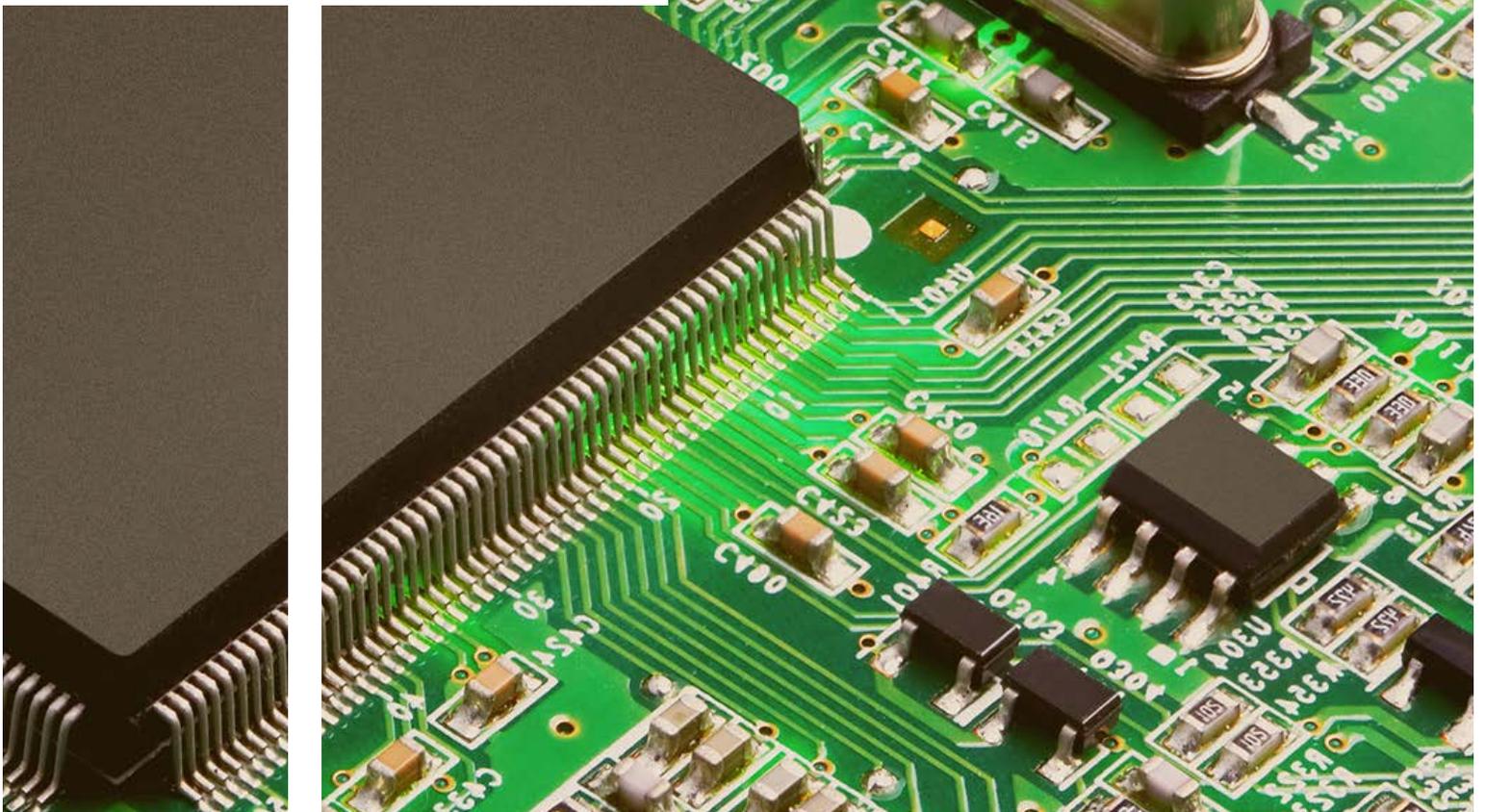


EMS
Quarterly
Review
Q4 2020



Announcements

December 31, 2020:

Spartronics, LLC has acquired PRIMUS Technologies Corp

December 1, 2020:

Universal Scientific Industrial (France) SASU has acquired AsteelFlash Group SA

October 23, 2020:

Emerald Electronics Manufacturing Services has acquired QCM, Inc.

Lincoln Perspective

There were 26 EMS transactions recorded in 2020, slightly down from the 29 recorded in 2019. The primary driver of the consistent transaction activity was due to the favorable EMS industry tailwinds in 2020, despite the challenges COVID-19 created in the mergers and acquisitions (M&A) environment. In addition, M&A opportunities have remained strong as companies are performing well due to the Electronics Super-Cycle. EMS consolidations were the most common type of transaction with 17 transactions in 2020, or 65% of total activity, compared to 14 transactions in 2019 which represented 48% of activity last year.

In 2020, there were three vertical/horizontal convergences, slightly down from the four recorded in 2019, which represented 12% of the total, compared to 14% last year. Private equity investments accounted for three transactions in 2020, a decrease in the number of investments compared to the ten transactions recorded in 2019. This type of transaction represented approximately 15% of the total transactions for 2020, lower than the 34% mix of the total for 2019. There was one EMS divestiture during 2020, which is

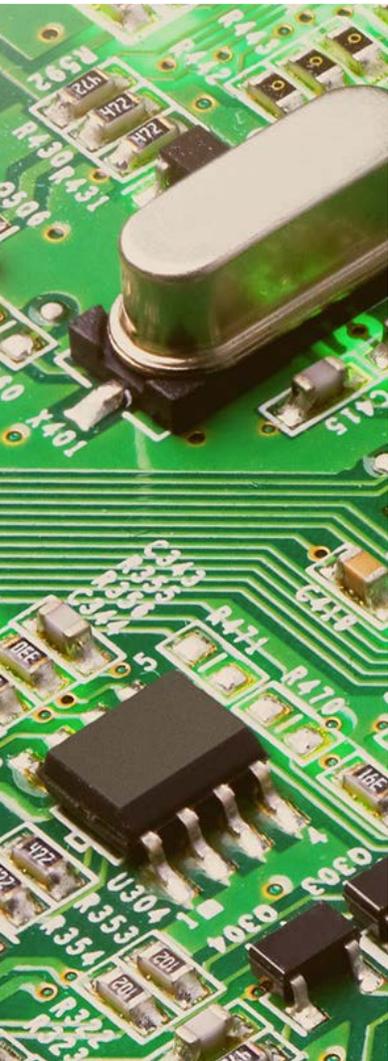
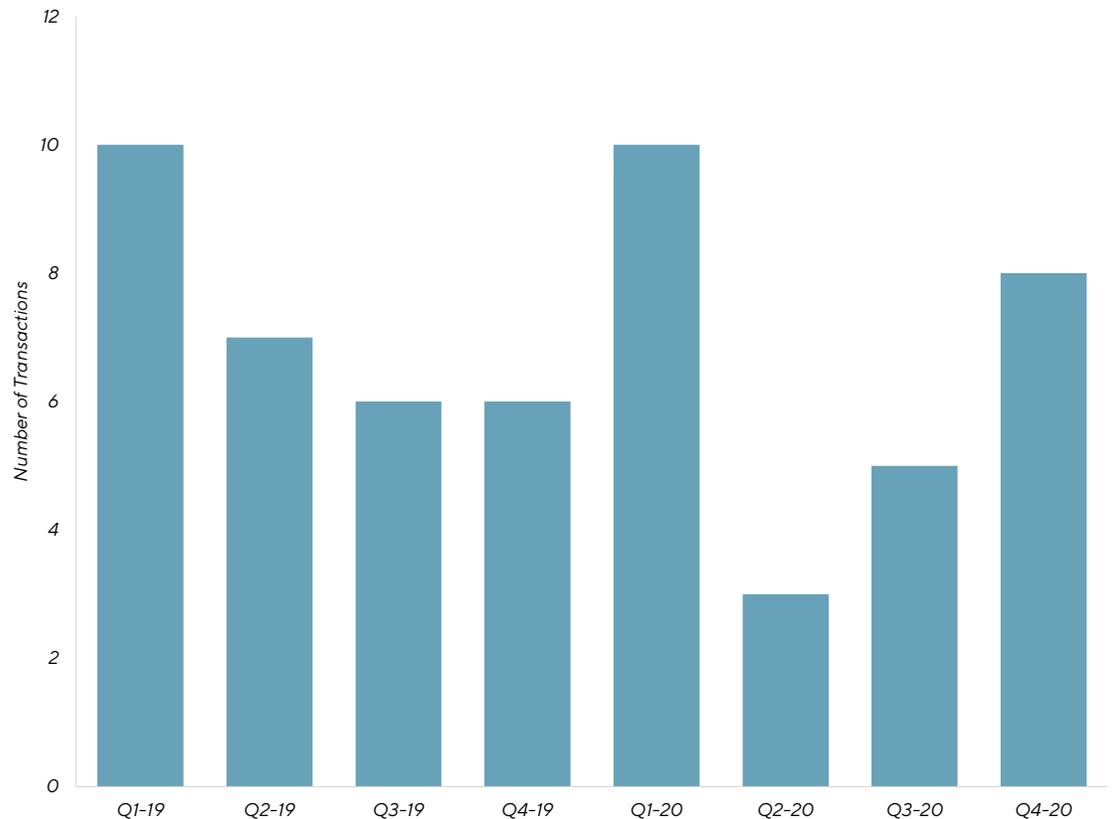
comparable with no EMS divestitures in 2019. There were two transactions categorized as diversification into EMS during 2020, which is consistent with the one transaction (3% of total activity) in this category for 2019. There were no original equipment manufacturer (OEM) divestitures in 2020, which is consistent with the level in 2019.

In terms of geography, 16 of the transactions were completed in North America. This represented 62% of total transaction activity in 2020. In Europe, nine transactions were completed in 2020, representing 35% of total activity. There were no transactions recorded within Asia in 2020. One cross-border (high/high) transaction was recorded in 2020 representing 4% of total transaction activity.

In terms of transaction size, small-tier EMS providers accounted for 88% of the 2020 transaction volume with 23 acquisitions. Mid-tier providers accounted for two acquisitions, representing approximately 8% of total activity. For the mid-tier, this represents a slight decrease compared to the five transactions recorded in 2019. Large-tier EMS providers accounted for one transaction, a slight increase from no transactions in 2019.

EMS Quarterly Review Q4 2020

Quarter-over-Quarter Completed EMS Transactions

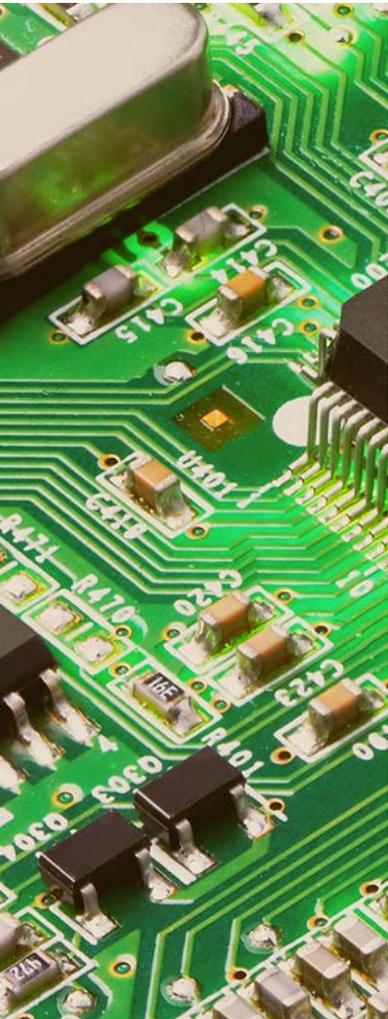


EMS Size Guide (Sales Dollars)

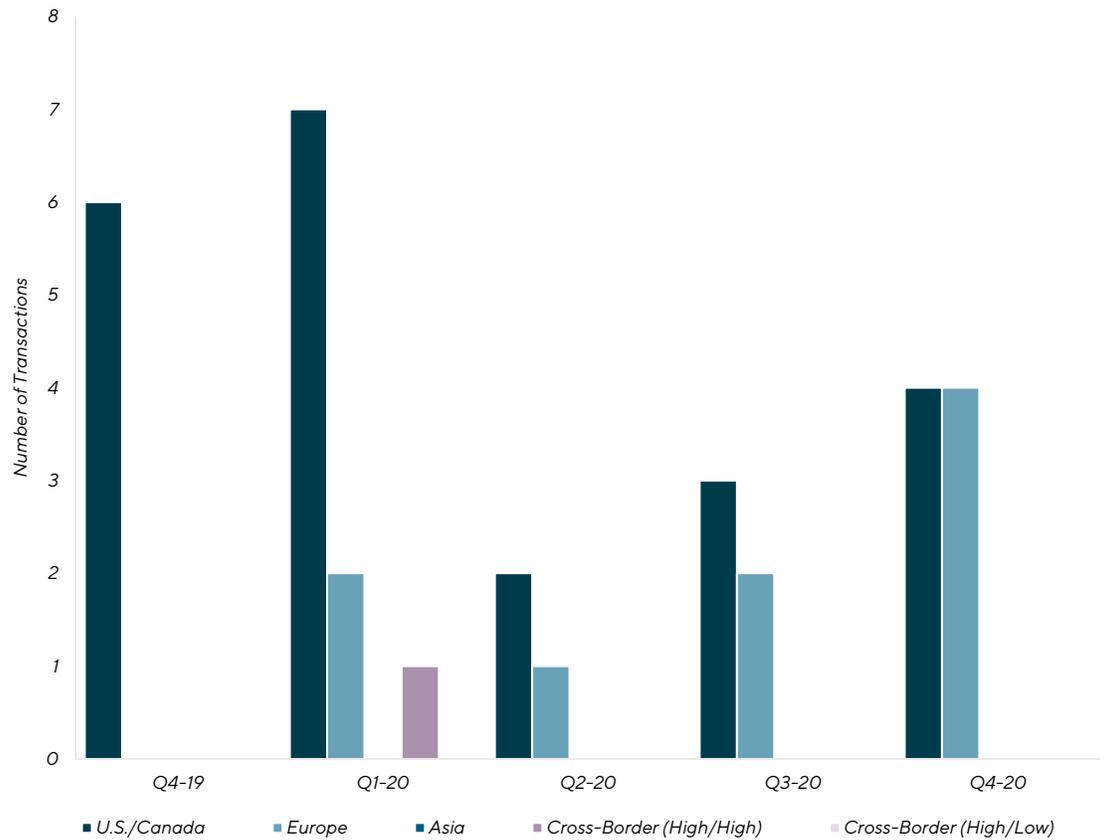
- Large (Tier I)
Greater than \$3 billion
- Mid (Tier II)
\$300 million to \$3 billion
- Small (Tier III)
Below \$300 million

Sources: All information contained in this newsletter including the charts was obtained from company websites, Custer Reports, Lincoln International's internal data, Manufacturing Market Insider and Capital IQ.

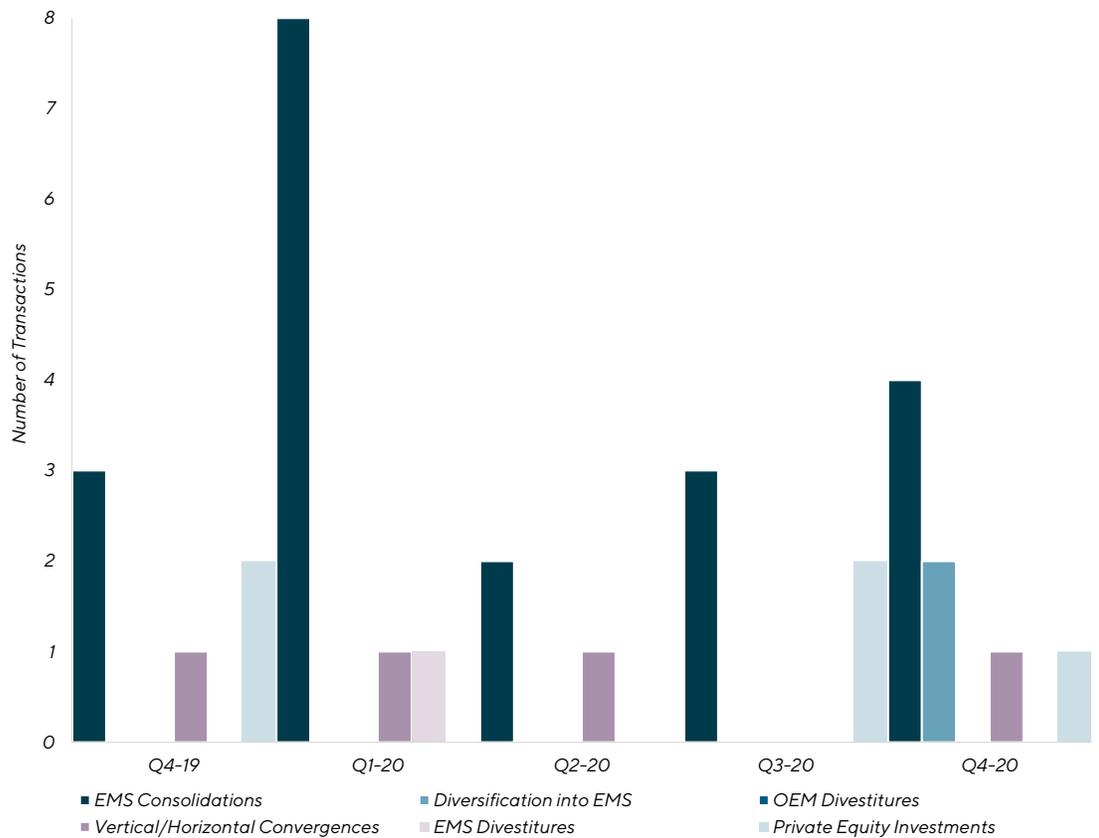
Note: Companies are included in a given tier by falling within the threshold for two consecutive quarters



Quarterly Comparison—EMS M&A by Geography

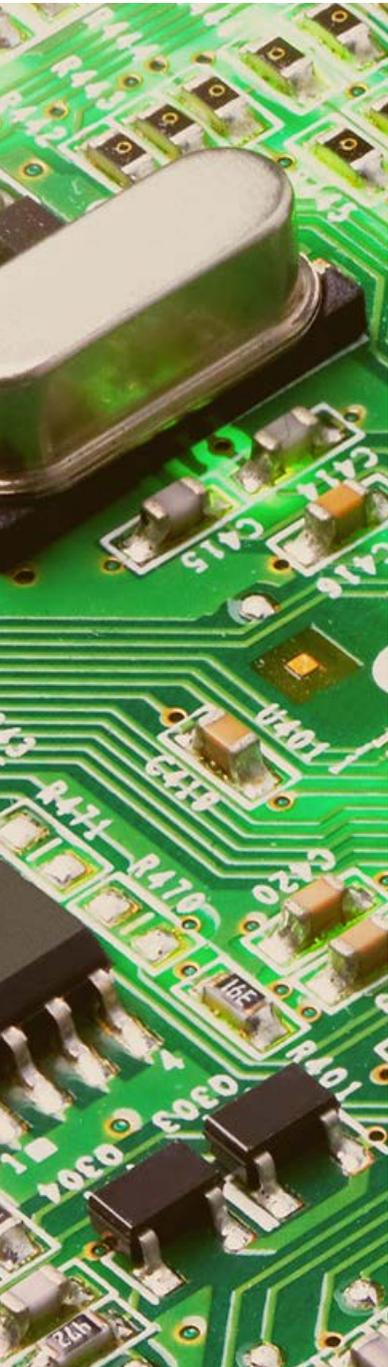


Quarterly Comparison—EMS M&A by Deal Type



Current EMS Market Highlights

The overall Lincoln EMS stock index increased 32.8% from last quarter primarily driven by an increase in the large Index and small index, which grew 36.4% and 46.6% respectively. The mid index also increased by 16.2%.



EMS Stock Index Outperforms S&P

Current EMS Market Highlights

Similar to the S&P 500 Index, the EMS stock index is a market cap weighted composite index. The index is prepared by first selecting a base period, in this case Q1 2003, and totaling the market caps of the companies for each tier in this period. This period and total market cap is set to a base index, in this case 1,000. Next, for each tier, the current period's total market cap is calculated, divided by the base period's total market cap and then multiplied by the base index (1,000). The result is the index value used for plotting in the graph on the next page.

Winner's Circle		Tier
NYSE:JBL	62.0%	I
NasdaqGS:PLXS	28.8%	II
NasdaqGM:IEC	228.9%	III

EBITDA Margins	
Large-tier	5.1%
Mid-tier	5.0%
Small-tier	5.0%

Worst Performers		Tier
tsx:cls	(22.1%)	I
NasdaqGS:KE	(12.4%)	II
NasdaqCM:SGMA	(53.8%)	III

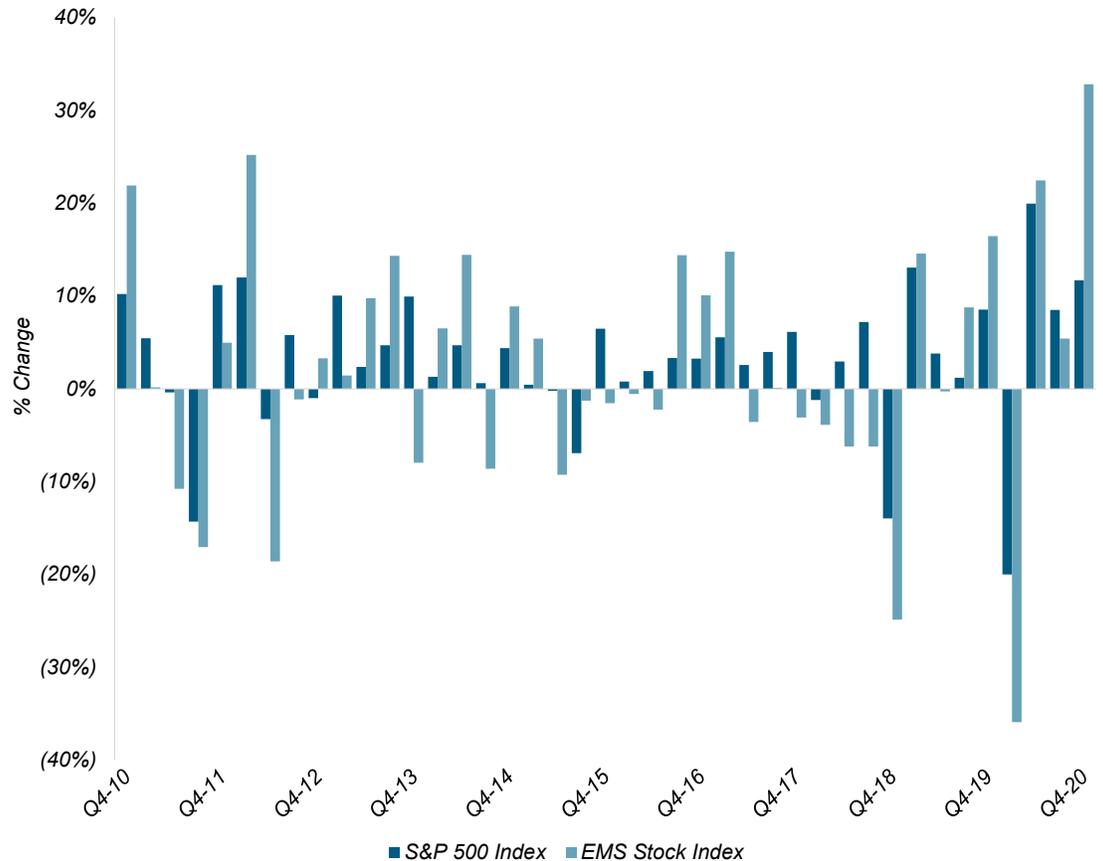
YOY LTM Revenue Growth	
Large-tier	(3.9%)
Mid-tier	1.5%
Small-tier	(0.9%)

Note: Based on quarter-over-quarter share price performance

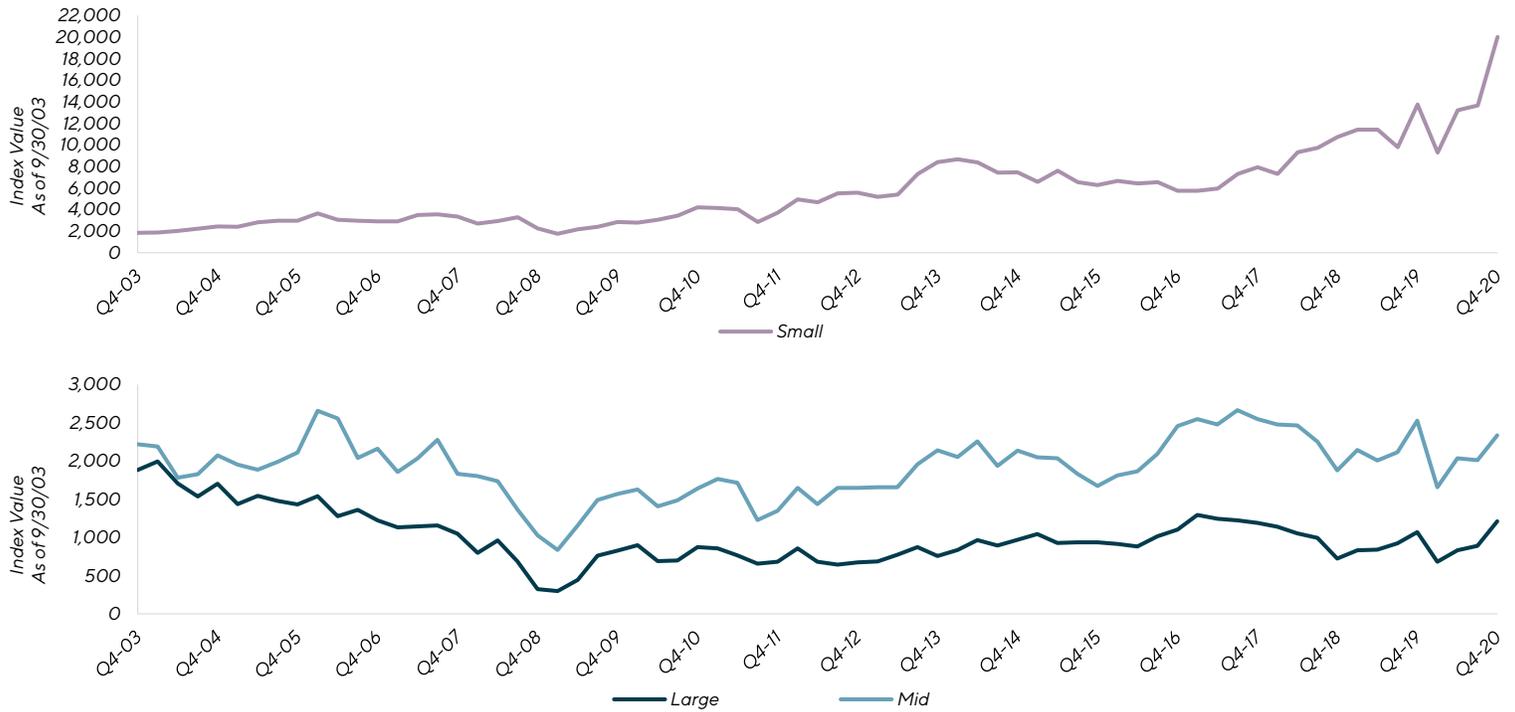
Source: Capital IQ as of December 31, 2020

Note: Average for each sector; YOY stands for year-over-year

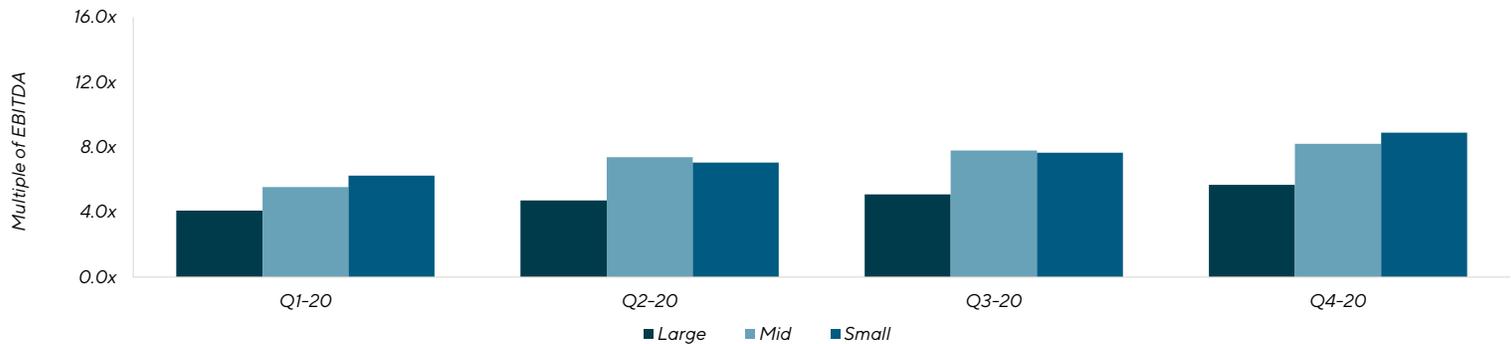
S&P Index vs. EMS Stock Index Quarter Change



EMS Stock Index by Size



Enterprise Value⁽¹⁾ / EBITDA

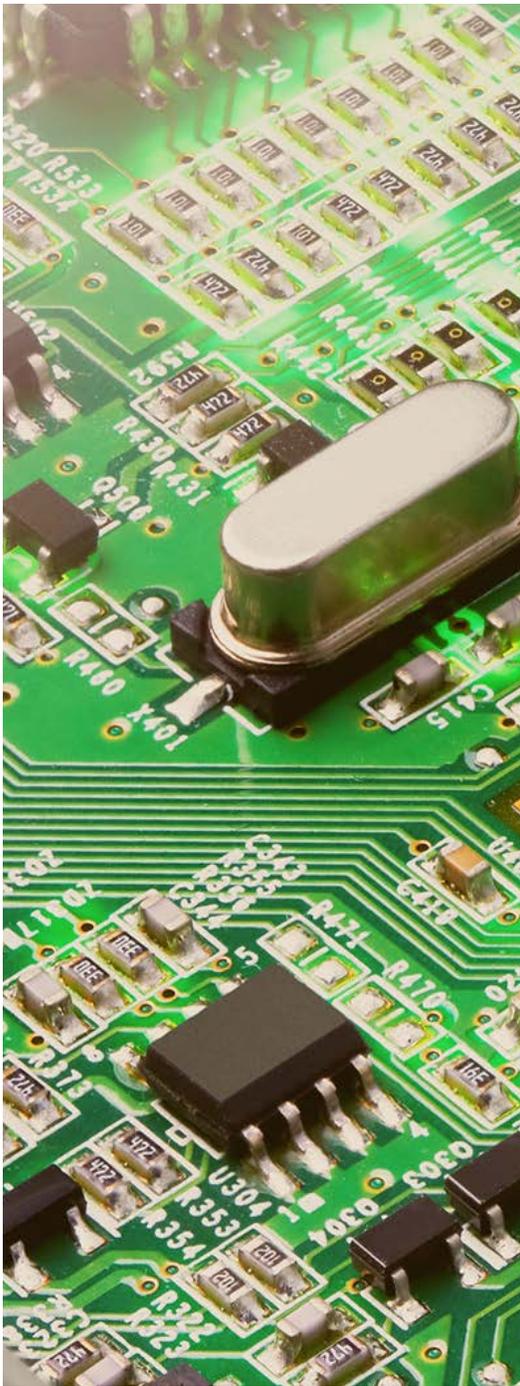


(1) Enterprise Value is calculated as market cap on December 31, 2020 plus debt, preferred equity and minority interest less cash

EMS Stock Index Company Data

	Stock Price	LTM Sales (\$ in mm)	Diluted EPS	Avg. Cash Conversion Cycle (days)	Current Ratio	EV/EBITDA	EV / Sales	Market Cap (\$ in mm)	Net Debt (\$ in mm)
Large									
Celestica Inc.	\$10.27	\$5,748	\$0.47	80.8	1.73	4.4x	0.2x	\$1,325	\$139
Flex Ltd.	17.98	23,343	0.83	31.4	1.48	8.4x	0.5x	9,011	1,870
Jabil Inc.	42.53	27,593	1.39	21.0	1.02	4.8x	0.3x	6,360	2,089
Sanmina Corporation	31.89	6,960	1.97	55.9	1.85	5.1x	0.3x	2,075	(50)
Mid									
Benchmark Electronics, Inc.	\$27.01	\$2,053	\$0.38	89.5	2.50	8.3x	0.4x	\$985	\$(178)
Key Tronic Corporation	6.90	479	0.52	113.8	2.86	9.3x	0.4x	74	106
Kimball Electronics, Inc.	15.99	1,232	1.45	74.8	2.06	5.4x	0.4x	402	(8)
Plexus Corp.	78.21	3,390	3.93	95.8	1.77	9.7x	0.7x	2,254	(7)
Small									
IEC Electronics Corp.	\$13.55	\$183	\$0.63	128.1	1.71	11.6x	0.9x	\$142	\$28
Nortech Systems Incorporated	7.17	111	0.84	85.5	2.24	Nm	0.4x	19	21
SigmaTron International, Inc.	4.68	262	(0.20)	99.1	1.92	7.4x	0.3x	20	48
SMTC Corporation	4.96	375	0.14	74.6	1.22	7.6x	0.6x	140	86

Sources: Bloomberg, Capital IQ and company filings, as of December 31, 2020



Lincoln's Global Technology, Media & Telecom Group

Connected to Clients' Ambitions

Encompassing both physical assets and intellectual property, the TMT industry has expansive opportunities for investors and entrepreneurs. Our global network of professionals, our strong relationships with industry leaders and our deep expertise in a variety of TMT verticals combine to serve the unique needs of clients capitalizing on change within a sector that is highly integrated into nearly every service and product. Our connections, along with our track record of exceptional results, give us the edge to provide our clients with creative and innovative financial solutions.

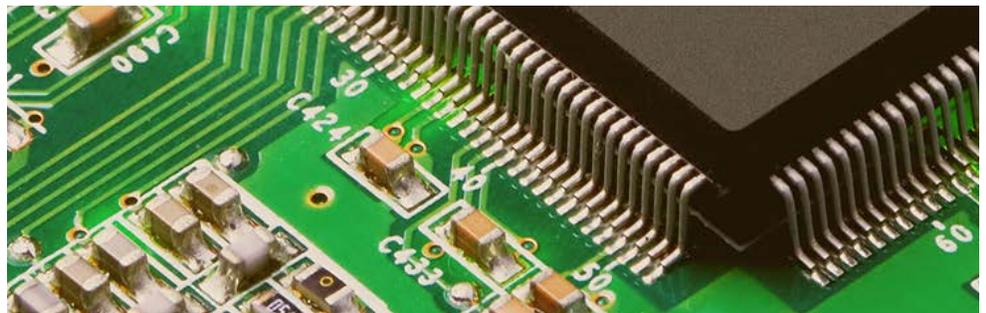
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