



# TTM Technologies, Inc. Acquisition of Anaren, Inc.



**Investor Presentation  
December 4, 2017**

***TTM Technologies.***

Global Presence | Local Knowledge

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A material limitation associated with the use of the above non-GAAP financial measures is that they have no standardized measurement prescribed by GAAP and may not be comparable to similar non-GAAP financial measures used by other companies. We compensate for these limitations by providing full disclosure of each non-GAAP financial measure and reconciliation to the most directly comparable GAAP financial measure. However, the non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

See Appendix for reconciliations of Adjusted EBITDA and Non-GAAP Operating Income to the most comparable GAAP metric.

## Data Used in This Presentation

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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# Transaction Overview

## TRANSACTION CONSIDERATION

- \$775M purchase price for 100% equity in Anaren, Inc., on a cash-free, debt-free basis subject to working capital adjustment at closing
- 100% cash consideration, financed with:
  - \$700M incremental senior secured term loan facility under TTM's existing credit agreement, and cash on hand

## FINANCIAL IMPACT

- Projected to be accretive to TTM's non-GAAP operating margin and adjusted EBITDA margin
- Projected to be accretive to TTM's non-GAAP EPS and free cash flow
- Expected to achieve \$15M run rate in cost synergies within two years after closing

## PRO FORMA CAPITALIZATION AT CLOSING

- Projected Net Debt / LTM adjusted EBITDA of 3.2x at closing, inclusive of cost savings
- Rapid de-leveraging to achieve target net leverage of 2.0x adjusted EBITDA within 2 to 3 years after close will remain a high priority for TTM

## APPROVAL PROCESS AND CLOSING

- HSR, CFIUS and DSS approvals
- Expected to close in first half of 2018



# Strategic Rationale

- ✓ Provides differentiated RF expertise in space & defense and embedded technology critical to wireless infrastructure
- ✓ Enhances TTM's strong A&D position and provides new market growth opportunity for the industrial, medical and automotive markets
- ✓ Significantly enhances TTM's A&D business from "Build to Print" to "Build to Spec"
- ✓ Combined customer base includes industry leaders in aerospace & defense and wireless communication infrastructure markets
- ✓ Strong management and engineering talent with extensive experience in the RF design
- ✓ Compelling value creation with Anaren projected to be accretive to TTM's non-GAAP operating margin, adjusted EBITDA margin, non-GAAP EPS and free cash flow





# Anaren Overview

Radar



Space



Electronic Warfare

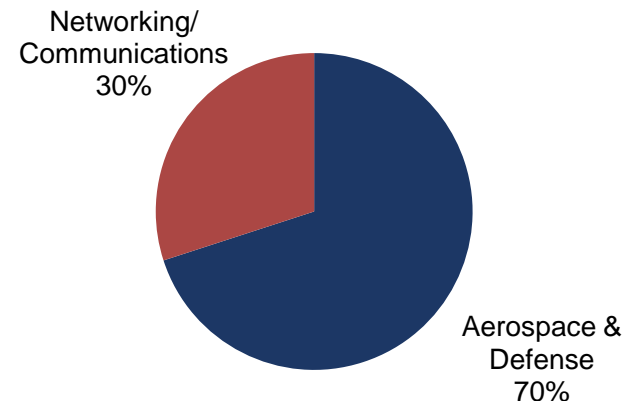


Wireless Infrastructure



- Leading provider of mission-critical RF / microwave solutions for space, defense and wireless infrastructure end markets
- Sole-sourced and spec'd in positions on high-priority programs through custom-designed, highly-integrated subsystems and components
- LTM 9/30/17 revenue of \$219M / Adjusted EBITDA of \$55M
- Over 1,000 employees globally, with 235 engineers

Revenue by Segment



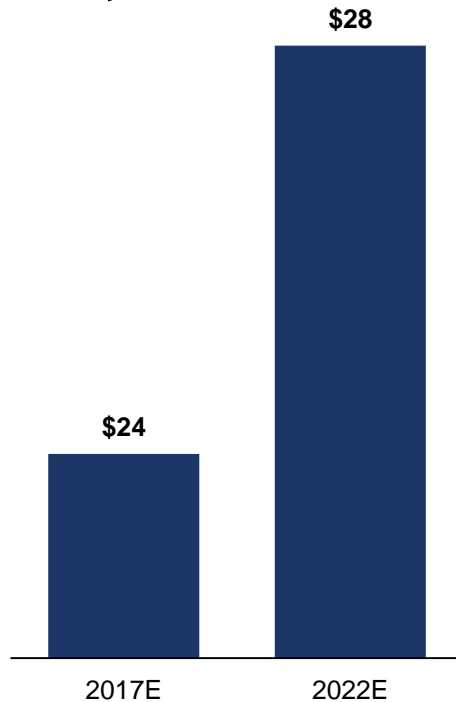
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# Macro Trends Driving Need for Anaren Technology

## DoD Spend (1)

(\$ in billions)

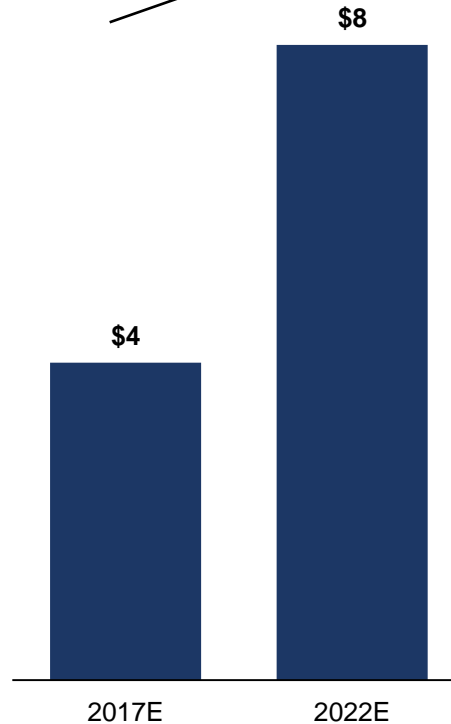
~3% CAGR



## AESA Radar Spend (2)

(\$ in billions)

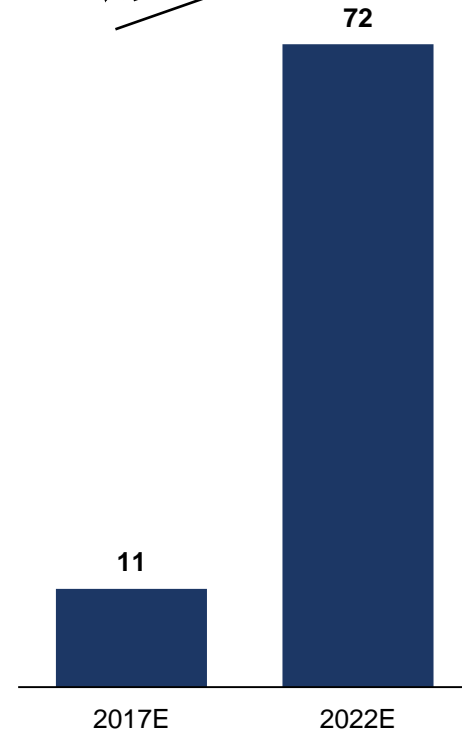
~18% CAGR



## Mobile Data Traffic (3)

(Average exabytes / month)

~45% CAGR



1. DoD Procurement and RDT&E spend for Radar, Electronic Warfare and Military SatCom. Source: DoD Budget, The Teal Group and Forecast International.
2. Estimated AESA radar market spend. AESA stands for active electronically scanned array and represents the next generation technology for military radars. Source: DoD Budget, The Teal Group and Forecast International.
3. Source: Cisco Global Mobile Data Traffic Forecast (2022 forecasted using a 47% CAGR)



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# Technology Serving Multiple End Markets



## Products

*Hybrid Micro-Electronics*

*Thick-Film and LTCC  
Ceramics*

*Multi-Layer Stripline RF  
PCB, Assembly and Test*

*Beamforming & Switching  
Networks*

## Applications

*Advanced Radar Systems*

*Advanced Jamming  
Systems*

*Satellite Communication  
Systems*

*Base Station and Small  
Cells*

## End Markets

*Space*

*Defense*

*Wireless*

*Medical*



# Anaren is a Key Supplier to High Priority DoD Programs

## Select Missile Defense

AMDR



TPQ-53



SBIRS



THAAD



## Select Air-Based Radar / EW

F-35



F-16 (SABR)



E2D



MH-60R



## Select Space-Based Systems

Orion



GPSIII

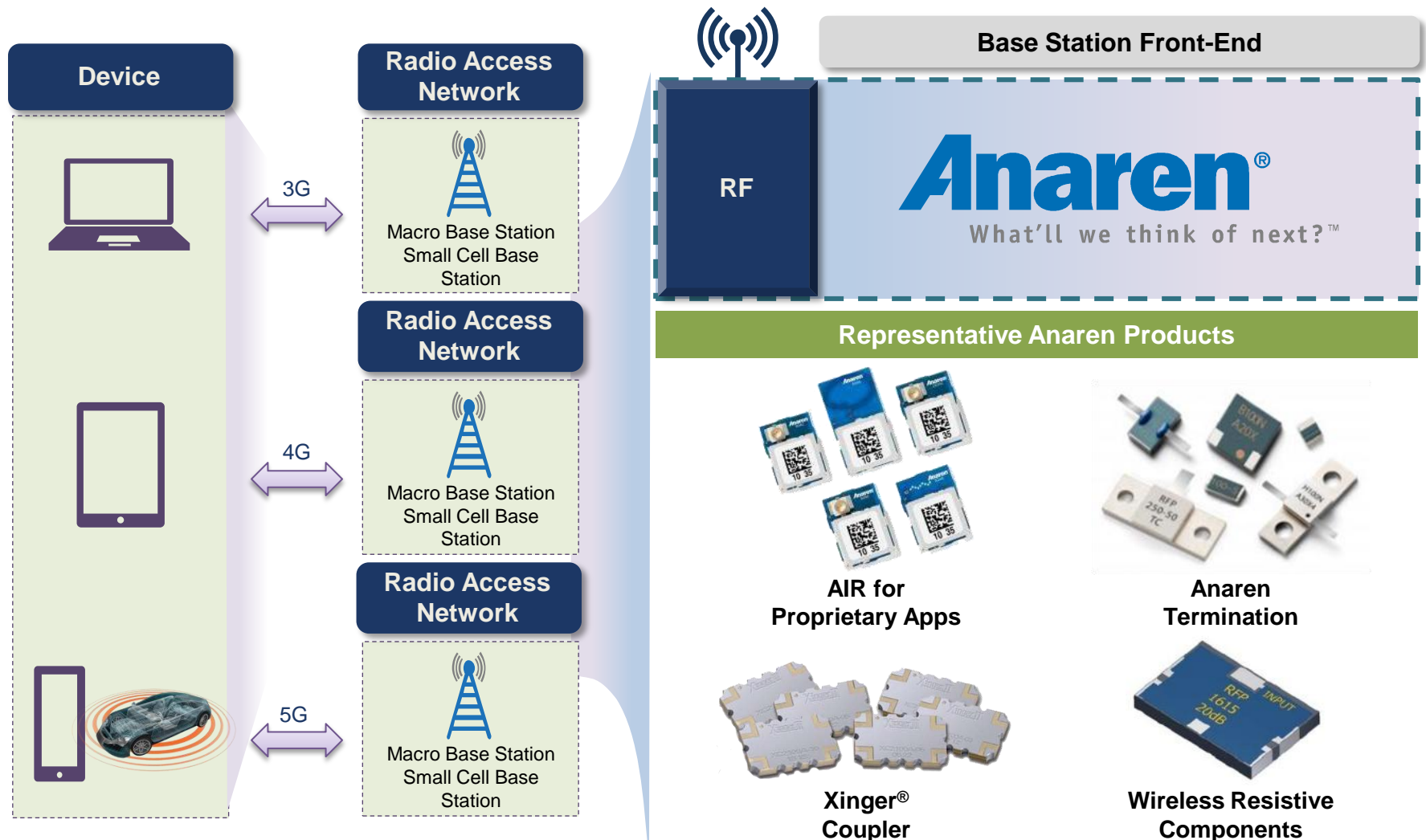


AEHF

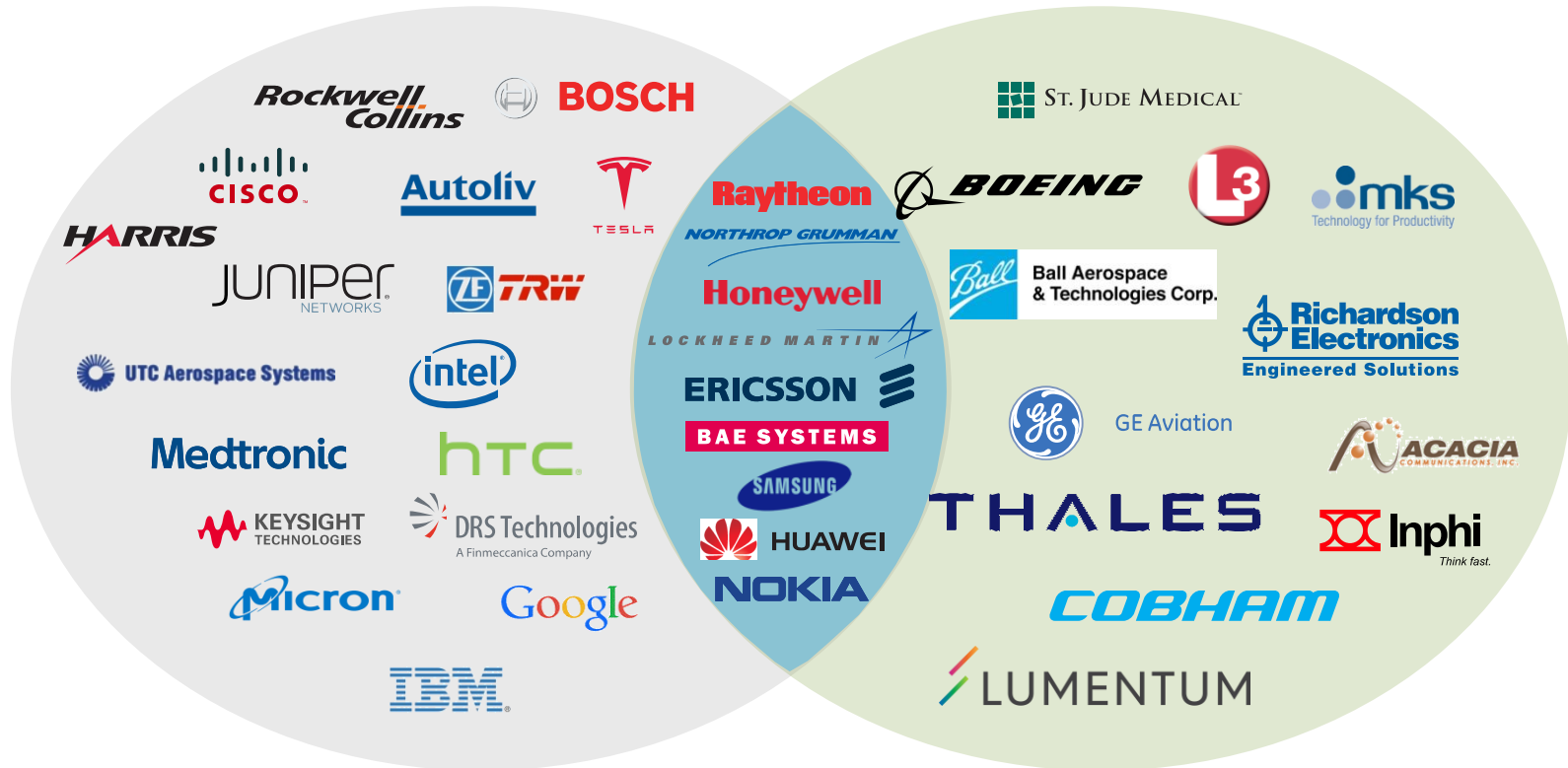




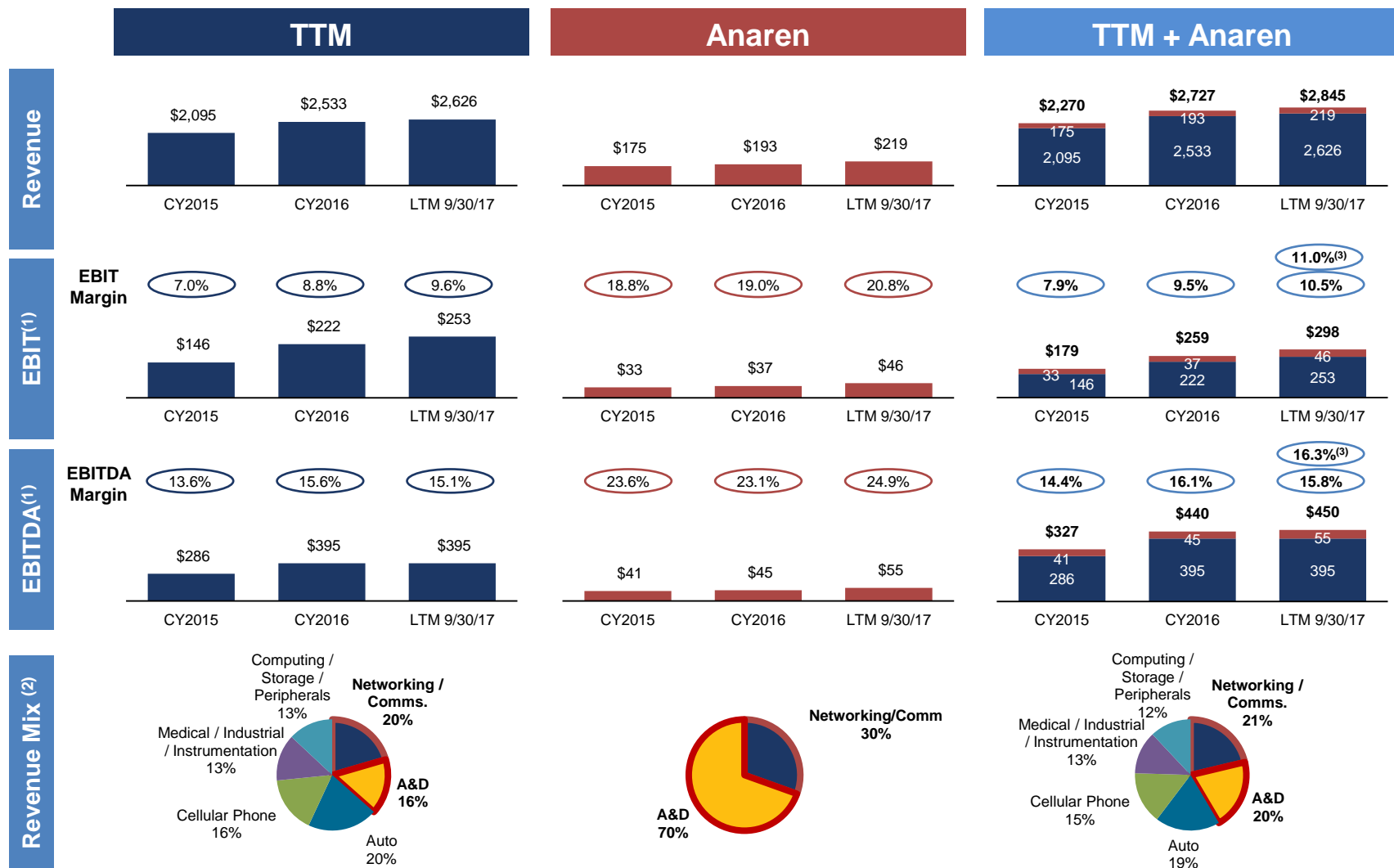
# Anaren Solutions are Critical to Wireless Infrastructure



# Highly Complementary Customer Base Sourcing Different Products



# Summary Financial Impact



Source: Company disclosure, in \$ millions.

1. Non-GAAP EBIT Margin and Adjusted EBITDA. Excludes cost savings.
2. Excludes "Other Revenue" from TTM. LTM 9/30/17.
3. Including ~\$15 million in run-rate cost savings.



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# Compelling Transaction for All Stakeholders

## Customers

- Value added solutions from combining Anaren's technology and design leadership with TTM's manufacturing excellence
- Access to differentiated and mission-critical RF expertise
- Single vendor with wider range of A&D components and sub-assemblies

## Employees

- Greater capital resources allow for expanding innovation to grow our product portfolio
- Combination of engineering expertise with strong manufacturing scale provides opportunities for professional growth

## Shareholders

- Higher value offering to key end markets improving growth potential
- Provides new market growth opportunity for industrial, medical and automotive segments
- Accretive to non-GAAP operating margins, non-GAAP EPS and free cash flow







# The Power of One



## Appendix



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# TTM Operating Income and EBITDA Reconciliation

(\$ in millions)

	FY2015A	FY2016A	LTM 10/2/2017
<b>GAAP Operating Income</b>	<b>\$61.3</b>	<b>\$173.5</b>	<b>\$211.4</b>
Amortization of definite-lived intangibles	18.9	24.3	24.1
Stock-based compensation	9.7	11.1	16.5
Gain on sale of assets	(2.5)	(1.5)	(2.3)
Inventory Markup	16.2	—	—
Impairments, restructuring, acquisition-related, and other charges	42.4	14.6	3.0
<b>Non-GAAP Operating Income</b>	<b>\$146.0</b>	<b>\$221.9</b>	<b>\$252.6</b>
Depreciation	133.5	156.2	\$148.3
Inventory Markup	(2.0)	—	—
Other, net	8.2	17.3	(5.5)
<b>Adj. EBITDA</b>	<b>\$285.7</b>	<b>\$395.4</b>	<b>\$395.3</b>



Note: Figures may not sum exactly due to rounding.



# Anaren Operating Income and EBITDA Reconciliation

(\$ in millions)

	CY2015A	CY2016A	LTM 9/30/17
<b>Reported Operating Income</b>	<b>\$6.7</b>	<b>\$14.1</b>	<b>\$25.5</b>
Stock based compensation	0.8	0.7	0.7
Sponsor fee	1.3	1.3	1.4
Debt related fees	0.3	0.3	0.3
Non-recurring professional fees	1.3	1.0	0.6
Termination and severance costs	0.9	1.0	0.5
Amortization	19.8	17.8	16.1
MSK operation consolidation	1.5	0.2	0.1
Other adjustments - Excluding Transaction Costs	0.2	0.3	0.4
<b>Non-GAAP Operating Income</b>	<b>\$32.8</b>	<b>\$36.7</b>	<b>\$45.6</b>
Depreciation	8.2	8.1	7.9
Other adjustments	0.3	(0.1)	1.0
<b>Adj. EBITDA</b>	<b>\$41.3</b>	<b>\$44.7</b>	<b>\$54.5</b>



Note: Figures may not sum exactly due to rounding.

