

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.

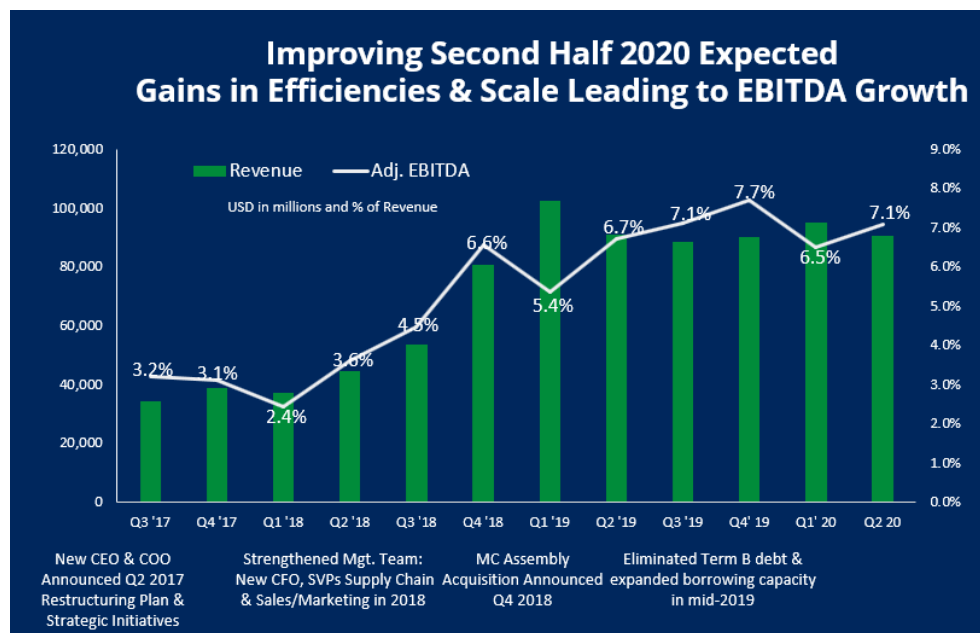
SMTC offers fully integrated contract manufacturing services to global original equipment manufacturers (OEMs) and emerging technology companies. The Company is focused on the most attractive end markets, incl. Avionics, Aerospace & Defense, IoT, 5G, Medical & Safety and has been successful in winning significant new business with over \$130 million of new orders received over the past 3 quarters.

SMTC operates 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 8/12/20:	\$3.50
52-Week Range:	
Low:	\$1.32
High:	\$4.19
Shares Outstanding	
Basic 6/28/20:	28.2M
Diluted 6/28/20	29.5M
Market Cap 8/5/20:	\$98.7M
TTM Revenue:	\$364.5M
Term Loans A/B & ABL Revolver	\$68.7M
Finance & operating lease obligations	\$16.2M
Net Debt 6/28/20	\$84.6M¹
Insider Ownership:	12%
Institutional Ownership:	33%
Fiscal Year-end:	1/3/2021

¹Excludes \$0.3 million in cash. Effective January 1, 2019, with the adoption of the new lease standard (ASC 842 – Leases), the Company recorded \$16.2 million of finance and operating lease obligations (as of June 28, 2020) which includes \$3.6 million of new operating lease for extension of the Company’s Fremont, CA facility lease in Q1 2020.



2019 Year-over-Year Growth over 2018

72.4% YoY Revenue
142.6% YoY Adj. EBITDA



Guidance for 2nd Half 2020

Revenues \$190M - \$205M
Adjusted EBITDA \$13.7M - \$15.0M*

Guidance is made as of Aug. 5, 2020 and subject to change without notice.
*See reconciliation in press release dated Aug 5, 2020

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EXPERIENCED 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 increased 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



Josh Chien
SVP Global Head of Sales, Marketing & Customer Experience

20+ years EMS sales and operations experience



Phil Wehrli
SVP Global Planning & Supply Chain

35+ supply chain management experience



Revenue by Industry Sectors	Q2 2020		Q2 2019		Change	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
\$ millions						
Industrial IoT, Power & Clean Technology	\$38.3	42.4%	\$36.9	40.6%	\$1.4	3.8%
Test & Measurement	\$13.9	15.4%	\$12.1	13.3%	\$1.8	14.9%
Medical & Safety	\$10.2	11.3%	\$11.2	12.3%	(\$1.0)	(8.9%)
Avionics, Aerospace & Defense	\$9.2	10.2%	\$4.8	5.3%	\$4.4	91.7%
Semiconductors	\$7.1	7.9%	\$5.8	6.4%	\$1.3	22.4%
Retail & Payment Systems	\$6.7	7.4%	\$12.1	13.3%	(\$5.4)	(44.6%)
Telecom, Networking & Communications	\$5.0	5.5%	\$8.0	8.8%	(\$3.0)	(37.5%)
Total	\$90.4	100.0%	\$90.9	100.0%	(\$0.5)	(0.6%)

INVESTMENT HIGHLIGHTS

What is Changing?

Winning significant new business with over \$130 million of new orders received over the past 3 quarters

Managing through COVID-19 environment all factories remain open supporting customers deemed essential; cost controls: targeted headcount reductions, a freeze on all non-essential new hiring, curtailed new programs and reduced capital expenditures

Increasing North American capacity Installed equipment from former Chinese manufacturing facility avoids capital expenses otherwise needed

Delivering on best-in-class financial metrics across our Tier III EMS peers to deliver premium shareholder value

- ✓ **Improving second half 2020 financial performance outlook*** Revenue \$190M - \$205M, up from \$185M in first half of 2020
Adj. EBITDA \$13.7M - \$15.0M, up from \$12.6M in first half of 2020
- ✓ **Focusing on the most attractive end markets**, incl. Avionics, Aerospace & Defense, IoT, 5G, Medical & Safety
- ✓ **Gaining market share** by deepening existing customer relationships and adding new customers
- ✓ **Experienced management team** managing through challenging market conditions
- ✓ **Local experience, global reach** offers best-in-class options to customers
- ✓ **Committed to further deleveraging the balance sheet**, generated \$2.6 million positive cash flow from operations in the first half of 2020

*Guidance is made as of Aug. 5, 2020 and subject to change without notice.

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