AOI, SPI, Wave Setup, Work Inst, THT, Box Build, Coating Potting	Run First prototype (low scale) NPI team will get all the data (RAIL)	Update all docs with new data & potential improvement changes	Review Yields, Scraps Any potential failures Oppty for improvements prior to final production	Customer Feedback Final review before production Manufacturing Readiness / Transition to Production

New Product Introduction Team
Value Engineering Group (DFx)
NPI – Program Manager
NPI – Buyer

New Customer Introduction Manager
Value Engineering Group (DFx)
Program Manager / Program Coordinator
Supply Chain Manager / Manufacturing

Direct Account Manager
Direct Site Support Team

GLOBAL FOOTPRINT: Common Copy, Exact Solutions

More than 50 manufacturing and assembly lines at strategically located facilities providing local support and expanded manufacturing capabilities globally for best-in-class cost opportunities

SMTC
MANUFACTURING INNOVATORS
FOCUSED ON HIGH END MARKETS
RELIABLE, SPEED, TECHNICAL
INDUSTRIAL, POWER & CLEAN TECHNOLOLGY
TELECOM, NETWORK & COMMUNICATION
SEMICONDUCTOR
RETAIL & PAYMENT SYSTEMS
AEROSPACE, DEFENSE, AND SECURITY (ADS)
TEST & MEASUREMENT (IoT)
MEDICAL & SAFETY

MARKETS WE SERVE

Industry Sectors	*9 Mos. 2019*		*2018*		*2017*	
$ in millions	Dollars	Percent	Dollars	Percent	Dollars	Percent
Test & Measurement	$90.6	32.1%	$45.8	21.2%	$26.3	18.9%
Industrial, Power & Clean Technology	$58.4	20.7%	$28.3	13.1%	$13.7	9.9%
Retail & Payment Systems	$35.5	12.6%	$41.6	19.3%	$33.7	24.2%
Medical & Safety	$34.2	12.1%	$31.4	14.5%	$18.8	13.5%
Telecom, Network & Communications	$28.4	10.1%	$37.4	17.3%	$25.2	18.1%
Semiconductor Equipment	$18.2	6.4%	$26.5	12.3%	$21.5	15.4%
Aerospace & Defense	$17.0	6.0%	$5.1	2.3%	NM	NM
Total	$282.3	100.0%	$216.1	100.0%	$139.2	100.0%

GENERAL CERTIFICATIONS / STANDARDS

All sites:
ISO 9001:2015
ISO 134885

ISO 14001
FDA Registration

Fremont:
AS9100 Rev D
ITAR Registration

FROST & SULLIVAN
2019 BEST PRACTICES AWARD
GLOBAL ELECTRONICS MANUFACTURING SERVICES
CUSTOMER VALUE LEADERSHIP AWARD

ISO 9001
ISO 13485
AS9100

IATF 16949 (MX Facility Q1 2018)
FAA: PMA Certified
cGMP Compliant
IPC 610 Class 2 & 3 soldering
ITAR Registration

FDA Registration
TRAC: 4144-7785-7736
Cage Code: 4X3Y1
Apple ® Authorized
Mfi Manufacturing License 6.0

FINANCIAL SUMMARY

SMTC KEY STATISTICS

Stock Price as of 11/8/19	$2.45
Market Cap as of 11/8/19	$70.8M
Ticker / Exchange	SMTX / Nasdaq

SMTC CAPITALIZATION

Basic Shares as of 9/29/19	28.1 M
Diluted Shares as of 9/29/19	28.9 M
Net Debt as of 9/29/19[1]	
Term Loans A/B and ABL Revolver	$ 70.2 M
Finance and operating lease obligations	$ 14.7 M
	$ 84.4 M[1]

In $1,000s except EPS	Long Term Target Model	Q3 2019	As Reported Q3 2018	Proforma[2] Q3 2018	FY 2018	FY 2017
Revenues	15-20% growth[3]	88.7	53.7	93.7	216.1	139.2
Gross Margin	*12%-14%*	12.1%[4] 10.0%	9.8%	11.0%	10.0%	7.8%
Adj. EBITDA		6.3	2.4	5.5	10.2	(1.5)
Adj. EBITDA Margin	5%-10%	7.1%	4.5%	5.9%	4.7%	NM
EPS		(0.20)	0.04	NM[5]	(0.02)	(0.48)

[1]Net debt excludes $0.6 million in cash
[2]Proforma assuming MC Assembly had been part of SMTC in the second quarter of 2018
[3]Target 50%+ of incremental Manufacturing Value Add dollars contributes to Gross Profit
[4]Adjusted Gross Margin excludes non-cash amortization of intangibles associated in connection with the acquisition of MC Assembly
[5]MC Assembly was a private company and Proforma share count is not meaningful to calculate an EPS

BALANCE SHEET HIGHLIGHTS

(in thousands)	Sept. 29, 2019	Dec. 30, 2018
Current Assets	$145,150	$153,918
Property Plant & Equipment, net	26,348	28,160
Other Long Term	37,720	39,148
Total Assets	$209,218	$221,226
Current Liabilities[1]	$ 123,728	$122,939
Long term Debt	34,154	56,039
Other Long term liabilities[1]	11,923	9,947
Stockholders' equity	39,863	32,301
Liabilities and stockholders' equity	$209,218	$221,226

[1]Effective January 1, 2019, with the adoption of the new lease standard (ASC 842 – Leases), the Company recorded $14.7 million of finance and operating lease obligations of which $2.8 million is included in current liabilities and $11.9 million is included in other long-term liabilities as at Sept. 29, 2019.
[2]Net Debt excludes cash of $0.6 million as of Sept 29, 2019 and $1.6 million as of Dec. 30, 2018; numbers are rounded

KEY STATISTICS:
(FOR THE RESPECTIVE QUARTER)

	Sept .29, 2019	Dec. 30, 2018
Cash-to-Cash Cycle	78 days	67 days
DSO	60 days	65 days
DPO	69 days	81 days
Inv Turns	4.2x	4.4x
Net Debt (at quarter end)		
Term Loans A/B and ABL Revolver	$70.2 M	$82.4M
Finance & operating lease obligations	$14.7M[1]	$11.5 M
	$84.4 M[2]	$92.3M[2]

Building a Stronger Company:

World Class – Flexible – Customer Focused

SMTC
MANUFACTURING INNOVATORS

Achieving Top-Quartile Operating Metrics Among Peer EMS Companies
Acquisition of MC Assembly Creates Powerful Low-to-Medium Volume, High Mix EMS Provider

Relentless Pursuit of **Profitable Growth** through **Customer** and **Employee** Excellence

Above Market Returns for our Investors

Achieve Double Digit Growth With Existing Through **New Programs**

Increase Business with Existing Customers Through **World Class Service**

Become Provider of Choice And Win New Customers to **Accelerate Growth**

Drive Value via **M&A, Expand Mix** of Lines of Business and **Increase TAM** with Supply Chain Synergies to **Gain Scale**

Thank you

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