

# Capital Equipment at Celestica

Evolution, Innovation and Opportunity

June 3, 2021



# Cautionary Notes

## Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements, including, without limitation, trends in the Capital Equipment market (including on slides 6 - 9). Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “continues,” “project,” “potential,” “possible,” “contemplate,” “seek,” or similar expressions, or may employ such future or conditional verbs as “may,” “might,” “will,” “could,” “should” or “would,” or may otherwise be indicated as forward-looking statements by grammatical construction, phrasing or context. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995, and applicable Canadian securities laws.

Forward-looking statements are provided to assist readers in understanding management’s current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. Forward looking statements are not guarantees of future performance and are subject to risks that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including, among others, the risk that: the Internet of Things, global 5G services, and automotive sector digitization and connectivity do not grow as anticipated; spending growth in industries which are end users of semiconductors, such as cloud computing, consumer electronics, gaming, artificial intelligence and others do not bolster the demand for semiconductors as anticipated; wafer fabrication equipment capital expenditures and market growth do not materialize as expected; the global market for display equipment does not expand as anticipated; the shift from LCD to OLED does not occur when anticipated; investments in, the commercial adoption of, and growth in the popularity of large format and next generation panels does not occur as anticipated; the timing of the 5G rollout does not occur as anticipated; and/or continued manufacturing site shutdowns, workforce curtailments and other measures implemented by various governments to stop the spread of/resurgences of COVID-19 negatively impact anticipated market growth; as well as risks related to the cyclical and volatile nature of the semiconductor business; rapidly evolving and changing technologies, the nature of the display market; and uncertain market, political and economic conditions.

Our forward-looking statements in this presentation are based on various assumptions, including that the industry investments and market trends described on slides 6 - 9 materialize as anticipated and that the risks described in the previous paragraph, collectively, do not have a material adverse impact on the Capital Equipment market or our Capital Equipment business. Although management believes these assumptions to be reasonable under the current circumstances, they may prove to be inaccurate, which could cause actual results to differ materially (and adversely) from those that would have been achieved had such assumptions been accurate. Forward-looking statements speak only as of the date on which they are made, and we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

## Market and Industry Data

This presentation includes information from specified external reports and publications (including on slides 6 – 9). Actual outcomes may vary materially from those forecast in such reports and publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. We have not independently analyzed or verified any of the data from such third-party sources, or their underlying studies, surveys or assumptions. Market and economic data is subject to variations and cannot be verified by us due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. In addition, projections, assumptions and estimates of the future performance of the industry and markets in which we operate are necessarily subject to a high degree of uncertainty, change and risk due to a variety of factors, including those described under the heading “Cautionary Note Regarding Forward-Looking Statements” above.



# Celestica Team

**Rob Mionis**

Chief Executive Officer

**Mandeep Chawla**

Chief Financial Officer

**Gregory Marvell**

Vice President,  
Capital Equipment

# Celestica is a Leader in Capital Equipment Solutions

Delivering Differentiated Value

- 1 Serving **diverse end markets**
- 2 **25+ years of product development support** – engineering, new product introduction, robotics and volume production
- 3 **Purpose-built network** in-region with customers and end customers
- 4 **Vertically integrated** with established supply base in key geographies
- 5 **Diversified** business with a differentiated model, garnering faster growth and **higher margins** than EMS
- 6 **Ready** to capitalize on anticipated **long term growth** trends and continued new programs wins in all business areas



# Market Trends





# High demand and new technologies are fueling a semiconductor recovery and future growth

Anticipated semiconductor Wafer Fab Equipment (WFE) growth driven by secular tailwinds in 5G, IoT and pervasive technology advancements:



1. Source: Fortune Business Insights

2. Source: Grandview Research

3. Source: Brandessence Market Research And Consulting

4. CAGR is annual growth rate calculated as  $(\text{final year est. market size} / \text{base year est. market size})^{1/n \text{ years}} - 1$

# Significant chip shortages are driving increased Wafer Fab Equipment (WFE) capex

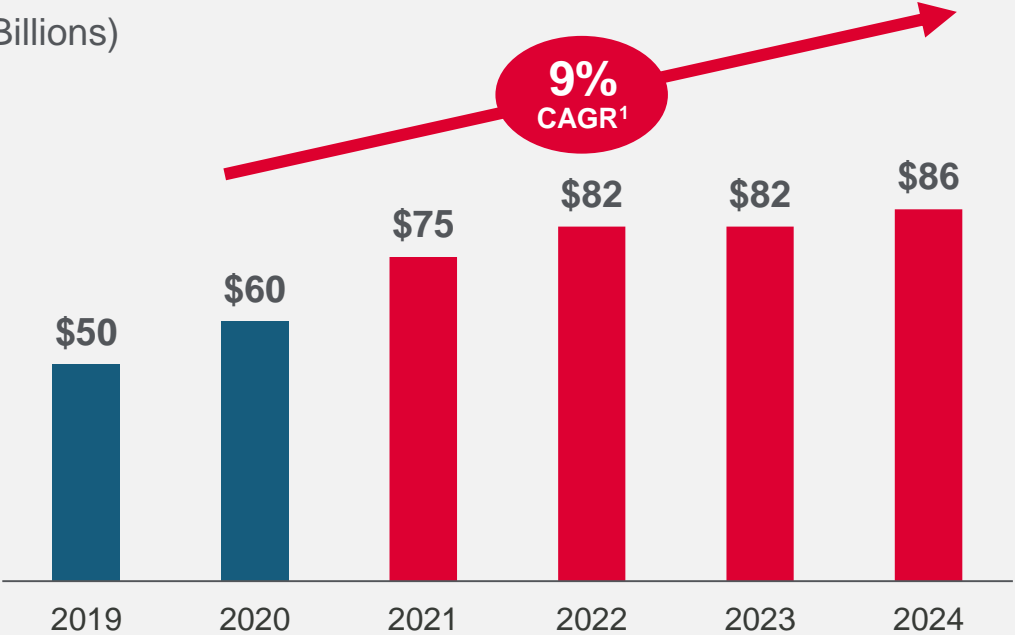
Demand for advanced microchips is outstripping supply

WFE capex investment increasing to meet chip demand; leading to a multi-year anticipated growth runway

NAND prices stabilizing and inventories depleted; DRAM shortages causing prices to spike

## WFE TAM: \$75B

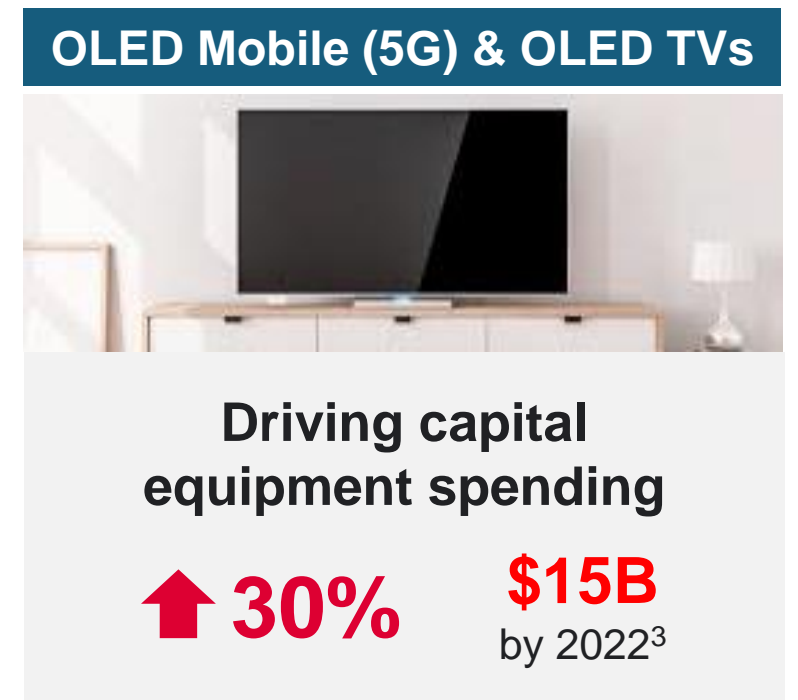
(\$ Billions)



- 2019-2020 COVID increases PC-Cloud product purchases as people work/school from home
- 2021-2024 significant data center, high-speed communication networks (5G), Auto, Gaming & AI growth expected

# Display growth driven by growth in 5G phones, new applications and large format screens

The shift from LCD to OLED is expected to drive OLED capital equipment growth in early 2022:



1. Source: Research and Markets

2. Source: IDC

3. Source: DSCC

4. CAGR is annual growth rate calculated as  $(\text{final year est. market size} / \text{base year est. market size})^{1/n \text{ years}} - 1$



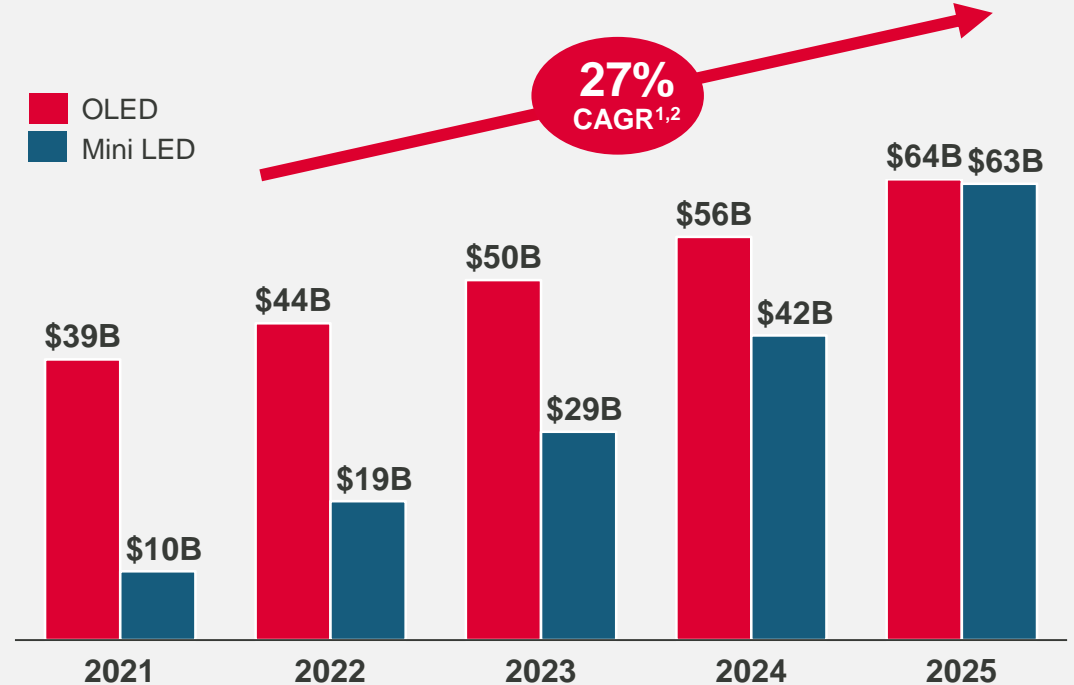
# OLED & Mini/Micro-LED growth driving the Display market

OLED adoption is driving panel capacity expansion

New features and large format OLED panels demand is expected to drive equipment capex growth through 2022

OLED and Mini/Micro-LED applications expected to drive long term equipment capex growth and Celestica is well positioned in both areas

## Display Equipment TAM: \$12B



- OLED equipment capex growth due to new features and commercial adoption of large format OLED
- Mini/Micro-LED market growth driven by IoT and the increased need for smart screen applications

Source: DSCC, LEDInside, Arizton

1. Blended OLED/Mini LED CAGR

2. CAGR is annual growth rate calculated as  $(\text{final year est. market size} / \text{base year est. market size})^{1/n \text{ years}} - 1$

A man and a woman in a server room. The man is on the left, wearing a blue sweater over a light blue shirt and tie. The woman is on the right, wearing a light blue button-down shirt and dark pants. They are both looking at a tablet held by the woman. The background shows server racks with blue and white cables.

# Capital Equipment Business





# Evolution of our Business



**2011**  
**Entered WFE Market**

Acquired High Level Assembly and New Product Introduction Capabilities



**2012**  
**Invested in Vertical Integration**

Acquired Precision Machining Capabilities



**2013**  
**Strengthening Asia Presence**

Greenfield Volume Manufacturing in Asia



**2018**  
**Entered Display Market & Expanded Into South Korea**

Became the Largest Integrator of Display Systems & added key capabilities

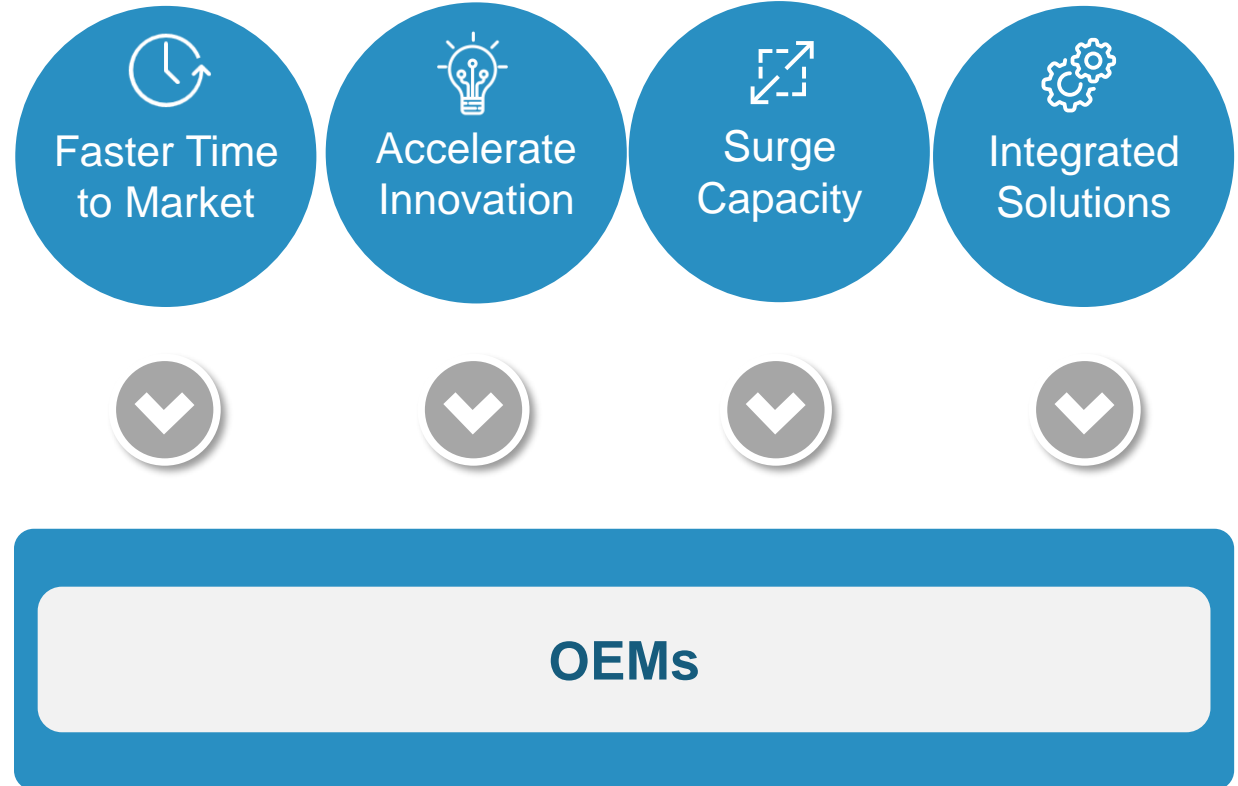
# Celestica Capital Equipment Differentiation

Well positioned to capitalize on end market and customer growth trends

## Unique Leadership Position

- Large and growing WFE supplier with comprehensive vertical solutions
- Leading integrator of display systems
- Unmatched design & NPI services
- Vertically integrated capabilities
- Supply chain development expertise
- Geographically advantaged network
- Long standing customer relationships

## Customer Needs





# Purpose-built Capital Equipment Network

Comprehensive infrastructure to support our customer's needs



**Localized Support with Global Fulfillment**

From engineering and NPI to large scale manufacturing Celestica's footprint meets customers localization needs with fast access to global markets

# Semiconductor Equipment Products

## Leader in Semiconductor Wafer Fab Equipment Outsourcing

- Working with a majority of the top semi WFE OEMs in the industry
- US-based engineering/NPI team + multiple volume manufacturing sites = faster time-to-market at low cost
- Invested & developed an established supply base in the regions we serve

Value-add High Level Assembly modules leveraging NPI, vertical capability and supply chain

Factory Interface Modules



Celestica Vertical Capabilities:

- Machining
- Machine Parts Clean
- Power Boxes-Cables
- Welding - Frames
- Powder Coat
- Weldments

Transfer Vacuum Modules

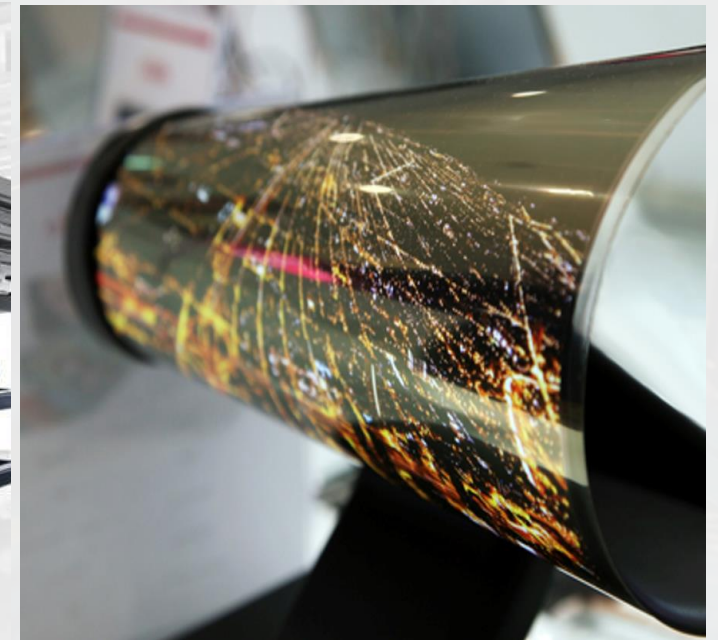
Mainframe Vacuum Modules



## Specialized capability and strategic regional presence in the display market

- Highly specialized manufacturing solutions for leading OEMs in the display markets
- Full spectrum of specialized vertical services
- South Korea footprint to meet customers' growth and localization requirements

Highly specialized display capital equipment manufacturing capabilities with strategic geographic presence



# Adjacent Markets

## Leveraging core expertise and capabilities to grow in new sectors

- Expertise in robotics, complex electromechanical systems and ruggedized assembly enables range of high-demand industrial products
- Key areas of focus include:
  - Large-scale automated warehousing and delivery systems
  - Robotics systems and enabling technologies
  - Highly complex, industrial-grade vending applications

### Automated warehousing



### Robotics



### Automated Vending





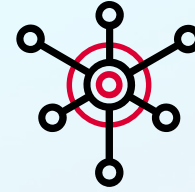
# Unique Value Proposition Driven by Breadth and Depth of Capabilities



One-stop Shopping /  
Full Vertical Integration



Develop our Own  
Supply Chain



Flexible Engagement  
Model



Entrenched Customer  
Relationships

US  
Engineering  
and NPI

Asia Volume  
Manufacturing

Machining

Power Boxes -  
Cables

Weld  
Powder Coat

Weldments

Parts Cleaning



Thank You

