

# Investor Fact Sheet

SMTC Corporation (Nasdaq: SMTX)



## 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 8/7/19:	\$3.91
52-Week Range:	
Low:	\$2.45
High:	\$5.90
Shares Outstanding	
Basic 6/30/19:	23.6 M
FD 6/30/19	24.0 M
Market Cap (8/7/19):	\$92.1 M
TTM Revenue:	\$328.1M
Term Loans A/B & ABL Revolver Finance & operating lease obligations Net Debt (6/30/19)	\$79.4 M \$15.6 M \$86.0 M
Insider Ownership:	12%
Institutional Ownership:	35%
Fiscal Year-end:	12/29

### SMTC Income Statement Highlights

(FY 2018 includes MC Assembly for the period of Nov 9 – Dec 30, 2018)

In \$1,000s except EPS	Long Term Target Model	Q2 2019	As Reported Q2 2018	Proforma <sup>2</sup> Q2 2018	FY 2018	FY 2017
Revenues	15-20% growth <sup>3</sup>	90.9	44.5	82.0	216.1	139.2
Gross Margin	72%-74%	11.9% <sup>5</sup> 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 <sup>4</sup>	(0.02)	(0.48)

Industry Sectors	6 mos. 2019		2018		2017	
	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%

<sup>1</sup>Net of \$0.6 M of cash

<sup>2</sup>Proforma assuming MC Assembly had been part of SMTC in the second quarter of 2018

<sup>3</sup>Target 50%+ of incremental Manufacturing Value Add dollars contributes to Gross Profit

<sup>4</sup>MC Assembly was a private company and Proforma share count is not meaningful to calculate an EPS

<sup>5</sup>Adjusted Gross Margin excludes non-cash amortization of intangibles associated in connection with the acquisition of MC Assembly

Investor Relations  
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# EXPERIENCED LEADERSHIP TEAM

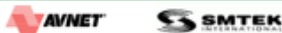


**Ed Smith**  
President & CEO

25+ years EMS, electronic components distribution industry experience

SMTEK increased from \$0.35 to \$15.23 at 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

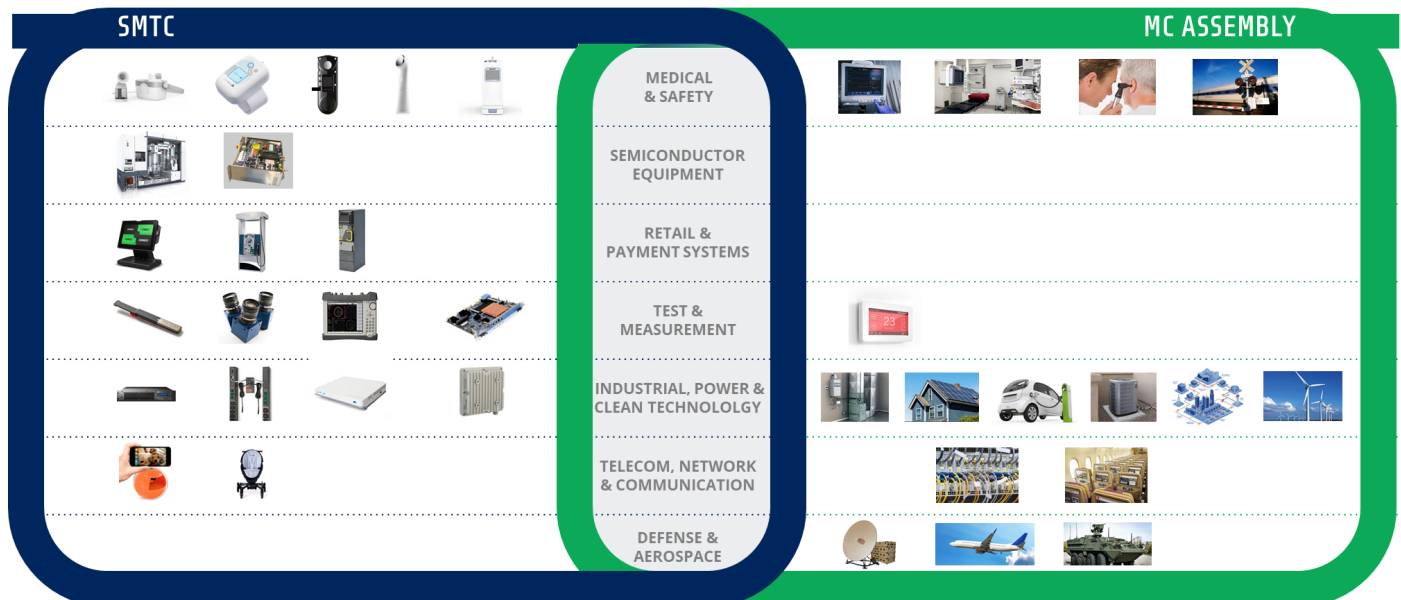


**Phil Wehrli**  
SVP Global Planning & Supply Chain

35+ supply chain management experience



## Targeting High Growth, High Margin Product Categories & Market Sectors



### Growth Objectives:

- Achieve double digit growth with 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

- Q2 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
- Focusing on the most attractive end markets

The foregoing compilation relates to SMTC Corporation and contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. When used in this document, the words "anticipate," "believe," "estimate," "expect" and similar expressions as they relate to SMTC or its management, are intended to identify such forward-looking statements. SMTC's actual results, performance or achievements could differ materially from the results expressed in, or implied by these forward-looking statements. For more detailed information the reader is referred to SMTC's Form 10-K and other related documents filed with the Securities and Exchange Commission. This does not constitute an offer to buy or sell securities by the Company and is meant purely for informational purposes. An outside/third-party, Darrow Associates, has been compensated by the Company for the creation of this document. In preparing this information, Darrow Associates has relied upon information received from the Company, which, although believed to be reliable, cannot be guaranteed. This information is not an endorsement of the Company by Darrow. Darrow is not responsible for any claims made by the Company. You should independently investigate and fully understand all risks before investing.