

TTM Technologies, Inc. Q4'22 Earnings Results Presentation

February 8th, 2023



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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.

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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.

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.

Third Party Information

The information contained herein does not purport to be all inclusive. This presentation has been prepared by the Company and includes information from other sources believed by the Company to be reliable. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of any of the opinions and conclusions set forth herein based on such information. This presentation may contain descriptions or summaries of certain documents and agreements, but such descriptions or summaries are qualified in their entirety by reference to the actual documents or agreements. Unless otherwise indicated, the information contained herein speaks only as of the date hereof and is subject to change, completion or amendment without notice.

Key Messages from Q4 2022 Earnings Report and Call

- Revenue of \$617.2M below guidance of \$630-\$670M
- GAAP EPS of \$0.06
- Non-GAAP EPS of \$0.41 above the midpoint of guidance of \$0.36-\$0.42
- Operating cash flow of \$77.6 million; free cash flow of \$56.8 million
- Cash balance of \$402.7M. Net leverage defined as net debt divided by last twelve months of EBITDA at 1.5x.
- Expect Q1 revenues of \$550 to \$590M and non-GAAP EPS of \$0.16 to \$0.22
- Announced consolidation of manufacturing footprint
- On January 3rd, 2023, repaid \$50M of Term Loan B

Q4'22 End Market Commentary

| End Market (% of Revenues) | Q4'22 | Q4'21 | Year on Year Growth | Q1'23 Guidance |
|---------------------------------------|-------|-------|---------------------|----------------|
| Aerospace & Defense | 40% | 30% | 35% (3.4% organic) | 43% |
| Automotive | 16% | 19% | (11.5%) | 17% |
| Medical, Industrial & Instrumentation | 17% | 19% | (6.3%) | 18% |
| Networking | 13% | 16% | (16.8%) | 10% |
| Data Center Computing | 14% | 15% | (4.6%) | 12% |

End Market Growth Drivers and Outlook¹

| | | FY 2022 Net Sales | End Market Growth Drivers | 2021 – 2025 CAGR (3rd Party) | 2023 TTM View |
|---|---|------------------------------|---|--|----------------------|
| Aerospace & Defense |  | 35% | Increased Use of AESA Radar & Increased Military Equipment Builds | 3-5% | Above |
| Automotive |  | 17% | Electric & Autonomous Vehicle & Safety/ADAS/Infotainment | 6-8% | Below |
| Data Center Computing |  | 15% | Semiconductor Development & Data Center expansion | 9-12% | Below |
| Medical & Industrial Instrumentation |  | 20% | Patient Monitoring & Automated Test Equipment | 2-4% | Below |
| Networking |  | 13% | 5G Infrastructure Spend & Networking Infrastructure | 3-6% | Below |

¹ FY22 includes six months of Telephonics . 2023 TTM View is organic.

Q4 2022 Operational Metrics¹

| Operating Metric | Q4'22 | Q4'21 |
|--|------------|----------|
| Advanced Technology | 39% | 31% |
| Asia Pacific PCB Capacity Utilization | 75% | 88% |
| North America PCB Capacity Utilization | 40% | 50% |
| Top 5 Customers | 37% | 32% |
| Backlog | \$603.1 mn | \$615 mn |
| A&D Program Backlog | \$1,360 mn | \$768 mn |
| Book to Bill | 1.05 | 1.20 |

¹Results for Q4'22 include Telephonics while Q4'21 does not

Quarterly Financial Results and Guidance

| Financial Metric (Non-GAAP) ¹ | Q4'22 | Q4'21 | Year on Year Change | Q1'23 Guide |
|--|------------|------------|---------------------|----------------|
| Revenues | \$617.2 mn | \$598.1 mn | 3.2% | \$550-\$590 mn |
| Operating Margin | 9.7% | 8.2% | 1.5 pts | N/A |
| EBITDA Margin | 13.2% | 11.8% | 1.4 pts | N/A |
| EPS | \$0.41 | \$0.34 | \$0.07 | \$0.16-\$0.22 |
| Cash flow from Ops | \$77.6 mn | \$62.4 mn | \$15.2 mn | N/A |
| Capex | \$20.8 mn | \$19.5 mn | \$1.3 mn | N/A |
| Free Cash flow | \$56.8 mn | \$42.9 mn | \$13.9 mn | N/A |
| Net debt/EBITDA | 1.5x | 1.4x | 0.1x | N/A |

¹See Appendix for reconciliation to GAAP



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Thank You



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Appendix

Non-GAAP Reconciliations Q4 22

| | Fourth Quarter | |
|---|----------------|-----------|
| | 2022 | 2021 |
| Non-GAAP gross profit reconciliation ³ : | | |
| GAAP gross profit | \$ 121,402 | \$ 97,322 |
| Add back item: | | |
| Amortization of definite-lived intangibles | 1,383 | 1,490 |
| Accelerated depreciation | - | - |
| Stock-based compensation | 1,699 | 1,404 |
| Unrealized (gain) loss on commodity hedge | (2,407) | (362) |
| Purchase accounting related inventory markup | 79 | - |
| Restructuring and other charges | - | 7 |
| Non-GAAP gross profit | \$ 122,156 | \$ 99,861 |
| Non-GAAP gross margin | 19.8% | 16.7% |
| Non-GAAP operating income reconciliation ⁴ : | | |
| GAAP operating income | \$ 97,560 | \$ 33,068 |
| Add back items: | | |
| Amortization of definite-lived intangibles | 11,658 | 10,401 |
| Accelerated depreciation | - | - |
| Stock-based compensation | 5,394 | 5,208 |
| Gain on sale of assets | (55,979) | - |
| Unrealized (gain) loss on commodity hedge | (2,407) | (362) |
| Purchase accounting related inventory markup | 79 | - |
| Restructuring, acquisition-related and other charges | 3,261 | 800 |
| Non-GAAP operating income | \$ 59,566 | \$ 49,115 |
| Non-GAAP operating margin | 9.7% | 8.2% |
| Non-GAAP net income and EPS reconciliation ⁵ : | | |
| GAAP net income | \$ 6,017 | \$ 8,387 |
| Add back items: | | |
| Amortization of definite-lived intangibles | 11,658 | 10,401 |
| Accelerated depreciation | - | - |
| Stock-based compensation | 5,394 | 5,208 |
| Non-cash interest expense | 543 | 496 |
| Gain on sale of assets | (55,979) | - |
| Change in fair value of warrant liabilities | - | (373) |
| Loss on extinguishment of debt | - | - |
| Unrealized (gain) loss on commodity hedge | (2,407) | (362) |
| Purchase accounting related inventory markup | 79 | - |
| Restructuring, acquisition-related and other charges | 3,261 | 800 |
| Income taxes ⁶ | 74,131 | 11,636 |
| Non-GAAP net income | \$ 42,697 | \$ 36,193 |
| Non-GAAP earnings per diluted share | \$ 0.41 | \$ 0.34 |
| Adjusted EBITDA reconciliation ⁷ : | | |
| GAAP net income | \$ 6,017 | \$ 8,387 |
| Add back items: | | |
| Income tax provision | 77,077 | 12,237 |
| Interest expense | 12,506 | 11,860 |
| Amortization of definite-lived intangibles | 11,658 | 10,401 |
| Depreciation expense | 23,970 | 22,231 |
| Stock-based compensation | 5,394 | 5,208 |
| Gain on sale of assets | (55,979) | - |
| Change in fair value of warrant liabilities | - | (373) |
| Loss on extinguishment of debt | - | - |
| Unrealized (gain) loss on commodity hedge | (2,407) | (362) |
| Purchase accounting related inventory markup | 79 | - |
| Restructuring, acquisition-related and other charges | 3,261 | 800 |
| Adjusted EBITDA | \$ 81,576 | \$ 70,389 |
| Adjusted EBITDA margin | 13.2% | 11.8% |
| Free cash flow | \$ 56,780 | \$ 42,914 |

³ Non-GAAP gross profit and gross margin measures exclude amortization of intangibles, accelerated depreciation, stock-based compensation expense, unrealized (gain) loss on commodity hedge, purchase accounting related inventory markup, restructuring and other charges.

⁴ Non-GAAP operating income and operating margin measures exclude amortization of intangibles, accelerated depreciation, stock-based compensation expense, gain on sale of assets, unrealized (gain) loss on commodity hedge, purchase accounting related inventory markup, restructuring, acquisition-related costs, and other charges.

⁵ This information provides non-GAAP net income and non-GAAP EPS, which are non-GAAP financial measures. Management believes that both measures -- which add back amortization of intangibles, accelerated depreciation, stock-based compensation expense, non-cash interest expense on debt (before consideration of capitalized interest), gain on sale of assets, change in fair value of warrant liabilities, loss on extinguishment of debt, unrealized (gain) loss on commodity hedge, purchase accounting related inventory markup, restructuring, acquisition-related costs, and other charges as well as the associated tax impact of these charges and discrete tax items -- provide additional useful information to investors regarding the Company's ongoing financial condition and results of operations.

⁶ Income tax adjustments reflect the difference between income taxes based on a non-GAAP tax rate and a forecasted annual GAAP tax rate. In addition, the non-GAAP rate in the fourth quarter of 2022 excludes the tax impact of \$51,748 related to an increase in the U.S. valuation allowance.

⁷ Adjusted EBITDA is defined as earnings before interest expense, income taxes, depreciation, amortization of intangibles, stock-based compensation expense, gain on sale of assets, change in fair value of warrant liabilities, loss on extinguishment of debt, unrealized (gain) loss on commodity hedge, purchase accounting related inventory markup, restructuring, acquisition-related costs, and other charges. We present adjusted EBITDA to enhance the understanding of our operating results, and it is a key measure we use to evaluate our operations. In addition, we provide our adjusted EBITDA because we believe that investors and securities analysts will find adjusted EBITDA to be a useful measure for evaluating our operating performance and comparing our operating performance with that of similar companies that have different capital structures and for evaluating our ability to meet our future debt service, capital expenditures, and working capital requirements. However, adjusted EBITDA should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to net income as a measure of operating results in accordance with accounting principles generally accepted in the United States of America.