

# Celestica to Acquire PCI Limited

Advances Celestica's High-Growth, High-Margin Strategy by Expanding Capabilities in Key Markets and Strengthening Presence in Asia.

## Building on Portfolio Transformation and Expanding in High-Growth Markets

- ✓ Strengthens approach toward engineering-focused engagements, including full product development in the following areas:
  - **Radio Frequency:** supports telematics solutions like fleet management
  - **Human Machine Interface (HMI):** commercial control panels, display tablets for industrial machines, voice recognition and AI capabilities
  - **Internet of Things (IoT):** including embedded radio modules and sensors used in asset tracking, data harvesting
  - **Embedded systems:** including Single Board Computers, Computers on Modules (COMs)
- ✓ Adds differentiated engineering and design capabilities, as well as IP, in electronics, radio frequency (RF) solutions and proprietary embedded products
- ✓ Diversifies customer base with addition of 20+ customers
- ✓ Enhances ATS business and expands portfolio to better support customers through product lifecycles

## Adds Compelling, High-Growth Business

~\$325M of annual revenue (2021E) with **10%** 3-yr revenue CAGR

**100% of revenue** from diversified markets

2021 Projected Adj. EBITDA Margin of **13.9%**<sup>1</sup>

Strong **free cash flow** and **ROIC**

## Transaction Highlights



Acquiring PCI from Platinum Equity for **\$306M** in cash.

Attractive EV / EBITDA ratio **less than 7x**

**Accretive** to non-IFRS adjusted EPS in the first year; ROI expected to exceed Celestica's cost of capital by the second year, or sooner



Expected to close by mid **fourth quarter 2021**, subject to applicable regulatory approvals and customary closing conditions.

## Enhances Capabilities in Attractive Growth Markets

### INDUSTRIAL

- Climate Management
- Electric Motors
- Vision System

### TELEMATICS

- Bluetooth
- GPS
- Fleet Management
- Wifi

### SPECIALTY EQUIPMENT

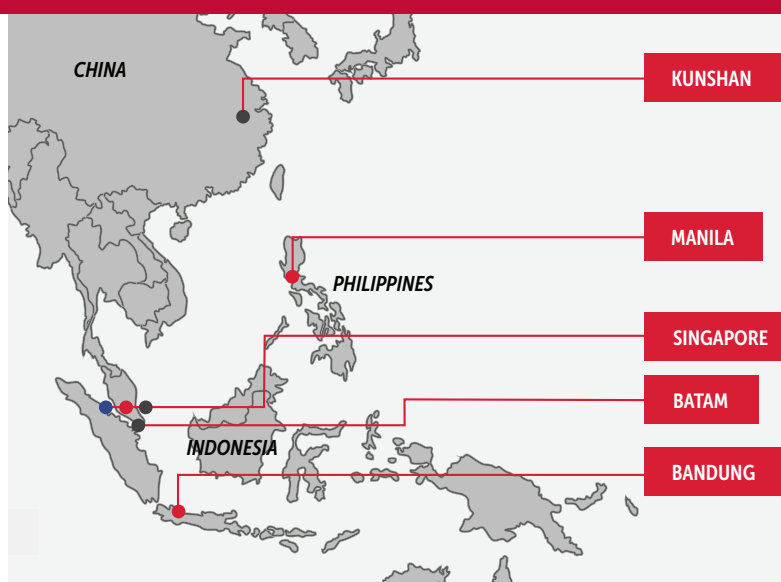
- Fitness Equipment
- Lottery and Gaming System
- Security Systems

### SMART HOME

- Audio Technology
- Smart Bed
- Smart Appliances

## Strategically Located Facilities Strengthen Presence in Asia to Serve Diverse U.S. and European Customer Base.

- Manufacturing Facilities
- Design & Engineering Centers
- Global Headquarters



## Updating 2022 Guidance to Reflect PCI Transaction

	Pre-PCI	Post-PCI		Pre-PCI	Post-PCI
2022 REVENUE	≥\$6.0B	≥\$6.3B	2022 ATS REVENUE	-	~\$2.8B
MARGIN RANGE	3.75%-4.50%	4.0%-5.0%	2022 ATS MARGIN	5.0%-6.0%	~5.5%
DEBT / NON-IFRS ADJUSTED EBITDA <sup>2</sup>	1.4x	1.8x (anticipated pro-forma basis)	2022 EPS GROWTH RATE	≥10%	≥20%

<sup>1</sup>Note: Refer to Celestica's September 22, 2021 investor presentation for definitions of Celestica's non-IFRS financial measures and PCI's non-SFRS(I) financial measures, and related assumptions.  
<sup>2</sup>Please refer to Celestica's September 21, 2021 press release and September 22, 2021 investor presentation for definitions of PCI's non-SFRS(I) adjusted EBITDA and non-SFRS(I) adjusted EBITDA margin and underlying assumptions.  
<sup>3</sup>Please refer to Celestica's press release on September 21, 2021 for a calculation of the Pre-PCI and Post-PCI pro-forma gross debt / non-IFRS adjusted EBITDA ratio.