

# TTM Technologies, Inc. Investor Presentation

August, 2023



*Inspiring Innovation*

# Disclaimers

## Forward-Looking Statements

This communication may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements related to the future business outlook, events, and expected performance of TTM Technologies, Inc. (“TTM”, “we” or the “Company”). The words “anticipate,” “believe,” “plan,” “forecast,” “foresee,” “estimate,” “project,” “expect,” “seek,” “target,” “intend,” “goal” and other similar expressions, among others, generally identify “forward-looking statements,” which speak only as of the date the statements were made and are not guarantees of performance. Actual results may differ materially from these forward-looking statements. Such statements relate to a variety of matters, including but not limited to the operations of TTM’s businesses. These statements reflect the current beliefs, expectations and assumptions of the management of TTM, and we believe such statements to have a reasonable basis.

It is uncertain whether any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what impact they will have on the results of operations and financial condition of the Company. These forward-looking statements are based on assumptions that may not materialize, and involve certain risks and uncertainties, many of which are beyond our control, that could cause actual events or performance to differ materially from those indicated in such forward-looking statements. Factors, risks, trends, and uncertainties that could cause actual results to differ materially from those projected, anticipated, or implied in forward-looking statements include, but are not limited to potential changes in domestic or global economic conditions, demand for our products, market pressures on prices of our products, warranty claims, changes in product mix, contemplated significant capital expenditures and related financing requirements, our dependence upon a small number of customers, and other factors set forth in the Company’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q and in the Company’s other filings filed with the Securities and Exchange Commission (the “SEC”), including under the heading “Risk Factors”, and which are available at the SEC’s website at [www.sec.gov](http://www.sec.gov).

TTM does not undertake any obligation to update any of these statements to reflect any new information, subsequent events or circumstances, or otherwise, except as may be required by law, even if experience or future changes make it clear that any projected results expressed in this communication or future communications to stockholders, press releases or Company statements will not be realized. In addition, the inclusion of any statement in this communication does not constitute an admission by us that the events or circumstances described in such statement are material.

## Use of Non-GAAP Financial Measures

In addition to the financial statements presented in accordance with U.S. generally accepted accounting principles (“GAAP”), TTM uses certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Non-GAAP Operating Income, Non-GAAP Net Income, Non-GAAP Operating Margin, Non-GAAP Gross Margin, Non-GAAP EPS and Adjusted Operating Cash Flow. We present non-GAAP financial information to enable investors to see TTM through the eyes of management and to provide better insight into our ongoing financial performance.

# Disclaimers (cont.)

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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# Leading Technology Solutions provider of Mission Systems, PCBs and Specialty Components

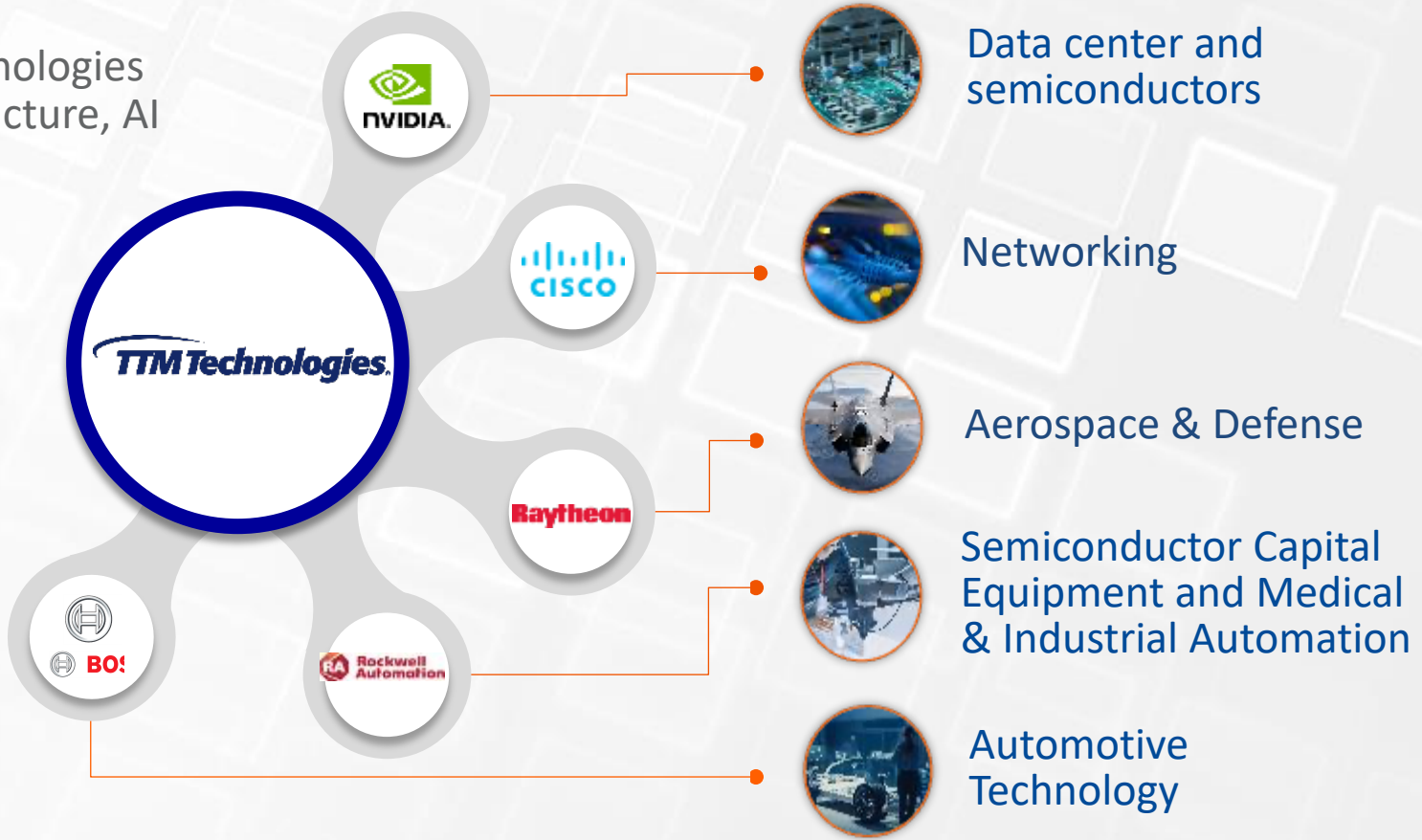
## Technology-enabled end markets and customers

Critical supplier to today's fastest growing technologies such as advanced defense radar, cloud infrastructure, AI data centers, automobile technology, industrial automation and internet of things

Significant global footprint with 26 facilities and 17,800 employees<sup>1</sup>

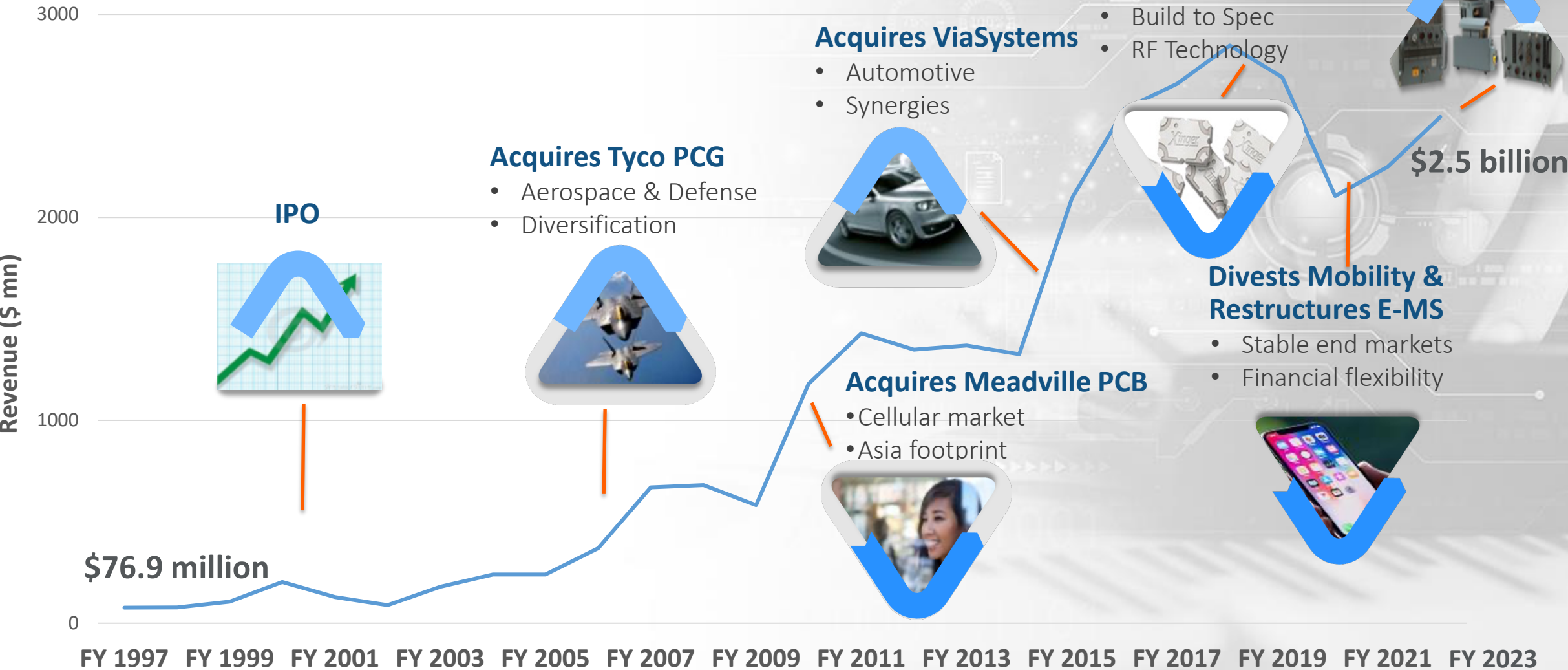
### Scale:

\$2.5 billion FY22 revenue<sup>1</sup>



<sup>1</sup> Includes approximately six months from the acquisition of Telephonics that closed 6/27/22.

# History of TTM



## Acquires Telephonics

- Aerospace and Defense
- Mission systems

## Acquires Anaren

- Build to Spec
- RF Technology

## Acquires ViaSystems

- Automotive
- Synergies

## Acquires Tyco PCG

- Aerospace & Defense
- Diversification

## Acquires Meadville PCB

- Cellular market
- Asia footprint

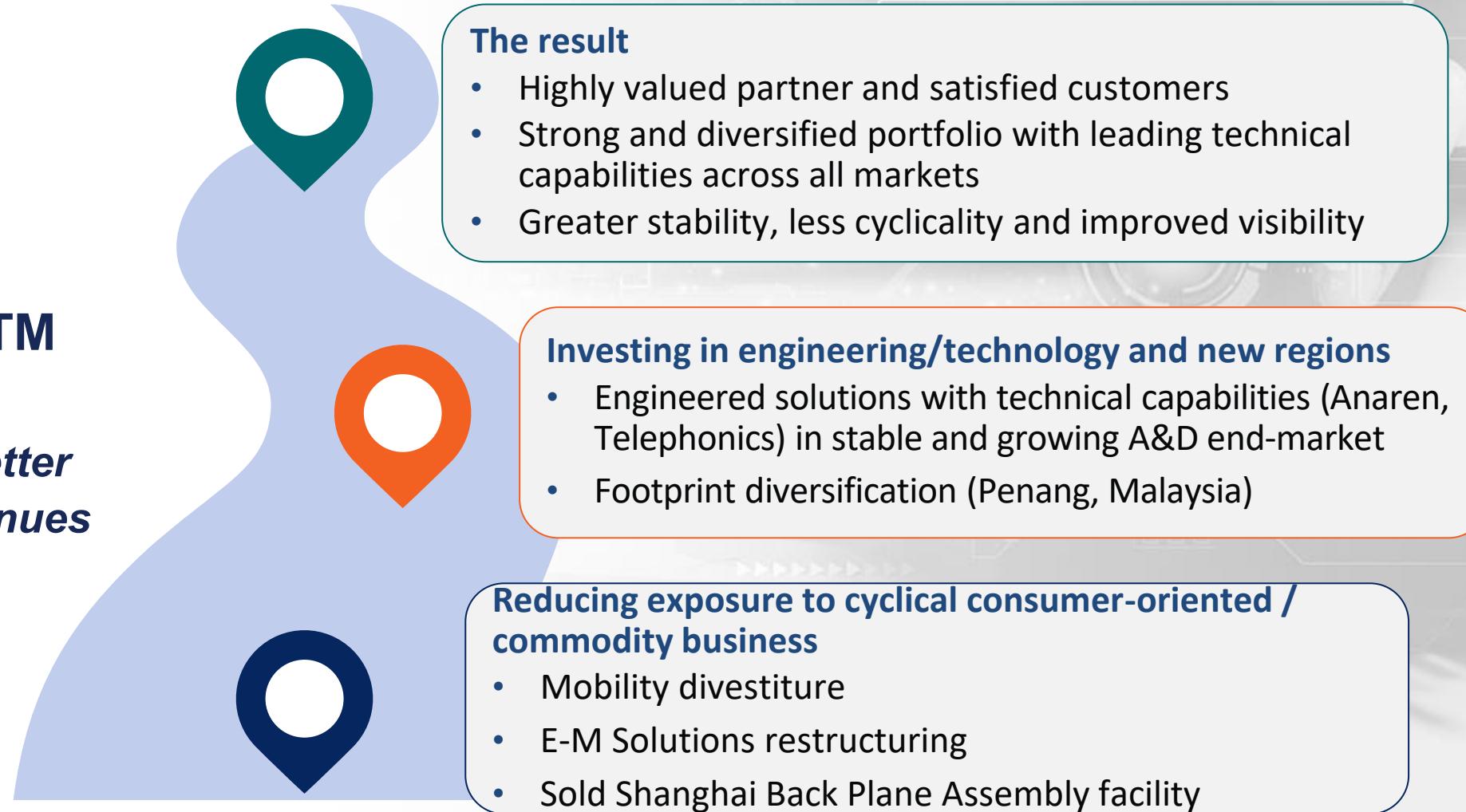
## Divests Mobility & Restructures E-MS

- Stable end markets
- Financial flexibility

# TTM Continues to Transform the Business by Implementing Its Core Strategy of Differentiation

## Differentiating TTM

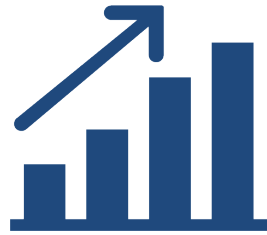
*Transformation to better business model continues*



# 2023: A Year of Transition Positioning for Future Strength

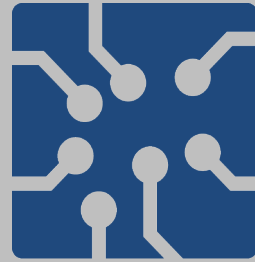
- **Commercial sector flexible response to demand situation to build share**
- **Respond to a Record Backlog in A&D**
  - Implement new A&D organization
  - Enhance Supply Chain Management in Integrated Electronics
  - Deliver on Telephonics Synergies
  - Successful facility consolidation
  - Incremental quarterly improvement
- **Penang Start-Up**

# Strategic Focus



## Diversification

- Diverse end markets
- Near term – Aerospace and Defense



## Differentiation

- Engineering depth
- Early engagement
- Technology breadth
- Global footprint



## Discipline

- Operational execution
- Earnings power
- Cash flow generation



# End Market Growth Drivers and Outlook

	FY 2022 Net Sales <sup>1</sup>	End Market Growth Drivers	2021 – 2025 CAGR (3 <sup>rd</sup> Party)	2023 TTM View
Aerospace & Defense 	35%/40%	Increased Use of AESA Radar & Increased Military Equipment Builds	3-5%	Above

<sup>1</sup> 35% includes six months of the acquisition of Telephonics that closed 6/27/22. 40% is Q4 2022.

# Aerospace & Defense Business At A Glance

Q2 23

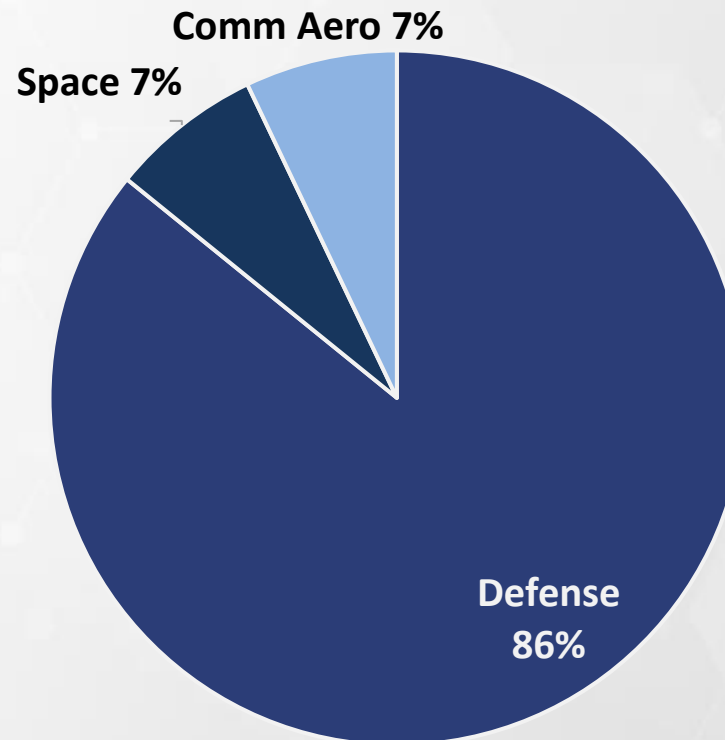
Bookings \$270.5 million

Program backlog \$1.39 billion

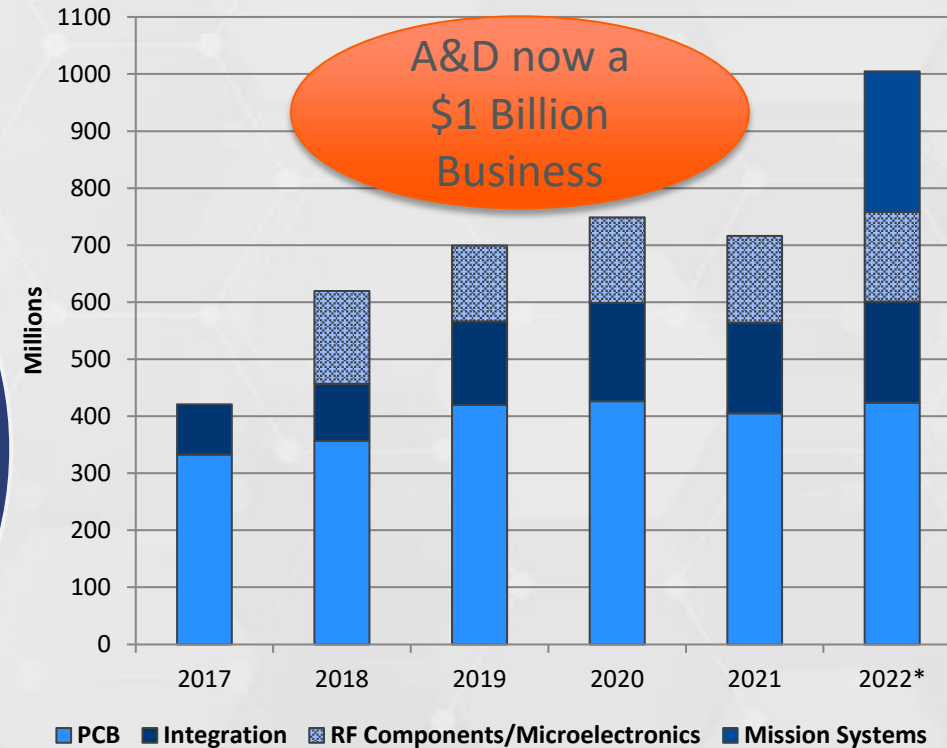
Key defense programs alignment

Engineered products focus

Q2 23 Market Mix



Estimated A&D Revenues by Product



\*PCB less than 50% of A&D revenues  
Pro-forma Telephonics

# Program Portfolio Positioned for Growth

- **Top Strategic OEM Customers**
  - Raytheon, Lockheed Martin & Sikorsky, Northrop Grumman, L3Harris, Boeing
- **Top Direct Government Customers**
  - US Army, US Navy, US Air Force, International Ministries of Defence
- **Future Expansion**
  - Commercial Space OEMs



We support over 200 programs, including key franchises for every major OEM

# Commercial Sector Megatrends

Internet-Of-Everything (IOE) & Increasing electronic content across AMI&I Markets



IOE



Automotive  
- EV, ADAS, V2X



Diagnostic Equipment & Robotics  
Wearables & Implantables



Factory Automation



Hyperscalers



Cloud



ML



AI



LLM's




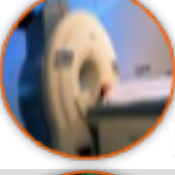
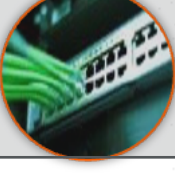


Generative AI

Explosive growth of data fuels requirements for increasing signal speeds & bandwidth plus rapid advancements in data management & computing

**Notes:**  
V2X = Vehicle to Everything  
ML = Machine Learning  
LLM = Large Language Models

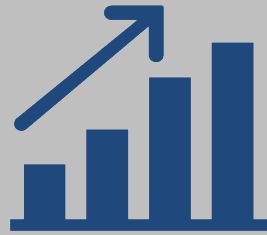
# End Market Growth Drivers and Outlook

		FY 2022 Net Sales <sup>1</sup>	End Market Growth Drivers	2021 – 2025 CAGR (3 <sup>rd</sup> Party)	2023 TTM View
<b>Aerospace &amp; Defense</b>		<b>35%/40%</b>	Increased Use of AESA Radar & Increased Military Equipment Builds	<b>3-5%</b>	<b>Above</b>
<b>Automotive</b>		<b>17%</b>	Electric & Autonomous Vehicle & Safety/ADAS/Infotainment	<b>6-8%</b>	<b>Below</b>
<b>Data Center Computing</b>		<b>10%</b>	Semiconductor Development & Data Center expansion	<b>6-9%</b>	<b>Below</b>
<b>Medical &amp; Industrial Instrumentation</b>		<b>20%</b>	Patient Monitoring & Automated Test Equipment and Robotics	<b>2-4%</b>	<b>Below</b>
<b>Networking</b>		<b>13%</b>	5G Infrastructure Spend & Networking Infrastructure	<b>3-6%</b>	<b>Below</b>

<sup>1</sup> 35% includes six months of the acquisition of Telephonics that closed 6/27/22. 40% is Q4 2022.

Source: TTM filings, Prismark Partners Nov 2021, Company estimates

# Strategic Focus



## Diversification

- Diverse end markets
- Near term – Aerospace and Defense



## Differentiation

- Engineering depth
- Early engagement
- Technology breadth
- Global footprint



## Discipline

- Operational execution
- Earnings power
- Cash flow generation

# Broad Technology Suite Delivers Enhanced Value

Transforming TTM Towards Highly Engineered Products and Advanced Technologies for Differentiation

Designed and Engineered Products

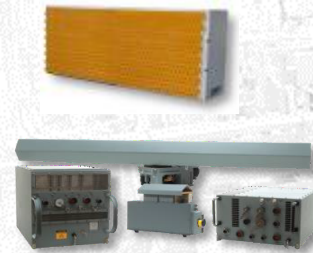
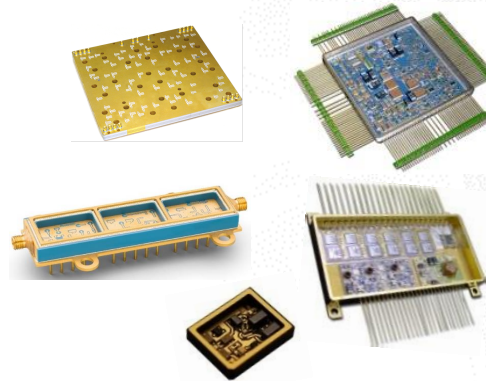
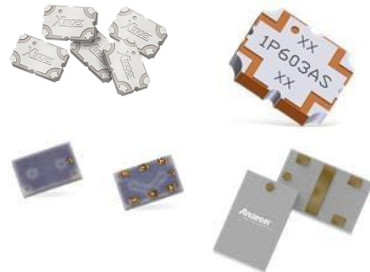
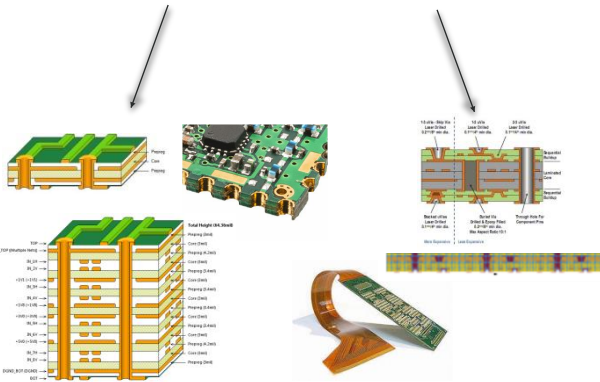
PCB  
Conventional/Advanced

RF Components

Microelectronics and  
Subsystems

Radar

Communications  
Surveillance



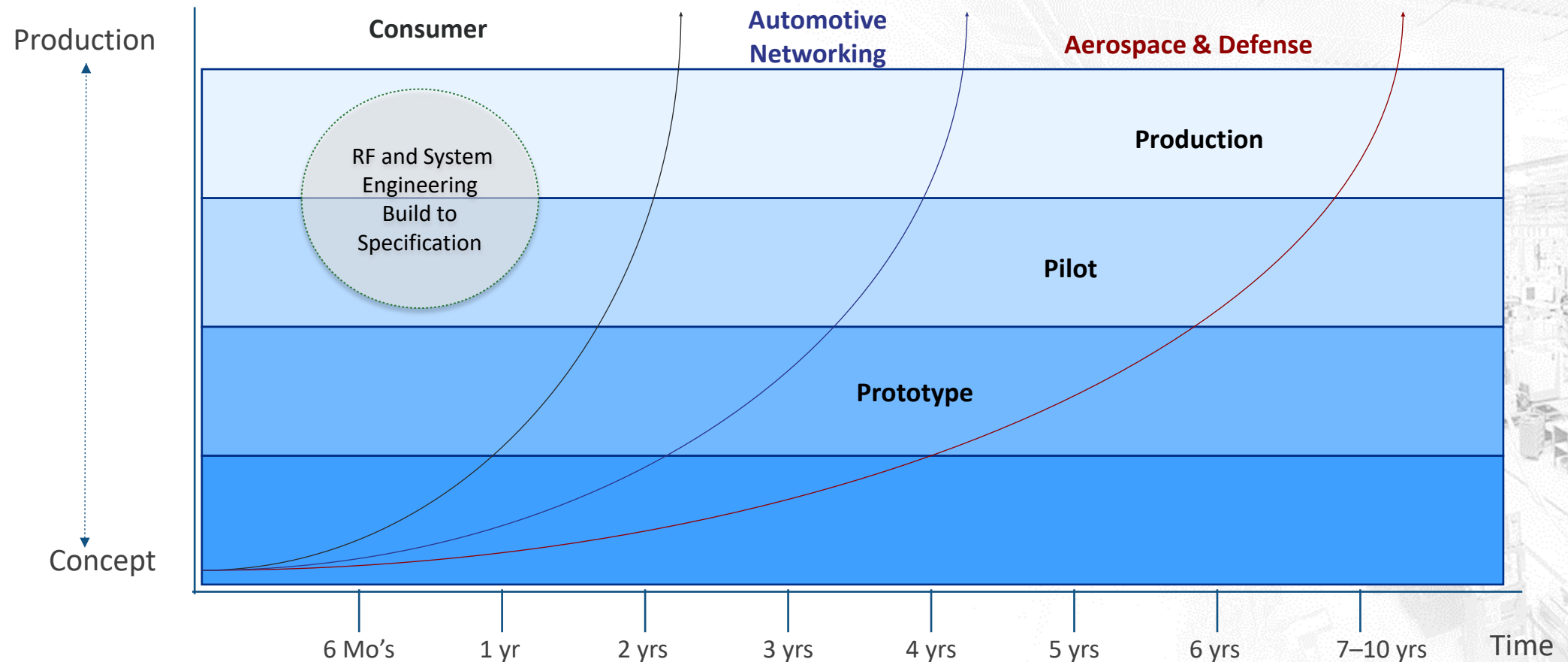
Aerospace and Defense

Commercial

Designed and Engineered Products plus Advanced Technologies are 41% of Revenues<sup>1</sup>

<sup>1</sup> Q1 of 2023

# Successful Customer Engagement Model...

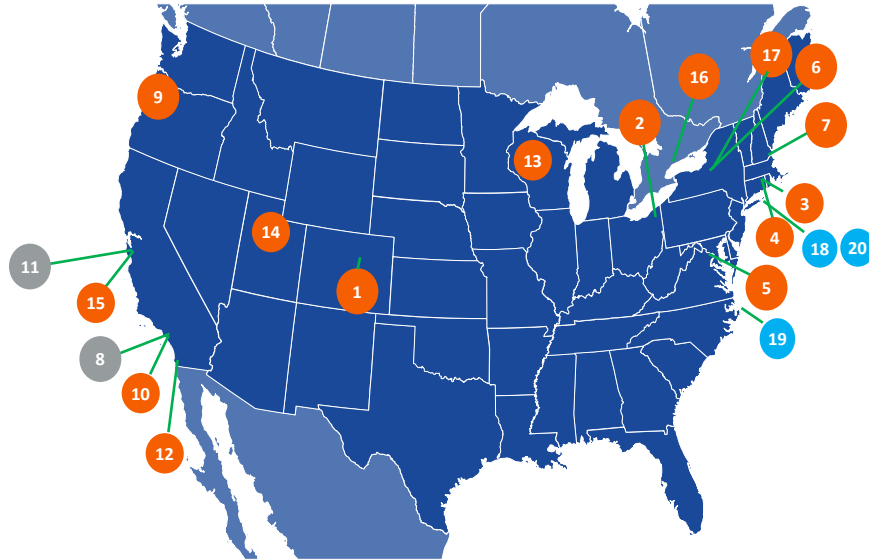


Engaging customers from concept to production to improve market share



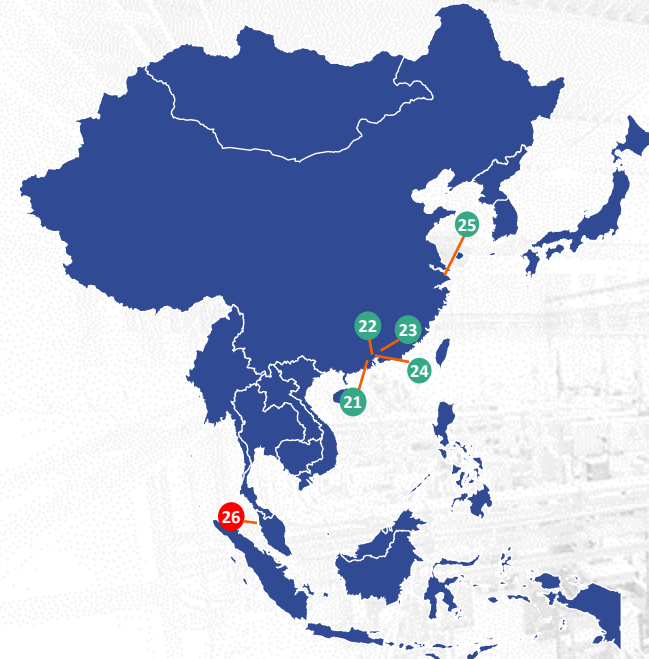
# Global Footprint

(Effective on July 1, 2023)



## NA Operations

- |                         |                                  |                                     |
|-------------------------|----------------------------------|-------------------------------------|
| 1 Denver – DEN          | 8 Anaheim – ANA <sup>1</sup>     | 15 San Jose – SJ                    |
| 2 North Jackson – NJ    | 9 Forest Grove – FG              | 16 Toronto – TOR                    |
| 3 Stafford – ST         | 10 Santa Ana – SA                | 17 Syracuse – SYR-W                 |
| 4 Stafford Springs – SS | 11 Santa Clara – SC <sup>1</sup> | 18 Huntington – HTN <sup>2</sup>    |
| 5 Sterling – STE        | 12 San Diego – SD                | 19 Elizabeth City – EC <sup>2</sup> |
| 6 Syracuse – SYR        | 13 Chippewa Falls – CF           | 20 Farmingdale – FRM <sup>2</sup>   |
| 7 Salem – SAL           | 14 Logan – LG                    |                                     |



## Asia Operations

- |                   |                              |
|-------------------|------------------------------|
| 21 Zhongshan – ZS | 24 Dongguan – DMC            |
| 22 Guangzhou – GZ | 25 Suzhou – SUZ              |
| 23 Huiyang – HY   | 26 Penang – PNG <sup>3</sup> |

<sup>1</sup>Announced Facilities to be Closed

<sup>2</sup>Telephonics Facilities

<sup>3</sup>Pilot production planned to start in 2nd half of 2023

# Penang, Malaysia Start-up Timeline

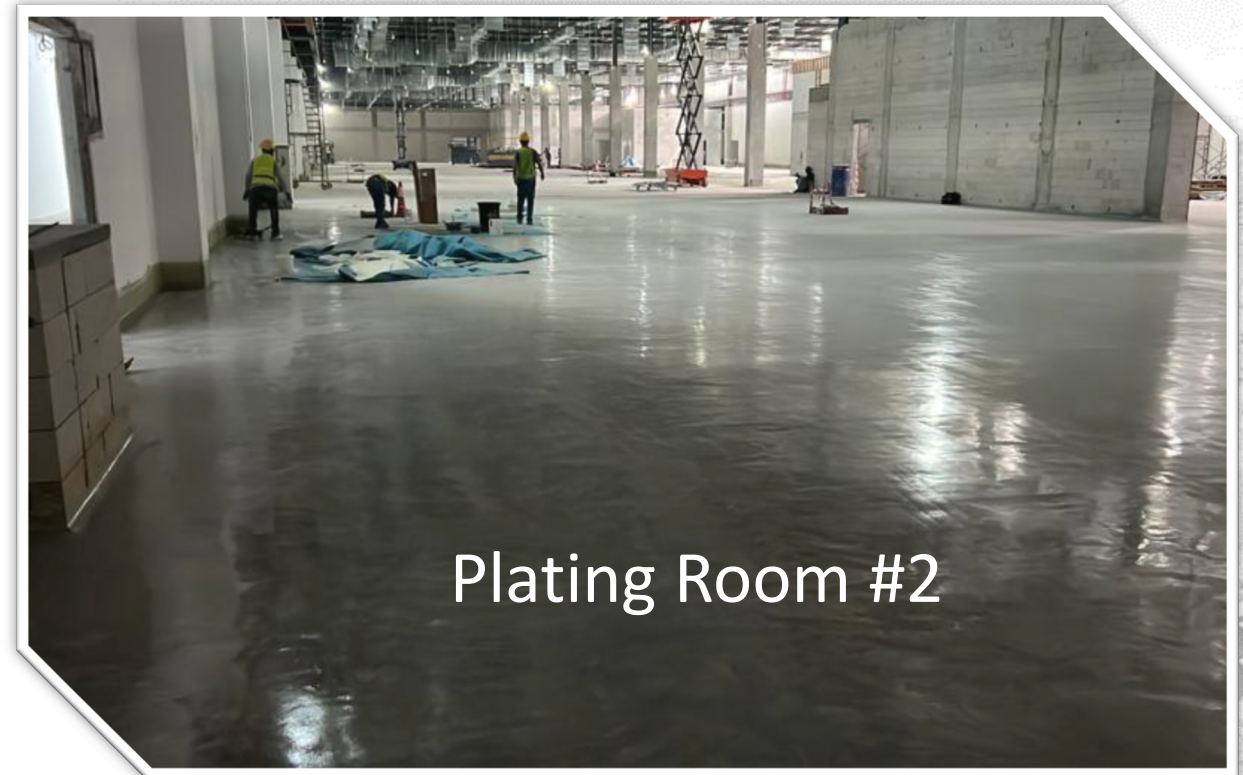
- TTM announces expansion into South East Asia February'22
- Customer contracts in place March'22
- Ground breaking ceremony in April'22
- Equipment installation in August'23
- Customer Qualifications in January'24
- Full production capacity in January'25



We are on schedule to start-up the largest PCB factory in South East Asia this fall

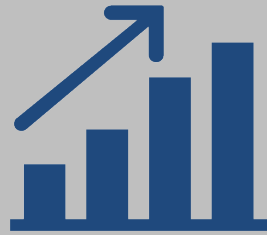
# Penang, Malaysia Start-up Capabilities

- **Factory Specifications**
  - 800,000 square feet
  - Factory automation with Industry 4.0
  - Productivity 150% > China factories
  - Will employ 1,000 people
  - Most sustainable factory in TTM
  - Largest rooftop solar installation in Malaysia
- **25% expansion capacity available to service customer demand**



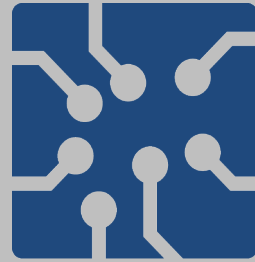
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# Strategic Focus



## Diversification

- Diverse end markets
- Near term – Aerospace and Defense



## Differentiation

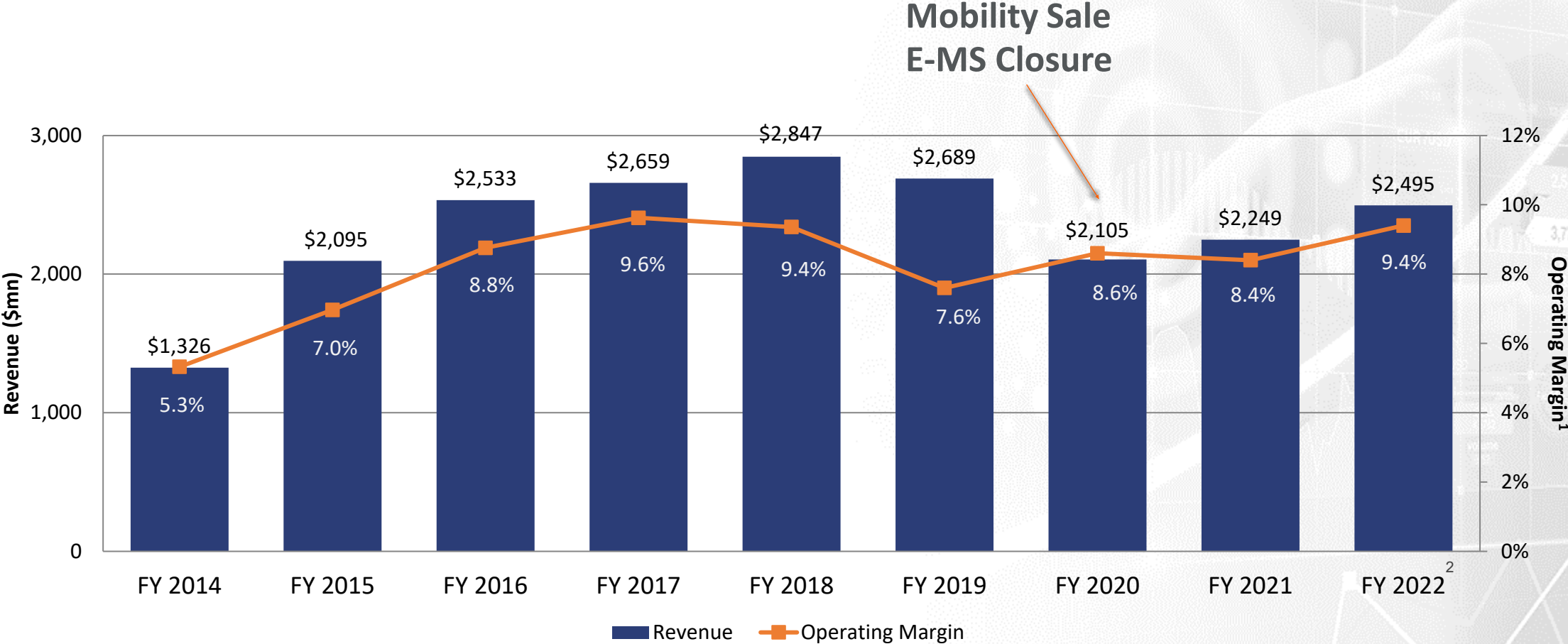
- Engineering depth
- Early engagement
- Technology breadth
- Global footprint



## Discipline

- Operational execution
- Earnings power
- Cash flow generation

# Historical TTM Reported Annual Revenue and Operating Margins



<sup>1</sup>Operating margin is reported non-GAAP. See Appendix for reconciliation

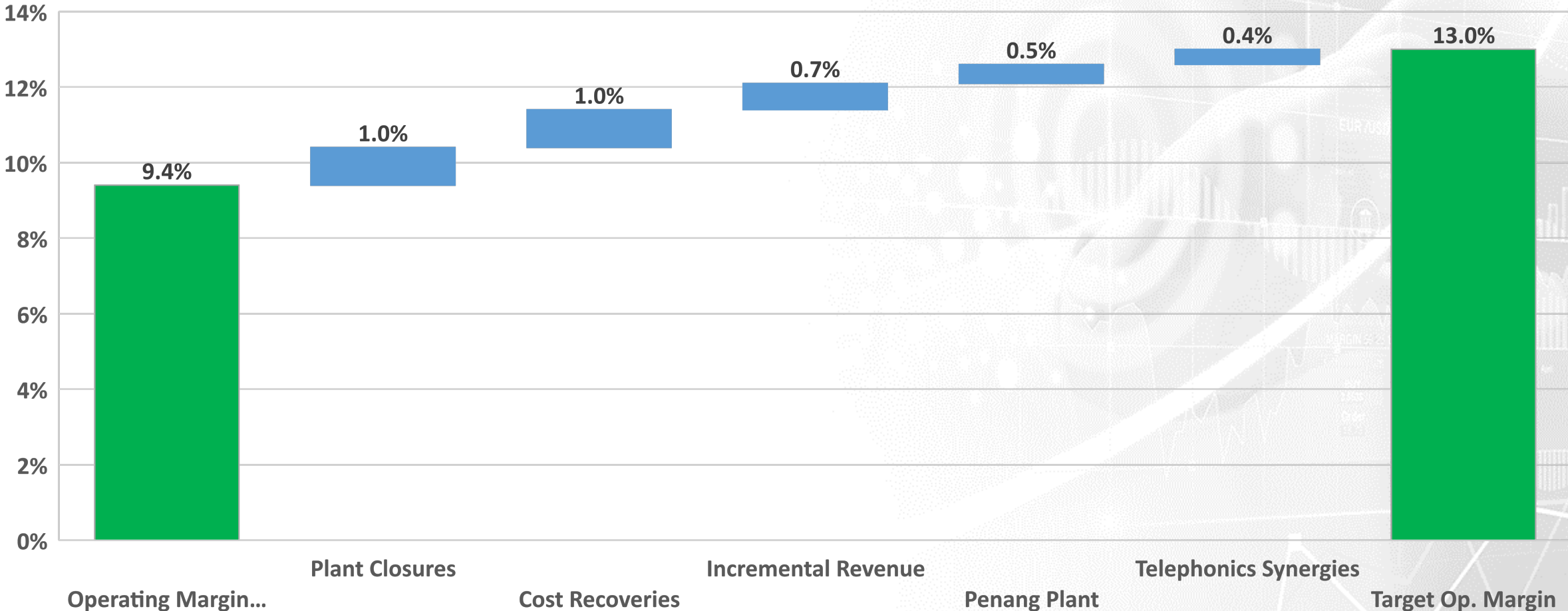
<sup>2</sup>Includes approximately six months of Telephonics which closed 6/27/22

# New Financial Model and Targets

Metric	CY2022	Target
Organic Revenue growth	5.4%	4-6%
Non-GAAP Operating Margin <sup>1</sup>	9.4%	11-13%
Adjusted EBITDA Margin <sup>1</sup>	13.8%	15-17%
Capex	3.9% of Revenues	4-5% of Revenue
Cash Flow from Operations	10.9% of revenues	> 10% of Revenue
Return on Invested Capital	10.5%	13-15%

<sup>1</sup>See Appendix for reconciliation

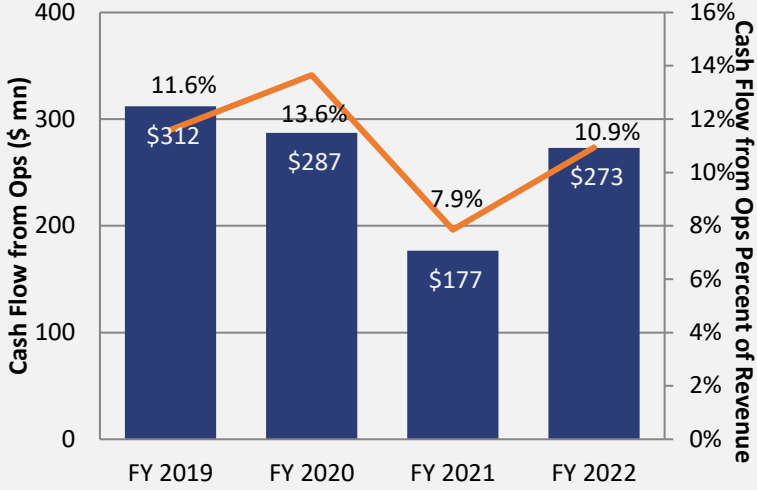
# Operating Margin Improvement Bridge



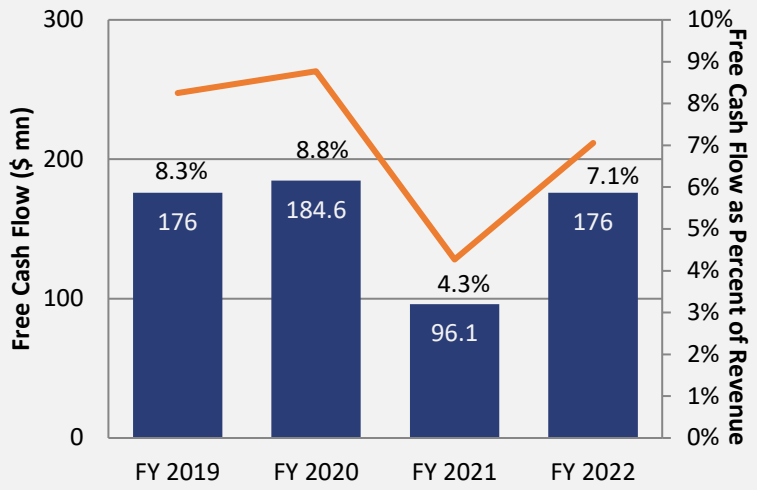
Bridge Also Requires Recovery in Commercial Revenue

# Strong Cash Flow Enables Flexible Capital Allocation Options

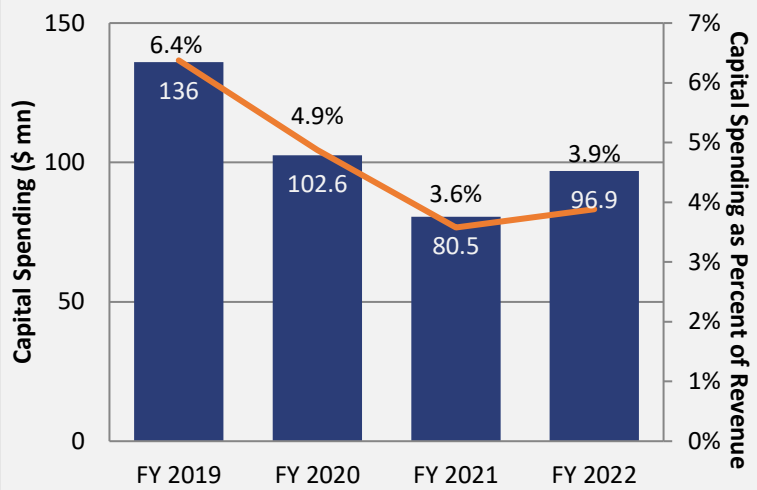
## Cash Flows from Ops



## Free Cash Flow



## Capex

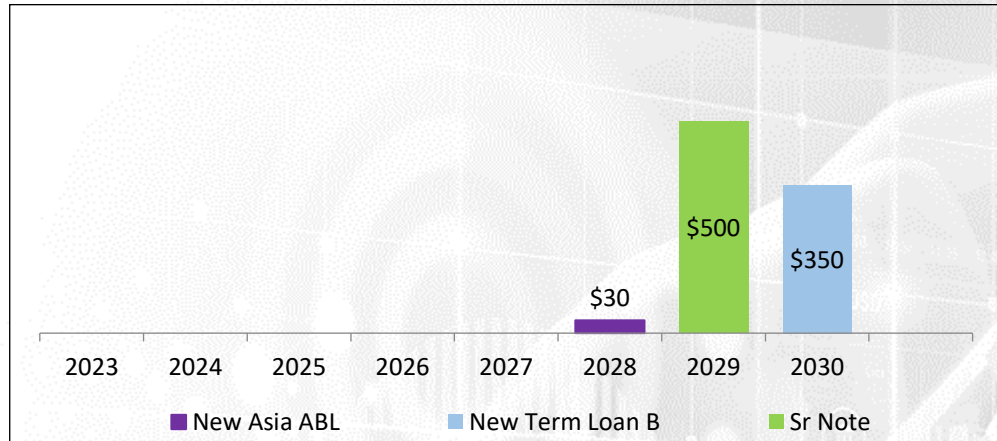




# Capital Structure and Liquidity

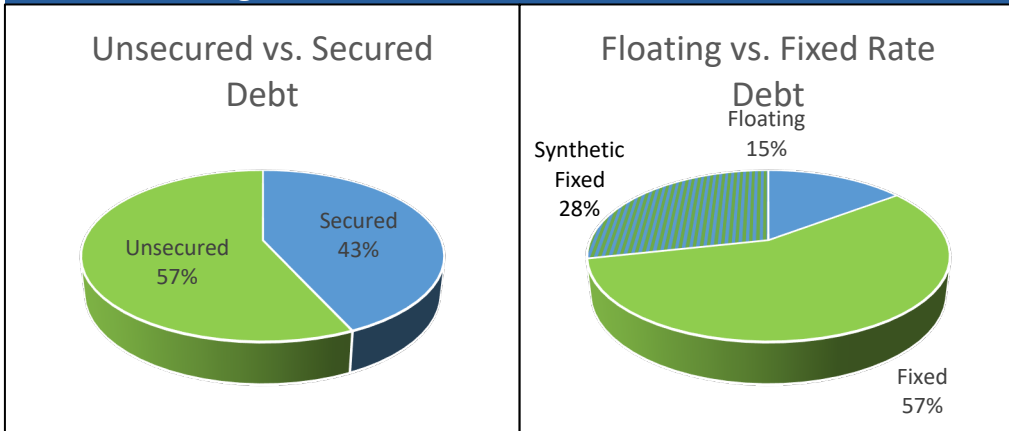
- Net debt leverage ((debt-cash)/EBITDA) is 1.4x below our target range of 1.5 – 2.0x and very healthy
- No debt maturing until 2028
- Current covenants cap our leverage at 4.25x
- Initiated swap in April 2023 for \$250M, effectively fixing ~70% of Term Loan B rate at 6.25%, protecting us from further rate increases; current borrowing rate is 7.9%
- Liquidity (cash plus ABLs) is solid at \$649M

Debt Maturity Profile Pro-forma refinancing



New US ABL also matures in May 2028

Debt Borrowing Mix



Capital Structure in Excellent Shape

# Capital Allocation Strategy



- **Invest in differentiation**

- New product and technology development
- Leading edge equipment
- Strategic acquisitions to strengthen product/technology portfolio



- **Repay debt until <2x net debt/EBITDA**

- \$50 million repayment of Term Loan B in January 2023
- Net debt/EBITDA was 1.4x at the end of Q1 2023
- Refinanced Term Loan B and US and Asia ABLs in Q2 2023



- **Return of capital to shareholders**

- Completed entire \$100 million stock buyback in FY 2022
- Authorized new \$100 million buyback on May 3<sup>rd</sup> 2023
- Future returns dependent on timing of M&A

# Going Forward

- Continued focus on markets with growth characteristics and favorable mega-trends
- Ongoing investment in differentiation:
  - RF and Advanced technology capabilities
  - A&D engineered products
  - Manufacturing footprint
- Solid Financial Management
  - Plan in place to improve operating margins
  - Strong focus on cash flow generation
  - Capital allocation balances investing in business with return of capital to shareholders



*Inspiring Innovation*

**Thank You**



*Inspiring Innovation*

## **Appendix**

# Non-GAAP Operating Margin Reconciliations (TTM Consolidated)

(\$K)	2014	2015	2016	2017	2018	2019	2020	2021	2022
GAAP revenue	1,325,717	2,095,488	2,533,359	2,658,592	2,847,261	2,689,308	2,105,322	2,248,740	2,495,046
Revenue from discontinued operations									
Non-GAAP revenue	1,325,717	2,095,488	2,533,359	2,658,592	2,847,261	2,689,308	2,105,322	2,248,740	2,495,046
Non-GAAP operating income reconciliation <sup>4</sup> :									
GAAP operating income	46,539	61,342	173,453	212,760	159,085	120,121	28,092	125,991	210,408
Operating income (loss) from discontinued operations									
Add back items:									
Amortization of definite-lived intangibles	8,387	18,888	24,252	23,634	63,026	53,296	44,373	41,389	42,631
Accelerated depreciation	-	-	-	-	-	-	6,751	-	124
Stock-based compensation	7,800	9,661	11,090	18,290	20,681	16,816	16,073	17,711	19,525
Gain on sale of assets	-	(2,504)	(1,472)	(2,348)	-	(66)	(97)	(421)	(55,979)
Inventory markup	-	16,220	-	-	4,900	-	-	-	327
Unrealized (gain) loss on commodity hedge	-	-	-	-	-	-	-	(297)	1,785
Restructuring, acquisition-related and other charges	7,881	42,389	14,569	3,556	18,797	13,883	86,237	5,350	16,066
Non-GAAP operating income	70,607	145,996	221,892	255,892	266,489	204,050	181,429	189,723	234,887
Non-GAAP operating margin	5.3%	7.0%	8.8%	9.6%	9.4%	7.6%	8.6%	8.4%	9.4%

Note: Numbers presented may not add up precisely to totals provided due to rounding.

# Non-GAAP Operating Margin Reconciliations (TTM Consolidated)

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
	620,200	633,038	716,817	719,253	497,646	570,298	513,576	523,802	526,432	567,383	556,784	598,141	581,260	625,550	671,080	617,156	544,437
	-	-	-	-	113,174	30,777	-	-	-	-	-	-	-	-	-	-	-
	620,200	633,038	716,817	719,253	610,820	601,075	513,576	523,802	526,432	567,383	556,784	598,141	581,260	625,550	671,080	617,156	544,437
GAAP operating (loss) income	17,490	16,844	36,361	49,426	16,182	22,996	(40,252)	29,166	19,800	40,888	32,235	33,068	25,868	37,202	49,778	97,560	(3,468)
Operating income (loss) from discontinued operations	-	-	-	-	1,441	976	-	-	-	-	-	-	-	-	-	-	-
Add back items:																	
Amortization of definite-lived intangibles	18,005	12,447	11,355	11,489	11,620	11,079	11,510	10,973	10,905	10,425	9,658	10,401	9,658	9,658	11,657	11,658	27,772
Accelerated depreciation	-	-	-	-	-	2,754	2,940	1,057	-	-	-	-	-	105	19	-	1,276
Stock-based compensation	3,926	3,602	4,662	4,626	4,835	2,647	4,479	4,112	4,209	3,350	4,944	5,208	4,234	4,427	5,470	5,394	5,240
Gain on sale of assets	-	-	-	(66)	-	-	-	(97)	(410)	(11)	-	-	-	-	-	(55,979)	(173)
Inventory markup	-	-	-	-	-	-	-	-	-	-	-	-	-	-	248	79	163
Unrealized (gain) loss on commodity hedge	-	-	-	-	-	-	-	-	-	(99)	164	(362)	(1,403)	5,210	385	(2,407)	(2,128)
Restructuring, acquisition-related and other charges	1,103	4,351	1,573	6,856	1,596	14,273	68,270	2,098	3,285	566	699	800	1,138	11,012	655	3,261	4,668
Non-GAAP operating income	40,524	37,244	53,951	72,331	35,674	54,725	46,947	47,309	37,789	55,119	47,700	49,115	39,495	67,614	68,212	59,566	33,350
Non-GAAP operating margin	6.5%	5.9%	7.5%	10.1%	5.8%	9.1%	9.1%	9.0%	7.2%	9.7%	8.6%	8.2%	6.8%	10.8%	10.2%	9.7%	6.1%

Note: Numbers presented may not add up precisely to totals provided due to rounding.

# Non-GAAP Reconciliations (TTM Consolidated)

\$ Millions (except where noted)	2019	2019*	2020*	2021*	2022*
GAAP Gross Profit	\$401.7	\$377.2	\$359.0	\$372.0	\$458.0
Add back item:					
Inventory markup	-	-	-	-	0.3
Stock-based compensation	3.2	3.1	3.9	4.7	5.8
Accelerated Depreciation	-	-	5.8	-	0.1
Amortization of intangibles	4.8	4.8	5.5	5.6	5.5
Other infrequent items	-	-	-	(0.0)	1.8
<b>Non-GAAP Gross Profit</b>	<b>409.7</b>	<b>385.1</b>	<b>374.3</b>	<b>382.3</b>	<b>471.6</b>
GAAP Operating Income	120.1	109.6	28.1	126.0	210.4
Add back items:					
Amortization of intangibles	53.3	50.6	44.4	41.4	42.6
Accelerated Depreciation	-	0.0	6.8	-	0.1
Stock-based compensation	16.8	16.8	16.1	17.7	19.5
Impairment, restructuring, and acquisition-related charges	13.9	12.3	86.2	5.4	16.1
Inventory markup	-	-	-	-	0.3
Other infrequent items	-	(0.1)	(0.1)	(0.7)	(54.2)
<b>Non-GAAP Operating Income</b>	<b>204.1</b>	<b>189.3</b>	<b>181.4</b>	<b>189.7</b>	<b>234.9</b>
GAAP TTM Technologies Net Income (Loss)	41.3	31.9	(16.4)	54.4	94.6
Add back items:					
Amortization of intangibles	53.3	50.6	44.4	41.4	42.6
Accelerated Depreciation	-	0.0	6.8	-	0.1
Stock-based compensation	16.8	16.8	16.1	17.7	19.5
Non-cash interest expense	14.3	14.3	17.5	2.1	2.2
Impairment, restructuring, acquisition-related, and loss on extinguishment of debt	13.9	12.3	86.2	20.6	16.1
Inventory markup	-	-	-	-	0.3
Other infrequent items	(3.7)	(3.7)	(0.8)	(5.5)	(55.1)
Income tax effects	(15.3)	(15.0)	(37.0)	7.4	60.9
<b>Non-GAAP TTM Technologies Net Income</b>	<b>120.5</b>	<b>107.1</b>	<b>116.7</b>	<b>138.0</b>	<b>181.2</b>
<b>Non-GAAP EPS (\$ per diluted share)</b>	<b>1.13</b>	<b>1.01</b>	<b>1.10</b>	<b>1.28</b>	<b>1.74</b>
GAAP Net Income (Loss)	41.3	31.9	(16.4)	54.4	94.6
Add back items:					
Income tax provision	4.9	2.4	(29.9)	15.6	88.3
Interest expense	83.2	82.1	73.2	45.5	45.5
Amortization of intangibles	53.3	50.6	44.4	41.4	42.6
Depreciation expense	166.6	93.4	99.6	85.9	91.3
Stock-based compensation	16.8	16.8	16.1	17.7	19.5
Other infrequent items	(3.7)	(3.7)	(0.8)	(5.5)	(55.1)
Inventory markup	-	-	-	-	0.3
Impairment, restructuring, acquisition-related, and loss on extinguishment of debt	13.9	12.3	86.2	20.6	16.1
<b>Adjusted EBITDA</b>	<b>376.2</b>	<b>285.7</b>	<b>272.3</b>	<b>275.6</b>	<b>343.1</b>

\*Proforma excluding Mobility