

Investor Fact Sheet

SMTC Corporation (Nasdaq: SMTX)

www.SMTC.com



Company Overview

SMTC Corporation is a mid-size provider of end-to-end electronics manufacturing services (EMS) including PCBA production, systems integration and comprehensive testing services. The company also provides enclosure fabrication, as well as product design, sustaining engineering and supply chain management services for its customers. Services extend over the entire electronic product life cycle from development and introduction of new products through to the growth, maturity and end-of-life phases.

SMTC offers fully integrated contract manufacturing services to global original equipment manufacturers (OEMs) and emerging technology companies including aerospace, clean technology, communications, computing, defense, energy, industrial, medical, networking, power, telecom, power, retail, and test and measurement industries.

Following a transformative acquisition of MC Assembly Holdings, Inc. in Nov. 2018, SMTC now has over 50 manufacturing and assembly lines at strategically located facilities providing local support and expanded manufacturing capabilities globally for best-in-class cost opportunities. The acquisition creates a preeminent low-to-medium volume, value-added Electronics Manufacturing Services (“EMS”) Provider. To serve customers, SMTC has facilities in Fremont, CA, Boston, MA, Phoenix, AZ, Melbourne, FL, El Paso, TX, Hong Kong, China, two in Mexico and a corporate office in Toronto, ONT.

Select Financial Statistics

| | |
|---|----------------------|
| Nasdaq Ticker: | SMTX |
| Closing Price 3/11/20: | \$2.63 |
| 52-Week Range: | |
| Low: | \$2.02 |
| High: | \$5.74 |
| Shares Outstanding | |
| Basic 12/29/19: | 28.2M |
| Diluted 12/29/19: | 28.2M |
| Market Cap 3/11/20: | \$74.2M |
| TTM Revenue: | \$363.1M |
| Term Loans A/B & ABL Revolver | \$60.7M |
| Finance & operating lease obligations | \$13.8M |
| Net Debt 12/29/19 | \$82.1M ¹ |
| ¹ Excludes \$1.4 million in cash | |
| Insider Ownership: | 12% |
| Institutional Ownership: | 31% |
| Fiscal Year-end: | 1/3/2021 |

Improving Efficiencies & Scale Leading to EBITDA Growth



New CEO & COO Announced Q2 2017 Restructuring Plan & Strategic Initiatives

Strengthened Management Team: New CFO, SVPs Supply Chain and Sales/Marketing

MC Assembly Acquisition Announced

Eliminated Term B debt & expanded borrowing capacity

Year-over-Year Growth

72.4% YoY Revenue
142.6% YoY Adj. EBITDA



Guidance for FY 2020

Revenues \$390M - \$410M
Adjusted EBITDA \$29M - \$31M

Guidance is made as of March 12, 2020 and subject to change without notice.

Investor Relations Contact:

Darrow Associates, Inc.
Peter Seltzberg, Managing Director
(516) 419-9915
pseltzberg@darrowir.com
www.darrowir.com

EXPERIENCED LEADERSHIP TEAM



Ed Smith
President & CEO

25+ years EMS, electronic components distribution industry experience

SMTEK increased from \$0.35 to \$15.23 at takeover 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



| Revenue by Industry Sectors | 2019 vs 2018 | 2019 | | 2018 | | 2017 | |
|--------------------------------------|-------------------|----------------|---------------|----------------|---------------|----------------|---------------|
| | Percentage Change | Dollars | Percent | Dollars | Percent | Dollars | Percent |
| \$ millions | | | | | | | |
| Test & Measurement, | 159.0% | \$118.6 | 31.8% | \$45.8 | 21.2% | \$26.3 | 18.9% |
| Industrial, Power & Clean Technology | 173.5% | \$77.4 | 20.8% | \$28.3 | 13.1% | \$13.7 | 9.9% |
| Retail & Payment Systems | 10.8% | \$46.1 | 12.4% | \$41.6 | 19.3% | \$33.7 | 24.2% |
| Medical & Safety | 44.9% | \$45.5 | 12.2% | \$31.4 | 14.5% | \$18.8 | 13.5% |
| Telecom, Network & Communications | (0.5%) | \$37.2 | 10.0% | \$37.4 | 17.3% | \$25.2 | 18.1% |
| Avionics, Aerospace & Defense | 384.3% | \$24.7 | 6.6% | \$5.1 | 2.3% | NM | NM |
| Semiconductor Equipment | (13.2)% | \$23.0 | 6.2% | \$26.5 | 12.3% | \$21.5 | 15.4% |
| Total | 72.4% | \$372.5 | 100.0% | \$216.1 | 100.0% | \$139.2 | 100.0% |

Growth Objectives:

- Achieve double digit growth from new customers and existing customers through **new programs**
- Increase business with existing customers through **“World Class Service”**
- Become provider of choice and **Win New Customers**
- Drive value via M&A, expand mix of lines of business and increase TAM with supply chain synergies to gain scale

Investment Highlights

- 2019 Results: Strong Year-over-Year Revenue Growth and Adjusted EBITDA Achieved
- Experienced leadership team that has worked together before with proven results
- Pursuing operational excellence through management incentives that are exclusively focused on achieving top-quartile operating metrics among peer EMS companies
- Diversified customer base or end-market dependencies

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