Corporate Overview

Corporate Presentation
NASDAQ:SMTX

September 5, 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

Leadership team making an impact

Q2 2019 revenue up 104% Y/Y
Q2 Proforma revenue up 11% Y/Y[1]
Q2 2019 EBITDA 287% Y/Y
Q2 Proforma EBITDA up 88% 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]

Servicing product lifecycle

Support and maintenance from product development to end-of-life transitioning

MC Assembly Acquisition Integration Completed

[1]Proforma assumes MC Assembly had been part of SMTC in Q2 2018 [2]Frost & Sullivan 2012 [3]Frost & Sullivan 2013 [4]Frost & Sullivan 2019 & 2016

INVESTMENT HIGHLIGHTS

What is Changing?

MC Assembly integration completed, focus on operating efficiencies starting to yield significant Adj. EBITDA gains vs. 2018

Completed Rights Offering financing to lower debt cost and enhance capital structure flexibility by eliminating expensive and restrictive Term B debt on July 3rd 2019

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

- Expanding Customer Base with No Significant Concentration
- Focusing on the Most Attractive End Markets
- Strategically Placed Global Footprint Offers Best-of-Class Options to Customers
- Favorable Industry Trends Provide Backdrop for Strong Performance
- Free Cash Flow Generation with Attractive Deleveraging Profile
- Transformational MC Assembly acquisition now integrated

SMTC PILLARS OF SUCCESS

One **Vision**, One **Mission**, One **SMTC.**

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**

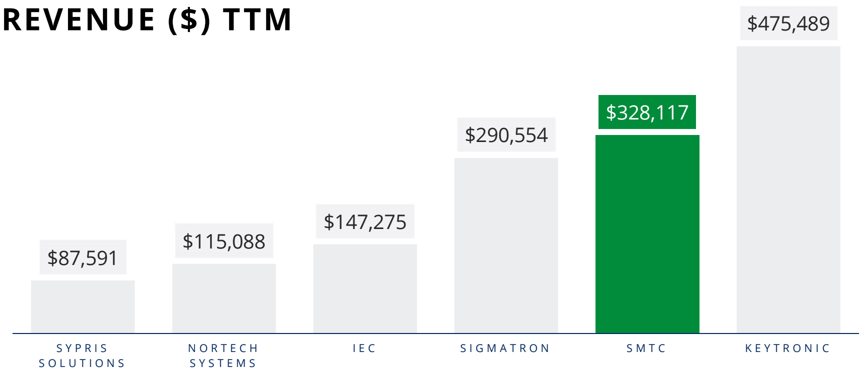
Become Provider of Choice And Win New Customers to **Accelerate Growth**

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

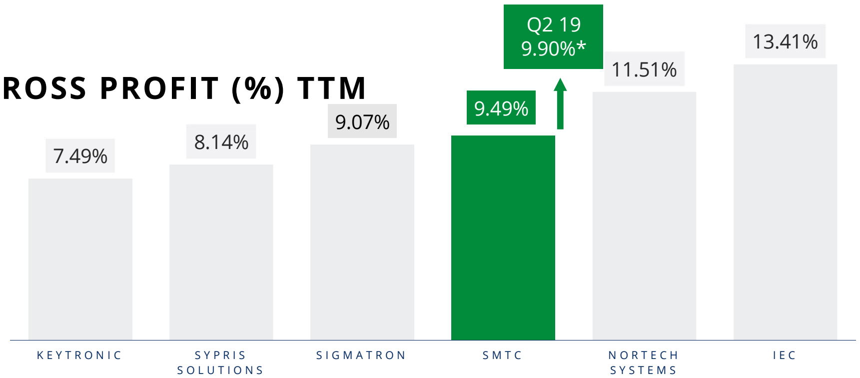
PROGRESSION TO BE BEST-IN-CLASS

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

REVENUE ($) TTM

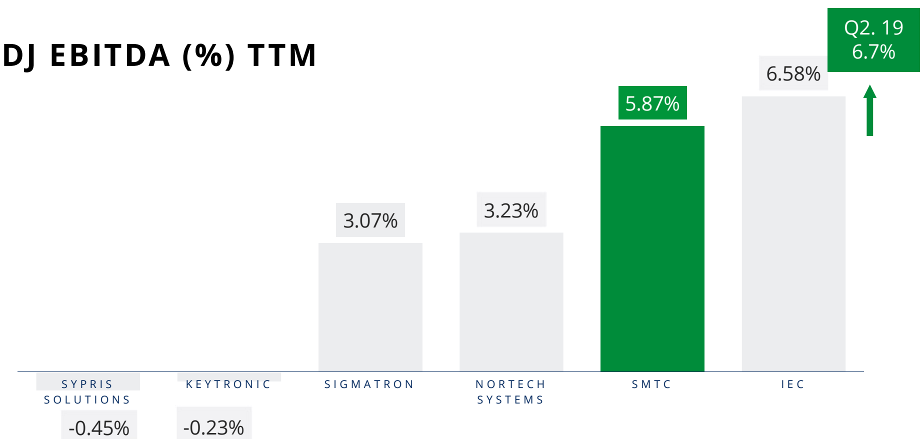


GROSS PROFIT (%) TTM

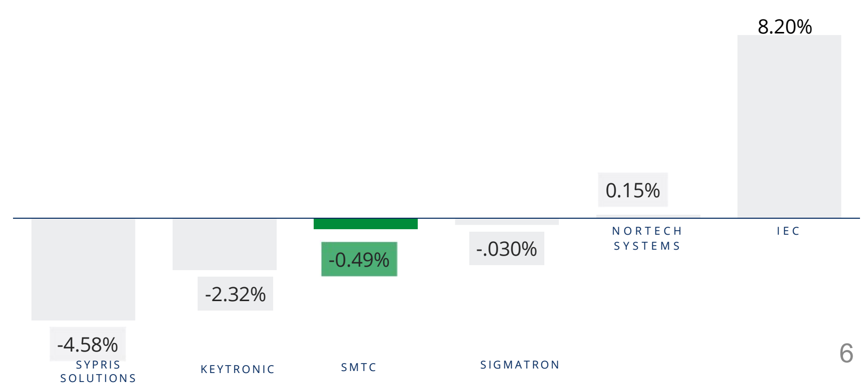


*Q2. 2019 Adj. Gross Profit % excluding intangible amortization was 11.9% of revenue

ADJ EBITDA (%) TTM



NET INCOME (%) TTM



DIFFERENTIATING LEADERSHIP TEAM

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

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

GENERAL CERTIFICATIONS / STANDARDS

All sites:
ISO 9001:2015
ISO 134885

ISO 14001
FDA Registration

Fremont:
AS9100
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

MARKETS WE SERVE

SMTC

- MEDICAL & SAFETY
- SEMICONDUCTOR EQUIPMENT
- RETAIL & PAYMENT SYSTEMS
- TEST & MEASUREMENT
- INDUSTRIAL, POWER & CLEAN TECHNOLOLGY
- TELECOM, NETWORK & COMMUNICATION
- DEFENSE & AEROSPACE

MC ASSEMBLY

MARKETS WE SERVE

Industry Sectors	***6 mos. 2019***		***2018***		***2017***	
$ in millions	Dollars	Percent	Dollars	Percent	Dollars	Percent
Medical & Safety	$23.7	12.2%	$31.4	14.5%	$18.8	13.5%
Semiconductor Equipment	$13.1	6.8%	$26.5	12.3%	$21.5	15.4%
Retail & Payment Systems	$25.0	12.9%	$41.6	19.3%	$33.7	24.2%
Test & Measurement	$63.1	32.6%	$45.8	21.2%	$26.3	18.9%
Industrial, Power & Clean Technology	$37.9	19.6%	$28.3	13.1%	$13.7	9.9%
Telecom, Network & Communications	$18.9	9.8%	$37.4	17.3%	$25.2	18.1%
Aerospace & Defense	$11.8	6.1%	$5.1	2.3%	NM	NM
Total	$193.5	100.0%	$216.1	100.0%	$139.2	100.0%

FINANCIAL SUMMARY

SMTC KEY STATISTICS

Stock Price as of 8/30/19	$3.22
Market Cap as of 8/30/19	$92.1 M
Ticker / Exchange	SMTX / Nasdaq

SMTC CAPITALIZATION

Basic Shares as of 8/30/19	28.2 M
Diluted Shares as of 86/30/19	28.6 M
Net Debt as of 6/30/19[1]	
Term Loans A/B and ABL Revolver	$ 79.4 M
Finance and operating lease obligations	$ 15.6 M
	$ 86.0 M

In $1,000s except EPS	Long Term Target Model	Q2 2019	As Reported Q2 2018	Proforma[2] Q2 2018	FY 2018	FY 2017
Revenues	15-20% growth[3]	90.9	44.5	82.0	216.1	139.2
Gross Margin	*12%-14%*	11.9%[5] 9.9%	9.8%	10.1%	10.0%	7.8%
Adj. EBITDA		6.1	1.6	3.5	10.3	(1.5)
Adj. EBITDA Margin	5%-10%	6.7%	3.5%	4.3%	4.7%	NM
EPS		(0.10)	(0.01)	NM[4]	(0.02)	(0.48)

[1]Net of $0.6 M of 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]MC Assembly was a private company and Proforma share count is not meaningful to calculate an EPS
[5]Adjusted Gross Margin excludes non-cash amortization of intangibles associated in connection with the acquisition of MC Assembly

BALANCE SHEET HIGHLIGHTS

(in thousands)	June 30, 2019	Dec. 30, 2018
Current Assets	$ 146,202	$153,918
Property Plant & Equipment, net	26,855	28,160
Other Long Term	39,788	39,148
Total Assets	$ 212,845	$221,226
Current Liabilities[1]	$ 99,382	$122,939
Long term Debt	55,887	56,039
Other Long term liabilities[1]	12,303	9,947
Stockholders' equity	45,273	32,301
Liabilities and stockholders' equity	$ $212,845	$221,226

[1]Effective January 1, 2019, with the adoption of the new lease standard (ASC 842 – Leases), the Company recorded $5.4 million of operating lease obligations of which $2.1 million is included in current liabilities and $3.3 million is included in other long-term liabilities as at June 30, 2019.

KEY STATISTICS:

	June 30, 2019	Dec. 30, 2018
Cash-to-Cash Cycle	74 days	67 days
DSO	64 days	65 days
DPO	71 days	79 days
Inv Turns	4.5x	4.4x
Net Debt		
Term Loans A/B and ABL Revolver	$70.4 M	$80.8 M
Finance & operating lease obligations	$15.6 M[1]	$11.5 M
	$86.0 M	$92.3M

CREATING A STRONGER COMPANY

SMTC x MC Assembly® - World Class – Flexible – Customer Focused

Two customer-driven, full-service, leading turnkey EMS companies

Together MC Assembly and SMTC provides greater scales, flexibility, and additional cost-effective capacity for customers in an industry where that matters

Dedicated to operational and supply chain excellence

Complementary facilities and a global reach that remain in operation with existing capacity to support higher levels of customer demand

Shared vision forms one strong customer-driven management team

Experienced electronics leadership team leading an innovative and lean manufacturing culture that is dedicated to operational excellence

Thank you

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