



# IMI Analyst Briefing

July 27, 2018

Tower Club, Makati

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# Highlights

## Sales Pipeline

## Serbia Operating Site

## Trade Talks and Tariffs

- New Program Wins (\$212M) up 32% vs last year
- Scheduled inauguration in Q4; \$36M of business won YTD
- China to USA, Europe to USA, and UK to EU exports only account for 4% of IMI revenues
- Growth is driven by EU and China domestic business which continue to show positive outlook
- IMI's global operating structure enables for easier transfer of business across locations.

## TRAIN Law

- The Philippines accounts for only 20% of the Group's business
- The proposed tax regime will allow for a lower effective tax rate for IMI PH

## Material Shortage

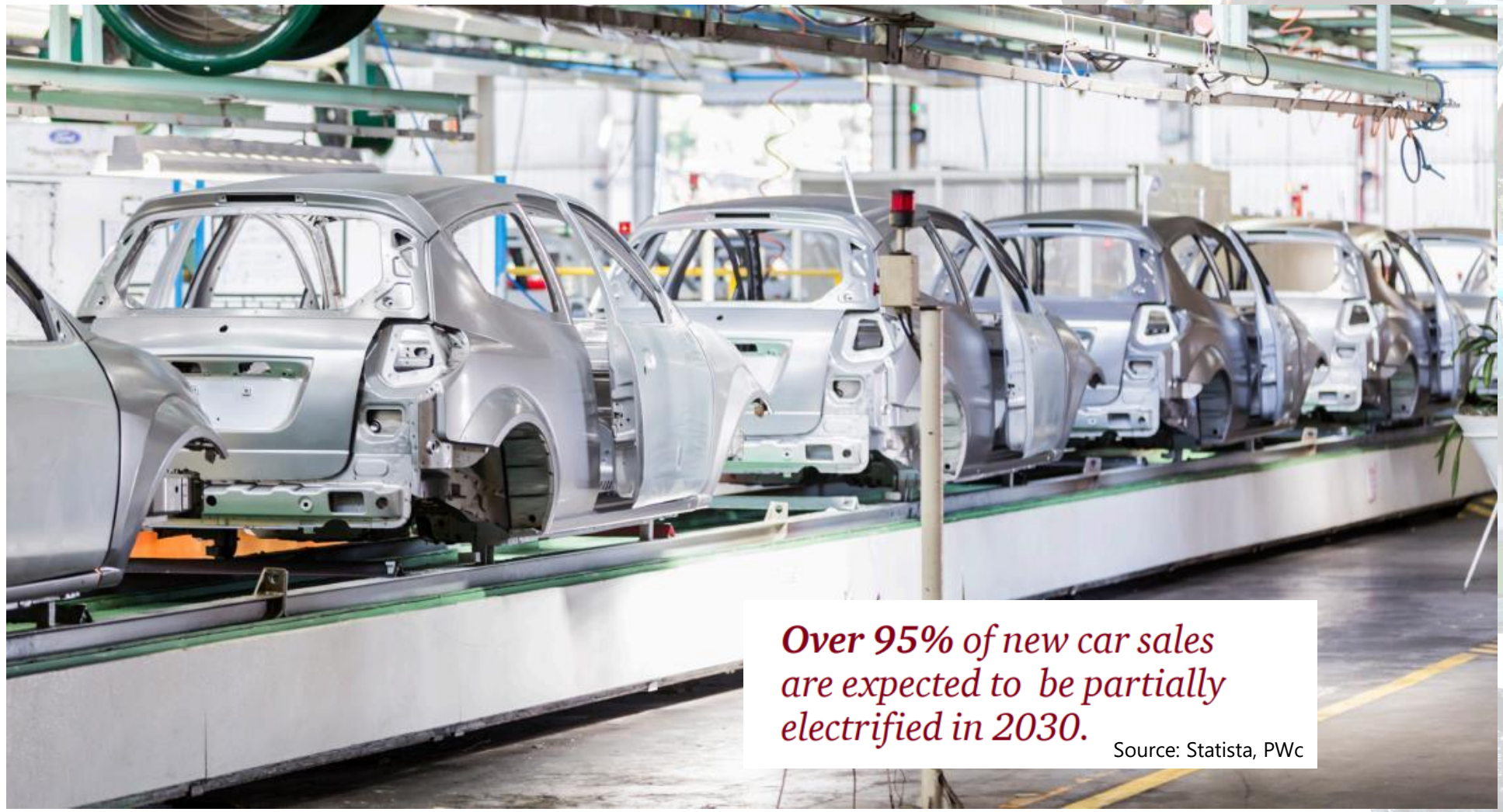
- A majority of IMI suppliers are global distributors, giving us opportunities to mitigate any effects on the supply chain
- Working with customers to identify alternative suppliers and sharing of increased costs

# Market Trends



# Electrification of the Vehicle

*In 2030, cost of electronics in a car would be more than 50% of total value*



*Over 95% of new car sales are expected to be partially electrified in 2030.*

Source: Statista, PwC

# Automotive Segment

## Electronic Control Units (ECU)



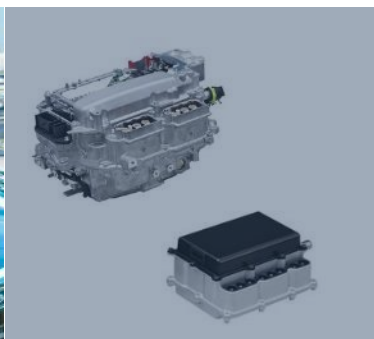
**US\$9.9 B**  
**6% CAGR**

## ADAS



**US\$25.8 B**  
**10.4% CAGR**

## Power Electronics



**US\$4.5B**  
**4.5% CAGR**

## Safety Systems



**US\$82.8B**  
**9.4% CAGR**

## Automotive Displays



**US\$5.37 B**  
**12.8% CAGR**

Sources: Research and Markets, Report Linker, Markets and Markets

# Industrial Segment

**Security  
and IoT  
Solutions**

**Automation &  
Systems  
Integration**

**Lighting  
Solutions**

**New Energy  
Solutions**

**Industrial  
Controls &  
Appliances**



**US\$80 B  
8% CAGR**

**US\$129 B  
4.9% CAGR**

**US\$12 B  
12% CAGR**

**US\$74 B  
10+% CAGR**

**US\$117 B  
5% CAGR**

Sources: Industry Arc, Report Linker, Navigant Research, Allied Market Research, Markets and Markets

# Aerospace Segment

## Avionics Systems



**US\$26.8 B**  
**4.7% CAGR**

## Inflight Internet



**US\$3.9 B**  
**16.5% CAGR**

## SATCOM Equipment



**US\$18.6 B**  
**8.5% CAGR**

Sources: HTF Market Intelligence, Research and Markets, Markets and Markets

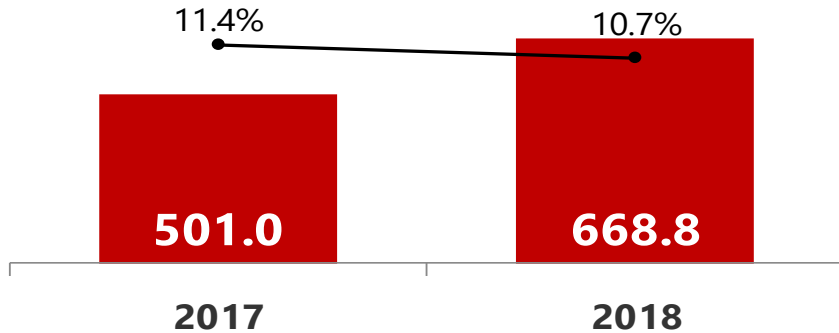


# Financials

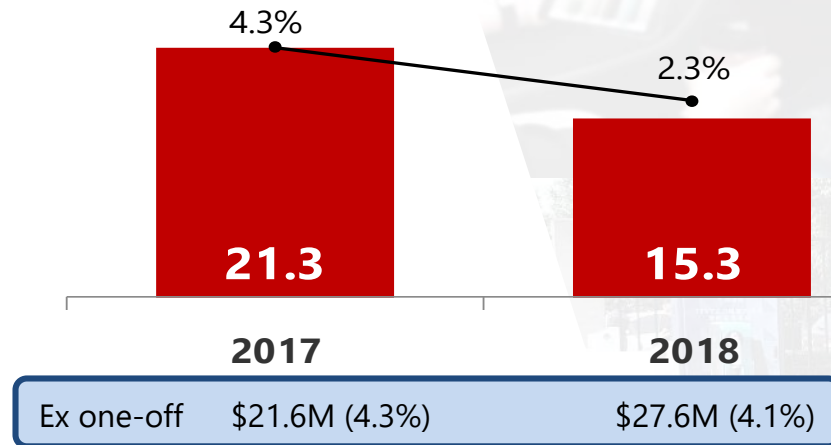


# Strong Revenue Performance

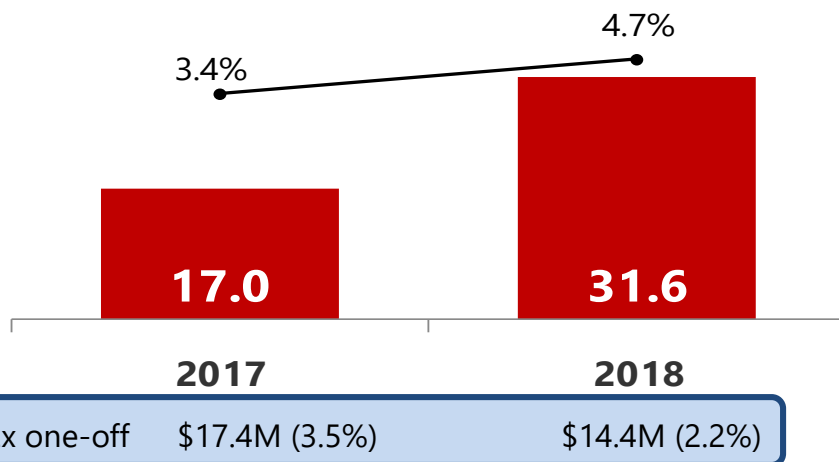
## Revenue and Gross Margin



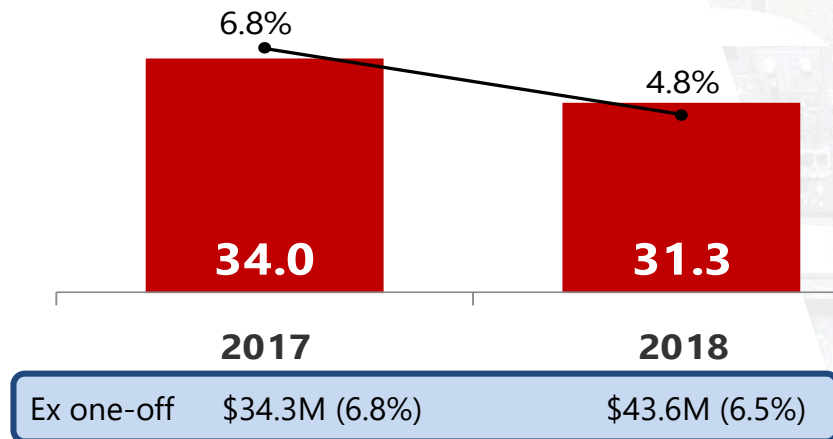
## Operating Income



## Net Income

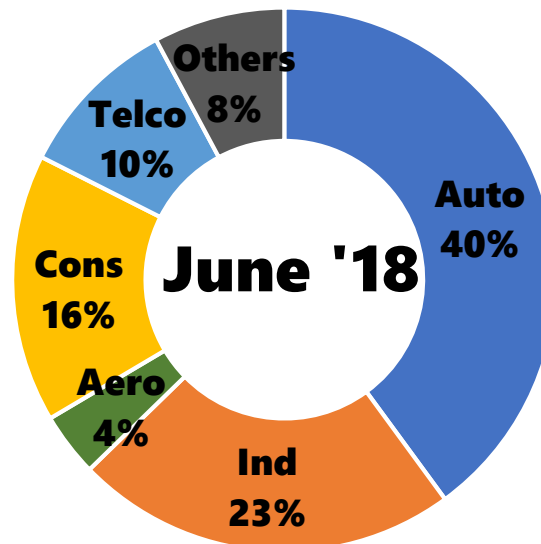
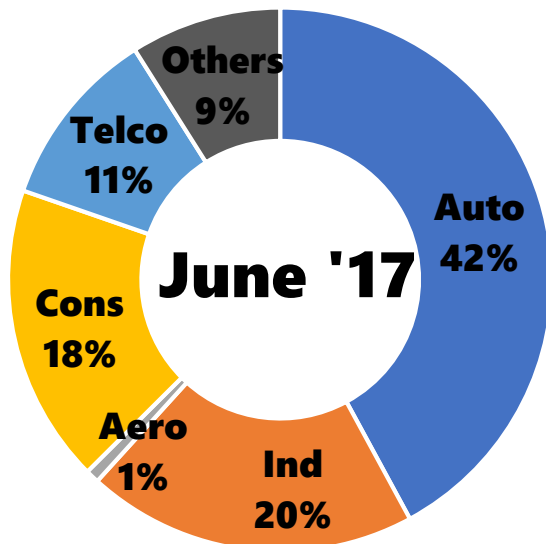


## EBITDA



# Segment Updates

	Jun - 17	Jun - 18	Y/Y%
<b>Auto</b>	210.9	267.1	27%
<b>Ind*</b>	103.7	152.3	47%
<b>Aero*</b>	24.6	25.3	3%
<b>Cons</b>	89.1	106.7	20%
<b>Telco</b>	53.7	65.1	21%
<b>Others</b>	45.0	52.3	16%
<b>TOTAL</b>	<b>501.0</b>	<b>668.8</b>	<b>33%</b>



\*Jan-Jun STI Rev

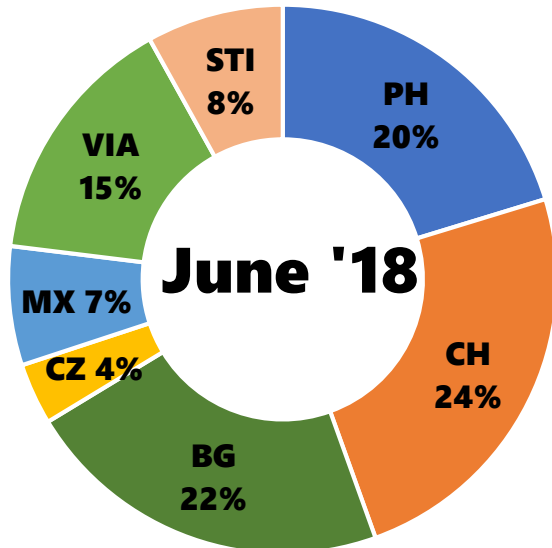
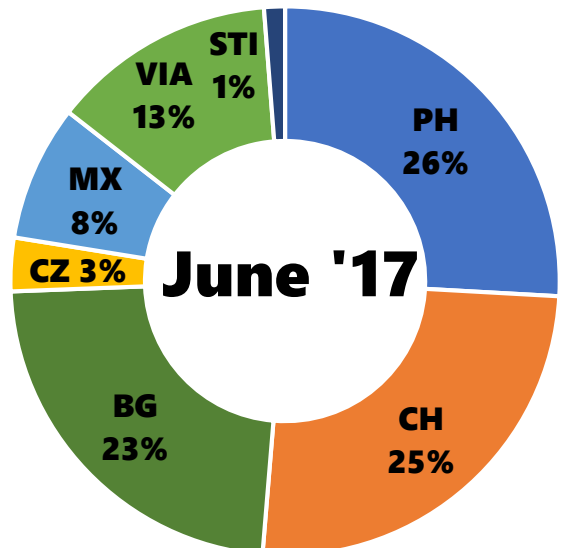
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# Region Updates

	June - 17	June - 18	Y / Y %	CAPEX
PH	111.9	118.6	6%	9.2
CH	127.5	162.1	27%	10.3
BG	115.8	145.9	26%	3.1
CZ	15.8	24.2	53%	1.8
MX	40.1	46.9	17%	2.6
VIA	66.3	100.3	51%	1.2
STI*	33.7	53.9	60%	1.1
SERBIA	-	-		5.5
<b>TOTAL</b>	<b>501.0</b>	<b>668.8</b>	<b>33%</b>	<b>35.0</b>

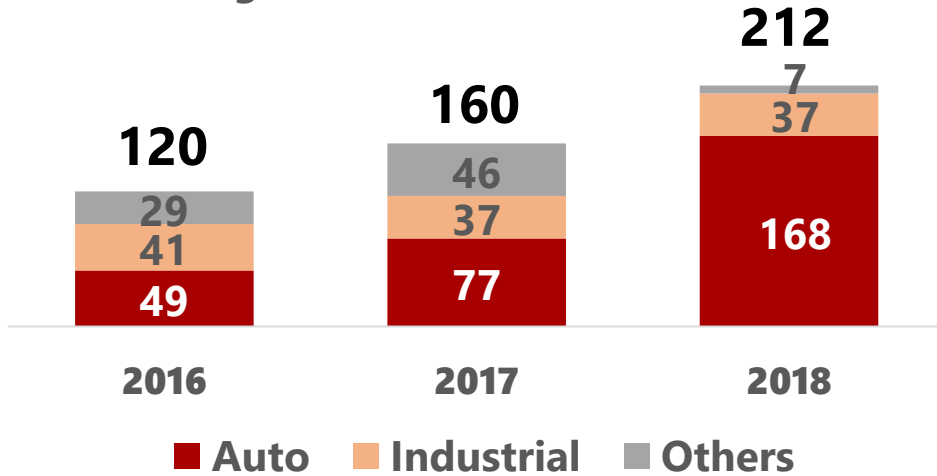
- PH big wins in automotive camera and power module applications
- CH Continued growth in Auto segment at 44% vsLY; Auto now 16% of region revenue
- CZ 49% growth in revenues driven by mass production of new wins
- MX mass production delay (~\$3M)
- VIA target markets Auto and Industrial growing rapidly, now 31% of revs vs 10% last year
- SERBIA inauguration scheduled for Q4 this year with key projects already won in the pipeline



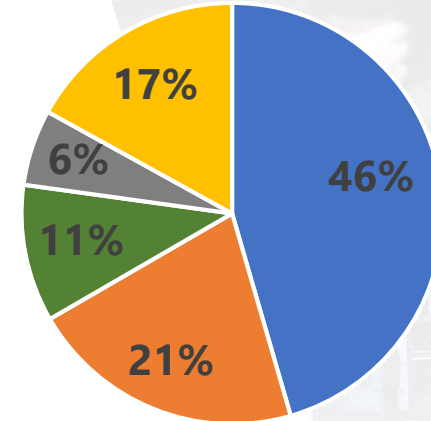
\*Jan-Jun STI Rev

# IMI Core Program Wins (1<sup>st</sup> Half): \$212M

## 1st Half Program Wins



## Win Location - June 2018

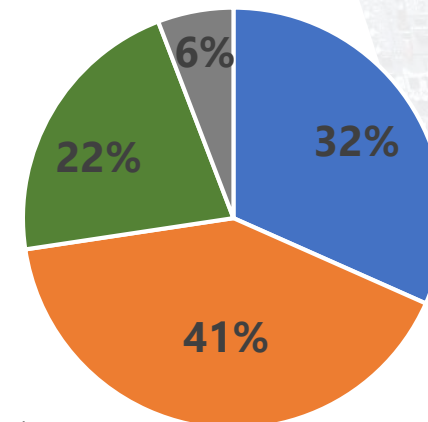


■ Philippines ■ China ■ Europe ■ MX ■ Serbia

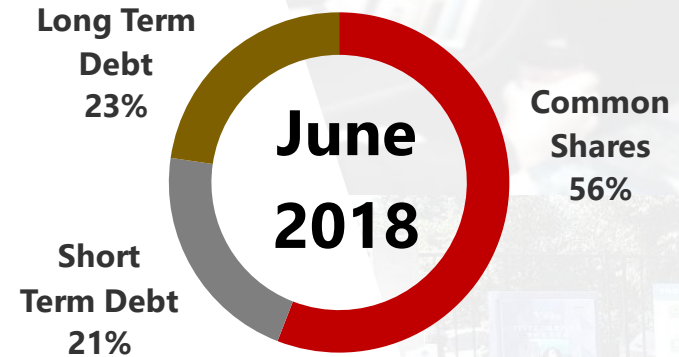
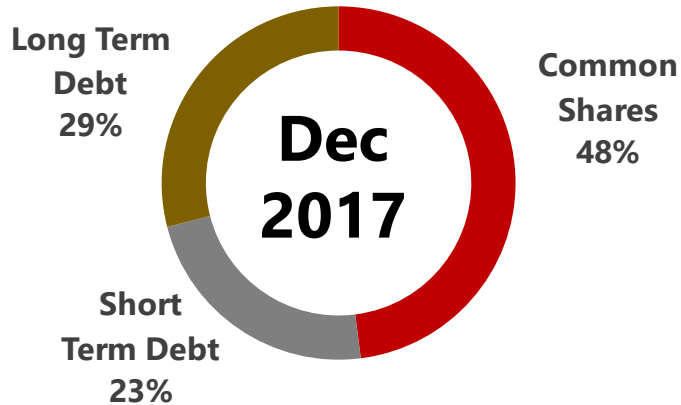
## Notable Wins in 2018

360° Camera	Auto	Philippines
Power Module Applications	Auto/Ind	Philippines
EBS and ABS control units	Auto	Serbia
Active Seatbelt Control	Auto	Bulgaria
Automatic Vehicle Opening Control	Auto	China

## Win Location - June 2017



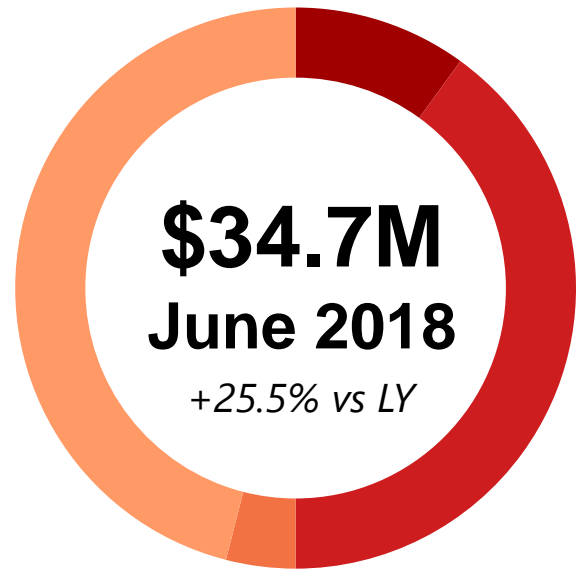
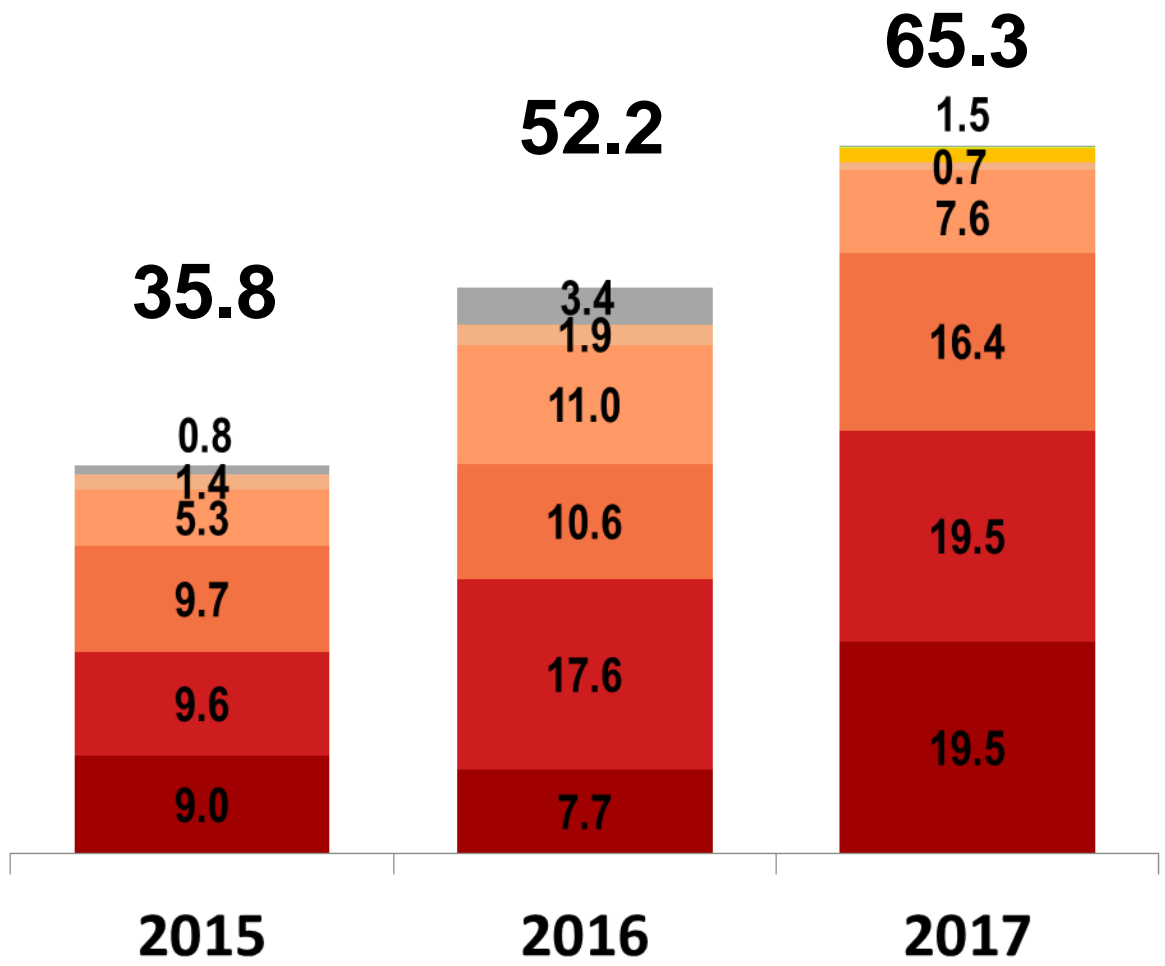
# Capital Structure



(US\$ Millions)	Dec 2017	June 2018
Short-term debt	135.1	150.1
Long-term debt	160.0	158.9
<b>Total Bank Debts</b>	<b>295.1</b>	<b>309.0</b>
Cash	90.6	131.9
<b>Net Debt</b>	<b>204.5</b>	<b>177.1</b>
Common Equity	273.7	391.5

Key financial ratios	Dec 2017	June 2018
Current ratio	1.28	1.49
Bank Debt/Equity	1.08	0.79
Book value/share (\$)	0.147	0.177
Return on common equity (TTM)	13.3%	14.8%
P/E (TTM)	22.7	11.7

# Disciplined Capital Investments



- Buildings.....10%
- Machinery.....40%
- Furn & Fix.....4%
- Construction...46%

■ Philippines ■ China ■ Europe ■ Mexico ■ PSI ■ VIA ■ STI ■ Others



# THANK YOU



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