



# IMI Analyst Briefing 2025 Q2

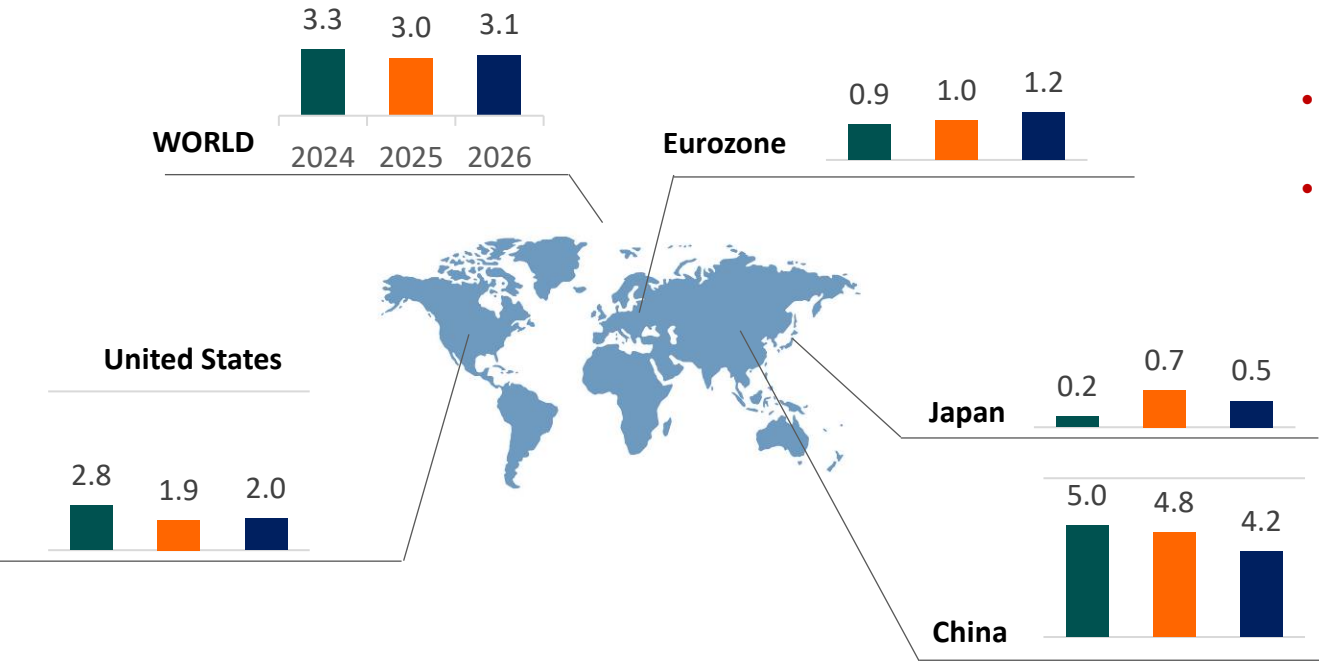
**August 6, 2025**  
**Online**



# **Market Outlook**



# Economic Growth Figures



- Tariffs shifting global forecasts
- Increased growth in 2025 due to frontloading in anticipation of tariffs
- Recovery of European economy forecasted
- Upside on global growth if negotiations lead to predictable trade framework

	2024	2025	2026
Global Inflation	5.8%	4.2%	3.6%

Source: Annual GDP growth: IMF World Bank Outlook July 2025

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# Automotive Market Outlook



- Automotive market continues trend of electrification despite slower than anticipated growth of battery electric vehicles outside of China
- Increasingly complex systems for ADAS is leading to higher development and testing prices
- Automotive products will start to incorporate tariff associated cost increases for companies without wide geographical footprint
- Retaliatory tariff arrangements have increased overall pricing, segment focus now lies on alternative supply chains where IMI has competitive advantage



# Industrial Market Outlook



- Hyperscaler investments in datacenters driving segment growth
- Power electronics space also growing due to continued shift to vehicle electrification
- With the proliferation of interconnected systems, industrial electronics are evolving to enable seamless data exchange
- Government mandates and investor selectivity leads to rising demand for renewable energy applications across all industries



# Financials





# 2025 Q2 Segment Updates



## ➤ Automotive:

- Decreased demand from European end-customers affecting OEM sales
- Transition process of transferring business from sold Czech facility
- Slowdown of electric motorcycle production compared to 2024



## ➤ Non-Automotive:

- Non-automotive business now account 35% of IMI 6M 2025 revenue portfolio
- Continued recovery of industrial security business
- Growth in industrial metering demand with increased industrial energy-efficiency requirements
- Low margin consumer and telecom business now account for less than 2.5% of total revenues
- Sales focus now on data centers, medical technology, power modules, smart urban infrastructure, battery technology and renewable energy applications.

*Includes non-core businesses*

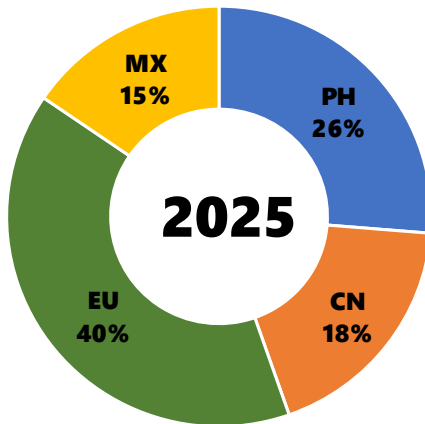
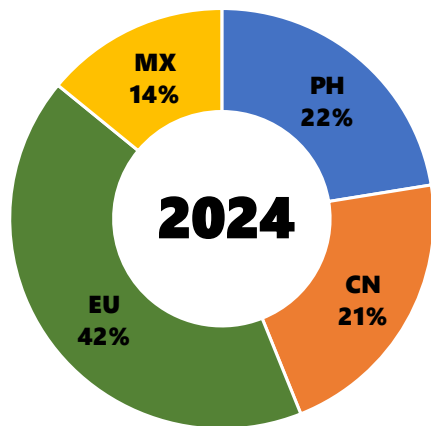
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# 2025 Q2 Region Updates

	'24 Q2	'25 Q2	Y/Y %		'24 6M	'25 6M	Y/Y %
PH	61.2	61.9	1%		117.5	119.5	2%
CN	56.1	41.3	-26%		112.6	83.5	-26%
EU	106.4	91.0	-14%		220.1	181.4	-18%
MX	35.8	36.8	3%		73.6	70.3	-4%



## ➤ Philippines:

- Continued recovery of industrial security and smart metering business
- Automotive business affected by European market slowdown
- EV-motorcycle business demand decrease compared to 2024

## ➤ China:

- Closure of Chengdu facility affecting y-o-y comparison
- Strategic reduction of low margin businesses in telecom
- Renegotiation of terms with complex automotive application business
- Further consolidation of China facilities will bring further footprint optimization and increased utilization of overheads

## ➤ Europe:

- Sale of IMI CZ in July required transfer of high-value customers to IMI Bulgaria and Serbia in preceding quarters
- European automotive market remains soft, partly driven by uncertainty of tariff situation with US market

## ➤ Mexico:

- New generation steering application platform starting to increase production levels

Core business revenues

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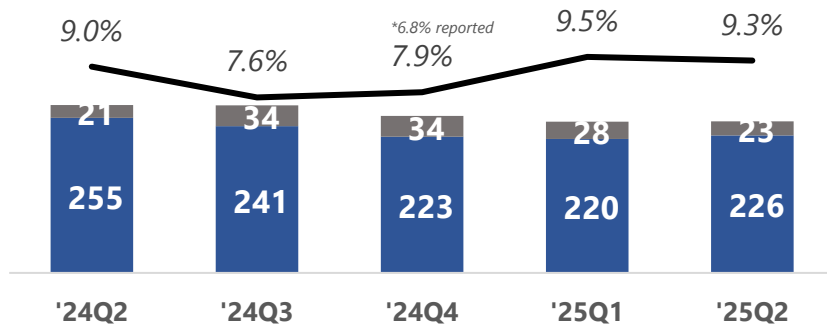




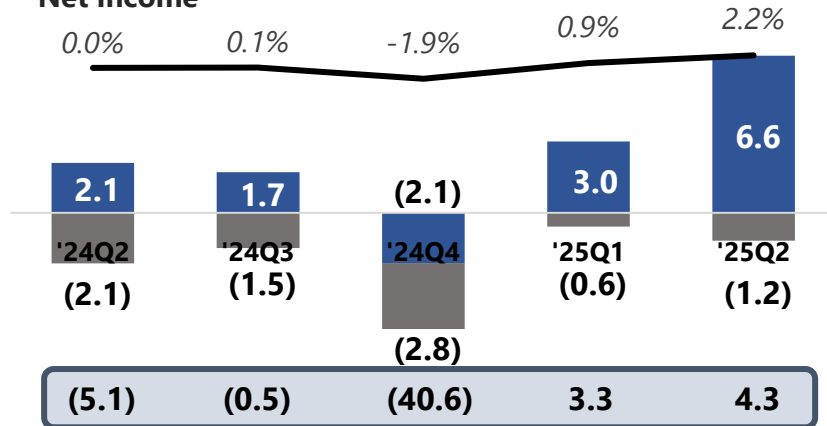
# 2025 Q2 Group Performance (Non-GAAP)

CORE

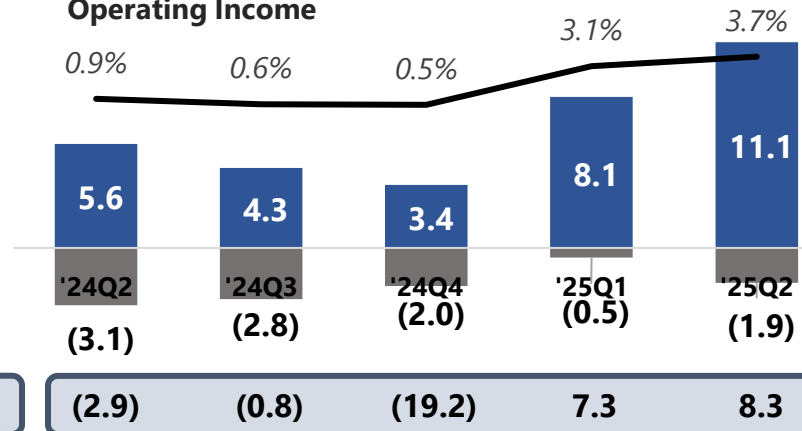
## Revenue and Gross Profit Margin



## Net Income



## Operating Income



- Improved profitability margins despite challenges in revenue
- Continued cost restructuring initiatives to better align business structure to market dynamics
- Reduced CAPEX spending in 2024 and 2025 has led to reduced depreciation expense

Includes non-core businesses

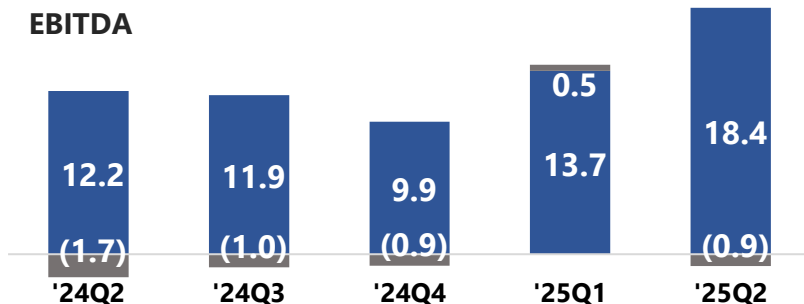
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# 2025 Q2 Group Performance (Non-GAAP) CORE

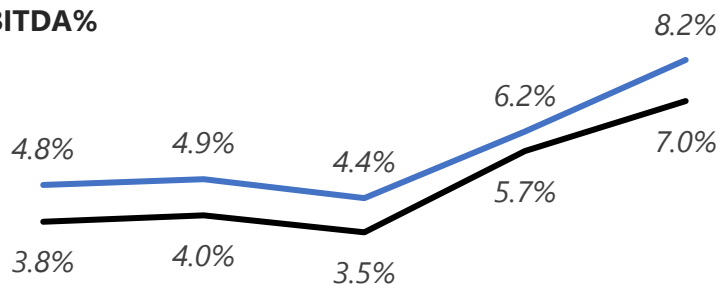
## EBITDA



5.1 9.5 (12.3) 16.1 16.2

**Reported**

## EBITDA%



CORE

GROUP

1.9% 3.5% (4.8%) 6.5% 6.5%

**Reported**

- Negotiation of direct material pricing and identification of alternative components driving better profitability
- Further reduction in SG&A expenses through increased utilization of existing support functions
- Sales teams tasked to prioritize businesses with sustainable profitability

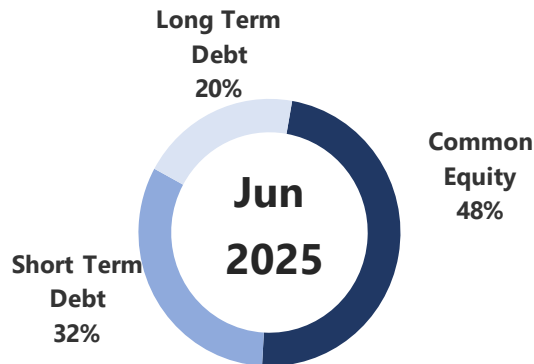
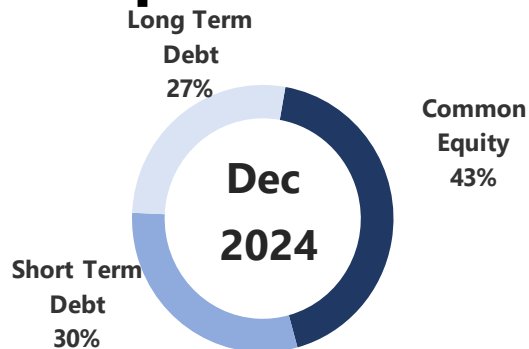
*Includes non-core businesses*

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# Capital Structure



(US\$ Millions)	Dec 2024	Jun 2025
Short-Term Debt	152.6	167.2
Long-Term Debt	137.9	103.7
Total Bank Debts	290.5	270.9
Cash and Investments	92.0	123.4
Net Debt	198.5	147.5
Common Equity Attributable to Parent	218.6	251.3

Key Financial Ratios	Dec 2024	Jun 2025
Current ratio	1.39	1.47
Bank Debt/ Total Equity	1.30	1.07
Net Debt / Total Equity	0.89	0.58
Book value/share (\$) *	\$0.10	\$0.11
Book value/share (PHP) **	₱5.78	₱6.32

- \$34.8M cash generated from operations in Q2
- Another \$23.1M of debt paid down in Q2
- Cash at a comfortable level with additional credit lines available
- Balance sheet ratios within target

\*Excluding Minority Interest

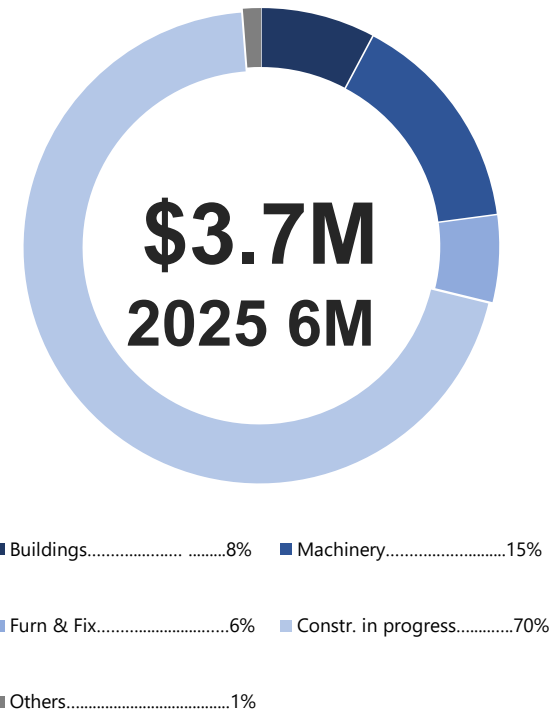
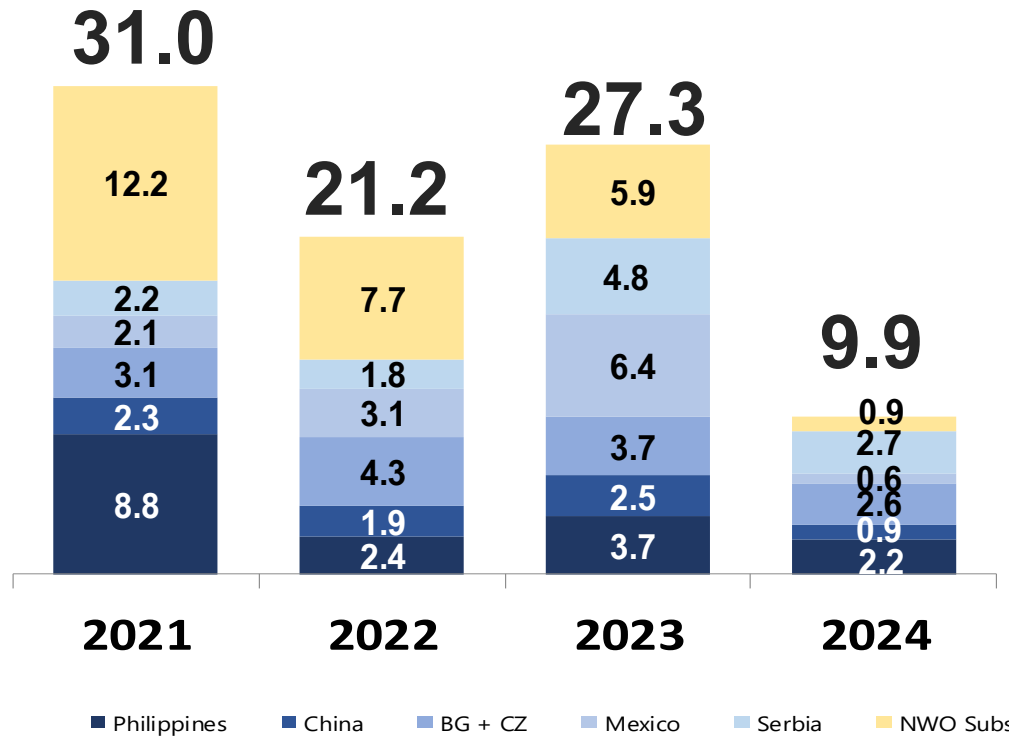
\*\* Forex Rates at respective period close

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# Disciplined Capital Investments





# Key Takeaways

## ➤ Continued improvement of Net Income and EBITDA

- Core EBITDA margin for 2025 Q2 reached 8.2%
- Core FOH and GAE decreased by \$16.8 million in y-o-y in Q2 2025
  - Further reduction in Q2 with consolidation of support structures in IMI China and wind down of IMI Czech Republic
- Further improvement targeted with influx of new profitable businesses in the coming quarters
- \$83.5 million of net debt improvement in the past 12 months through better cashflow generation from operations and disciplined CAPEX spending

## ➤ Sale of IMI Czech Republic

- Successful sale of IMI Czech Republic with total consideration of €10 million
- High value customers transferred to IMI Bulgaria and IMI Serbia
- Manufacturing services agreement with purchaser Keboda will allow for more efficient operations and improved profitability from customers that will remain in CZ

## ➤ Tariffs

- Minimal direct impact given terms of business with IMI customers
- Clarity in tariff situation will allow IMI to strategize better with customers and leverage situation for IMI
- Aiming to utilize IMI's wide geographical footprint and wide supply chain network to find most cost-efficient solution for our partners



**Q&A**



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