

Investor Fact Sheet

SMTC Corporation (Nasdaq: SMTX)



Company Overview

SMTC Corporation, founded in 1985, is a mid-size provider of end-to-end electronics manufacturing services (EMS) including PCBA production, systems integration and comprehensive testing services. It also provides enclosure fabrication, as well as product design, sustaining engineering and supply chain management services for its customers. SMTC has over 500,000 square feet of production space in facilities in Fremont, CA, Chihuahua, Mexico, and China, and its corporate headquarters is in Toronto, Canada. 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 primarily within the following market segments: industrial & commercial, communication & instrumentation, payment systems, medical & life sciences, power & energy, computing & networking.

During the past four quarters SMTC has implemented change throughout the organization which has resulted in a stabilization of the business, a culture to be best-in-class, and has entered a new phase of accelerating and profitable growth, led by Ed Smith, CEO, and other newly appointed seasoned EMS and supply-chain professionals. The company is on track to report its first profitable year in five years with revenue for the first nine months up 35% Yr over Yr.

Select Financial Statistics

Nasdaq Ticker:	SMTX
Closing Price at 11/21/18:	\$3.27
52-Week Range:	
Low:	\$1.48
High:	\$3.50
Shares O/S*:	23.1 M
Shares FD:	23.1 M
Market Cap (11/21/18):	\$75.7M
Net Debt (9/30/18)*	\$11.8 M
Enterprise Val (11/2/18):	\$87.5 M
TTM Revenue:	\$173.9 M
Insider Ownership:	11%
Institutional Ownership:	31%
Fiscal Year-end:	12/30

*Shares and net debt include shares and cash via rights offering 8/22/18

Income Statement Highlights						Balance Sheet Highlights per 9/30/18 10-Q		
US\$ in 1000s	Q3 2018	Q 2017	FY2017	FY2016	FY 2015	US\$ in 1000s	9/30/18	12/31/17
Revenues	53,677	34,417	139,231	167,868	220,616	Total cash	14,689	5,536
Gross Margin	9.8%	8.6%	7.8%	9.0%	8.0%	Current Assets	95,914	59,188
Adj. EBITDA*	2,402	1,116	(1,548)	4,721	5,713	Current Liabilities	68,902	44,693
Net Earnings (Loss)	864	(551)	(7,845)	(232)	(4)	Total debt	26,536	20,459
Net Earnings (Loss) per Share	\$0.04	\$(0.03)	\$(0.47)	\$(0.01)	\$(0.00)	Shareholders' equity	33,395	19,074
Adjusted EBITDA is a non-GAAP term, defined by SMTC Corp in Forms 10-Q, 8-K at www.sec.gov						Current ratio	1.39	1.32
						Working capital*	36,103	26,427
						*AR + Inv. + Unbilled Contract Assets - AP		

Targeting High Growth, High Margin Product Categories and Market Sectors



Sept. 30 2018	
Cash-to-Cash Cycle	63 days
DSO	62 days
DPO	73 days
Inv Turns	4.9 x
Net Debt*	\$11.8M

Investor Relations
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Targeting \$200+M in Revenues in 2 Years from \$139M in 2017 with Double Digit Gross Margins

Growth Objectives:

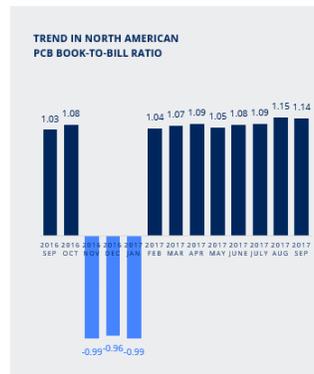
- Achieve double digit growth with existing customers through **new programs**
- Increase business with existing customers through **“World Class Service”**
- Become provider of choice and **Win New Customers**
- Drive value via **M&A**, expand mix of lines of business and increase TAM with supply chain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

Investment Highlights

- New 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 with no significant concentration
- Focusing on the most attractive end markets
- Favorable industry trends provide backdrop for strong performance in 2018
- The company is on track to report its first profitable year in five years with revenue for the first nine months up 35% Yr over Yr.

Third Quarter 2018 Financial Highlights:

- ◆ **Revenues increased 56.0%** to \$53.7 million, compared to \$34.4 million in the third quarter of 2017
- ◆ **Gross profit** was \$5.3 million or 9.8% of revenue, a \$3.0 million increase compared to Q3 2017
- ◆ **Net earnings** of \$0.9 million or \$0.04 per share, represents a **\$1.4 million improvement**, compared to a net loss of \$(0.6) million or \$(0.03) per share reported in Q3 2017
- ◆ **Adjusted EBITDA** was \$2.4 million, which represents a **\$1.3 million improvement** compared to \$1.1 million in Q3 2017
- ◆ **Rights Offering** closed August 28, 2018 adding \$12.6 million in cash to the balance sheet



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

















IMPROVING STOCK PERFORMANCE

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