

The background of the slide is a dark image of the Earth, overlaid with a dense network of glowing green and blue data points and lines, suggesting a global network or data flow. A vertical green bar is visible on the far left edge of the slide.

# Telit Cinterion

## Demand & Supply Journey...



Things

30 billion

IoT devices will be online by 2025<sup>1</sup>

**Telit Cinterion** helps connect and manage  
**1 million** new IoT devices **every week**

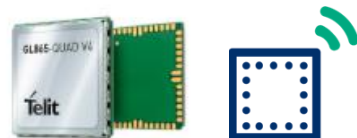
1: Statista, Technology & Communications; Number of Internet of Things (IoT) connected devices worldwide from 2019 to 2021, with forecasts from 2022 to 2030; November 2022

# Products and Solutions – What We Do



## Turnkey Solutions

Full solutions developed and tailored to customers' needs, leveraging IoT enablement offerings assembled over two decades as pure-play IoT



## Modules & Data Cards

Broad portfolio of expertly, western-engineered cellular 4G, 5G, GNSS, Wi-Fi, BT certified products in LGA and M.2 form factors



## Connectivity

Global connectivity products designed from the ground up for IoT, leveraging cloud-native management platform, full MVNO core and top tier partner networks



## Platforms

Industry 4.0, Connected Factory, and IIoT software, platforms, and cloud services that integrate with enterprise systems and hyperscalers



## Design Services

Expert end-to-end custom system, hardware design and manufacturing ODM services provided to our customers directly and through our partners

# 2024 High-volume EMS Manufacturing and Logistics

## Products

- 10+ Technologies
- 1,000+ Variants
- 400+ SKUs
- 30+ Product Families
- 100+ Suppliers

## Ship to

- Direct Customers (OEMs)
- Distributors
- End Customers
- Inter Company

## Sites

- 10 Manufacturing Sites (EMS/ODM)
- 2 Telit Cinterion Logistic Hubs
- 3 Regional Distribution Sites

## 50MPcs Yearly Capacity. Volume Spread by country:



Modules & Data Cards



	2024	2025
VIETNAM	61.7%	80.0%
CHINA	29.6%	6.0%
India	4.3%	7.0%
Brazil	4.3%	7.0%
	<u>100.0%</u>	<u>100.0%</u>

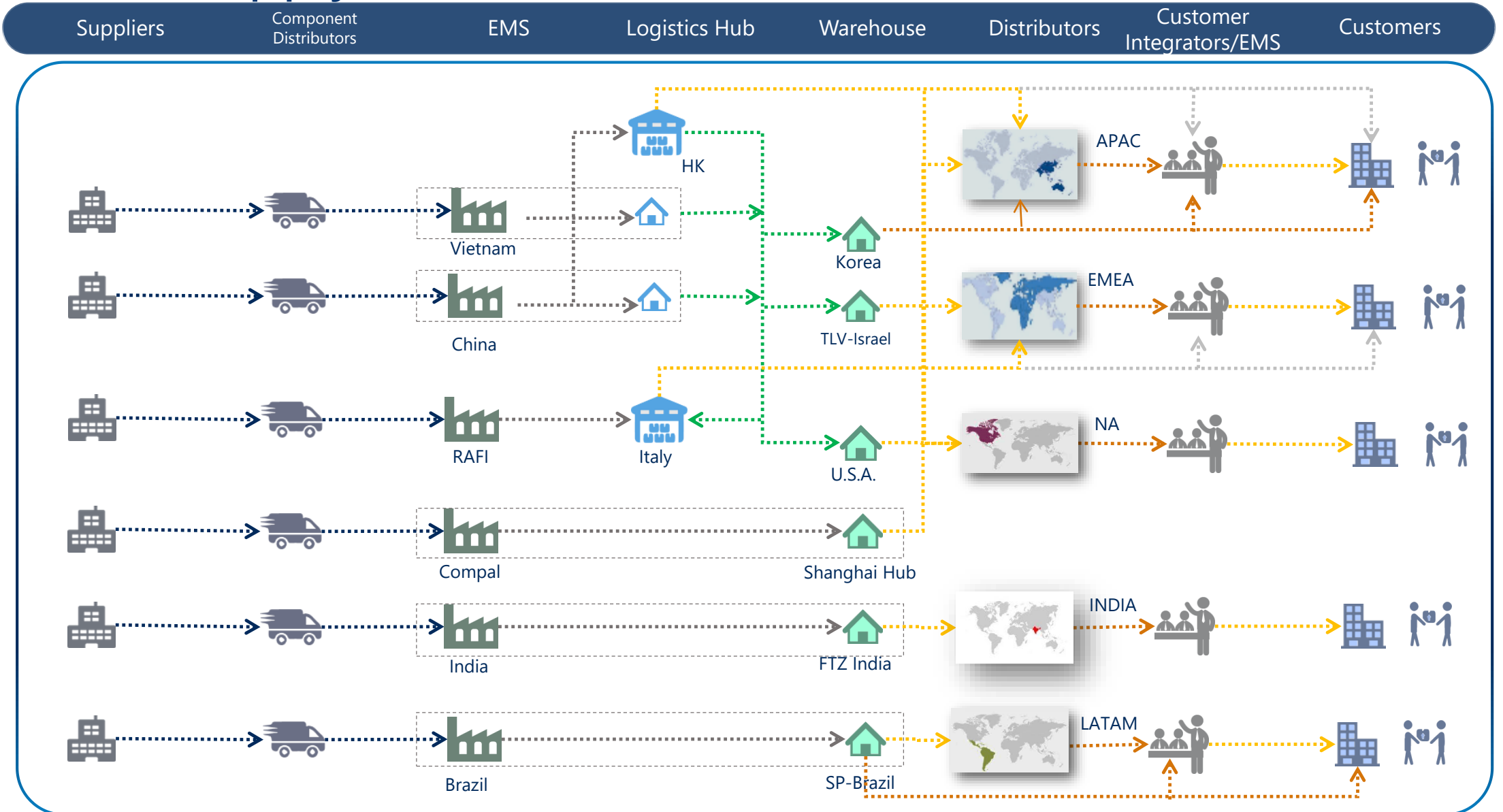
# Manufacturing & Logistics Footprint



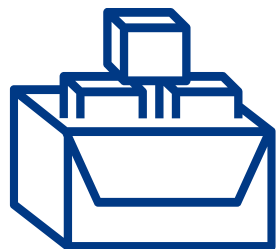
 **Manufacturing Sites**

 **Logistics Hubs**

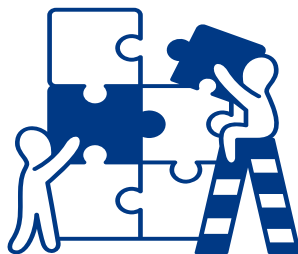
# Global Supply Chain Network



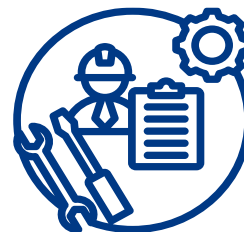
# The Challenges



assemble & supply  
**hundreds of different  
finished products** (~500)



**Each product** may have  
hundreds of **different  
components** in its BOM  
(~100, 3K in total)



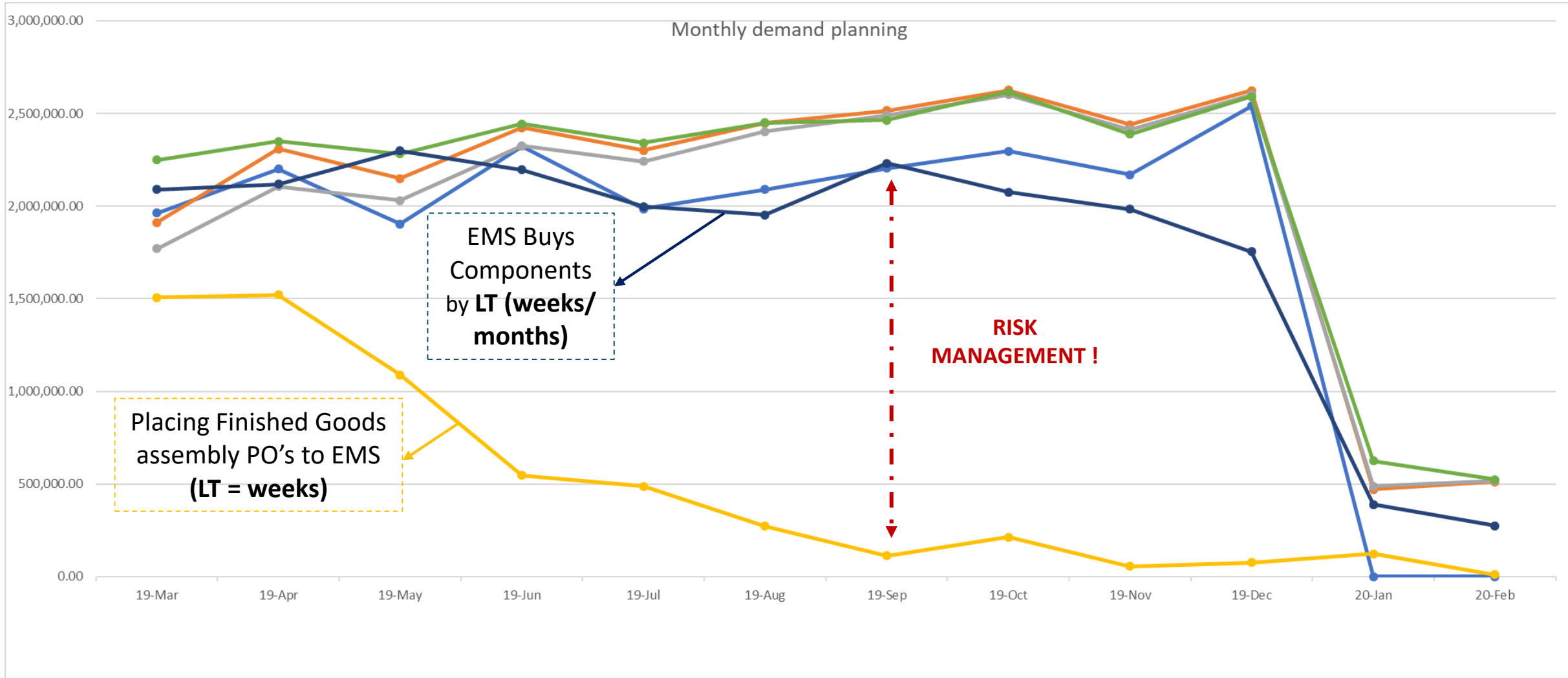
**Each component**  
supplied from **dozens of  
suppliers**  
(~100)



For **each component**  
there may be different  
and **unstable LT**

Forecast Accuracy : **LOW**

# Demand View



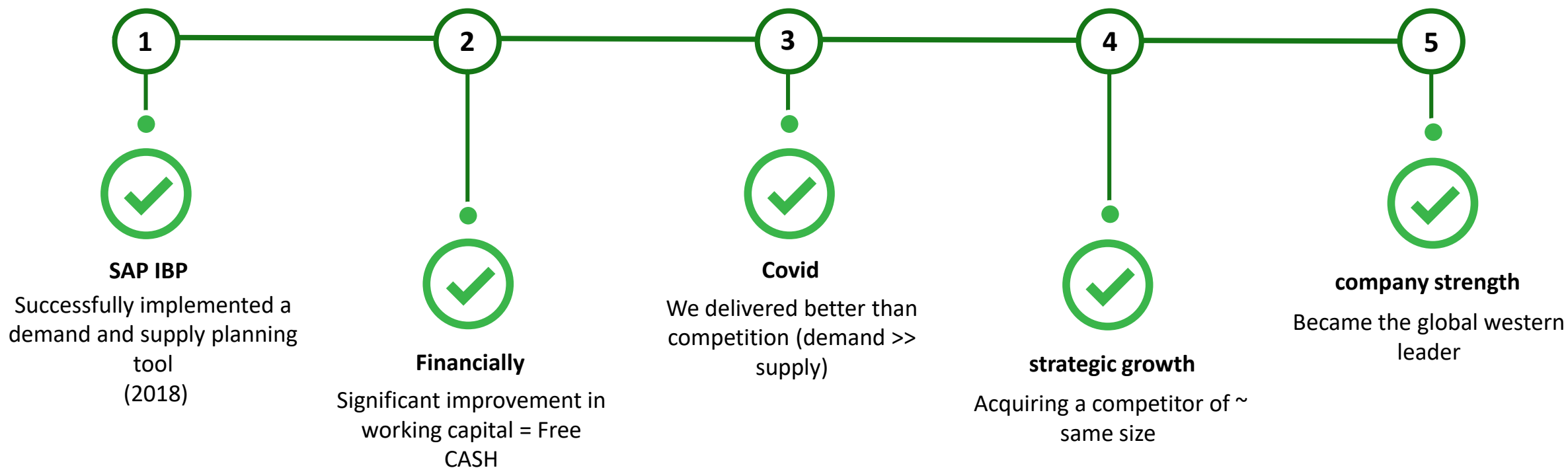


## ***Supply Chain is becoming a segregating factor !***

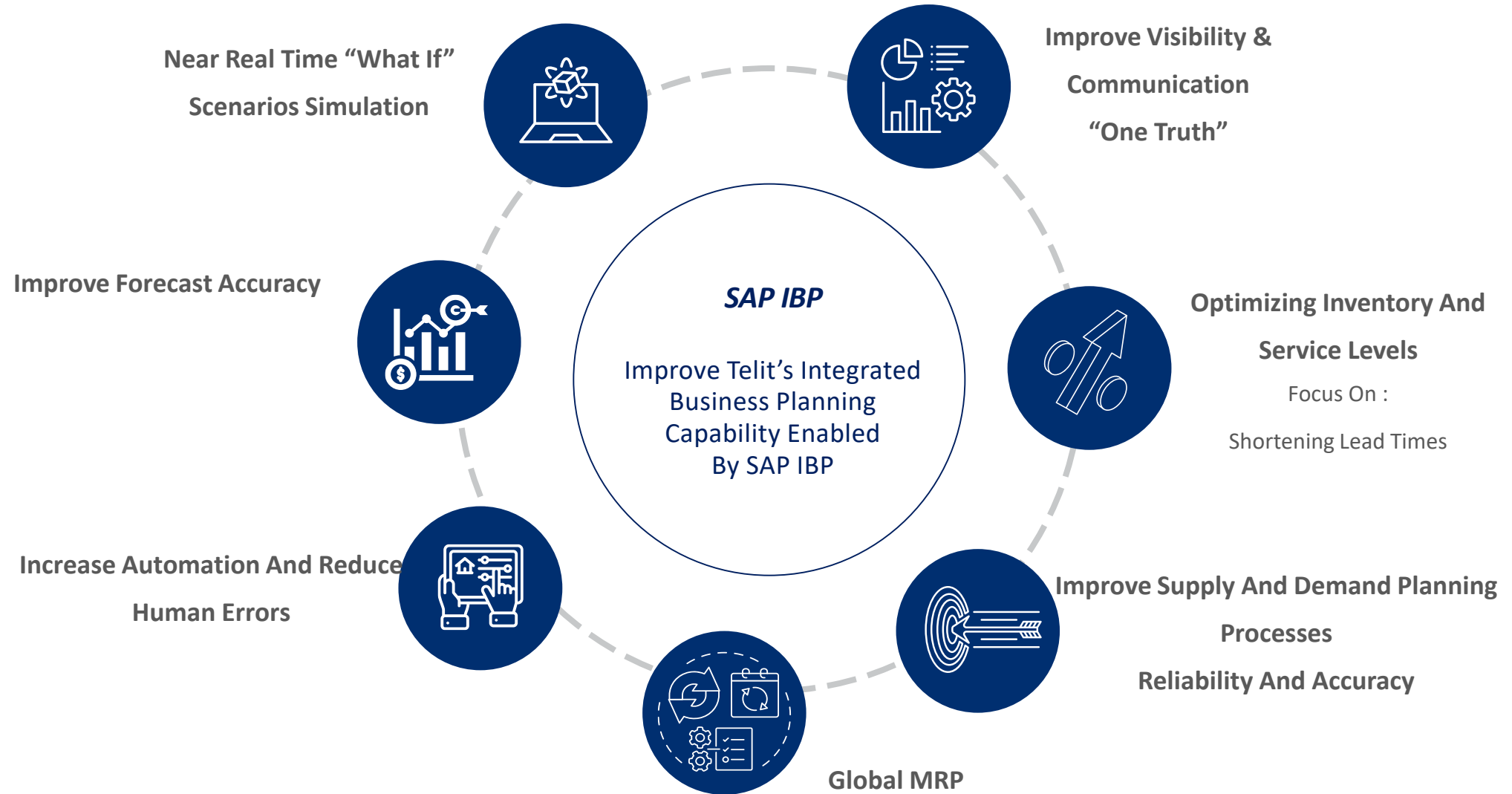
*Supply Chains are experiencing pressures unlike any we have seen in a generation. As a result, visibility, agility and resiliency are taking on a profoundly more important role in this increasingly disruptive world*



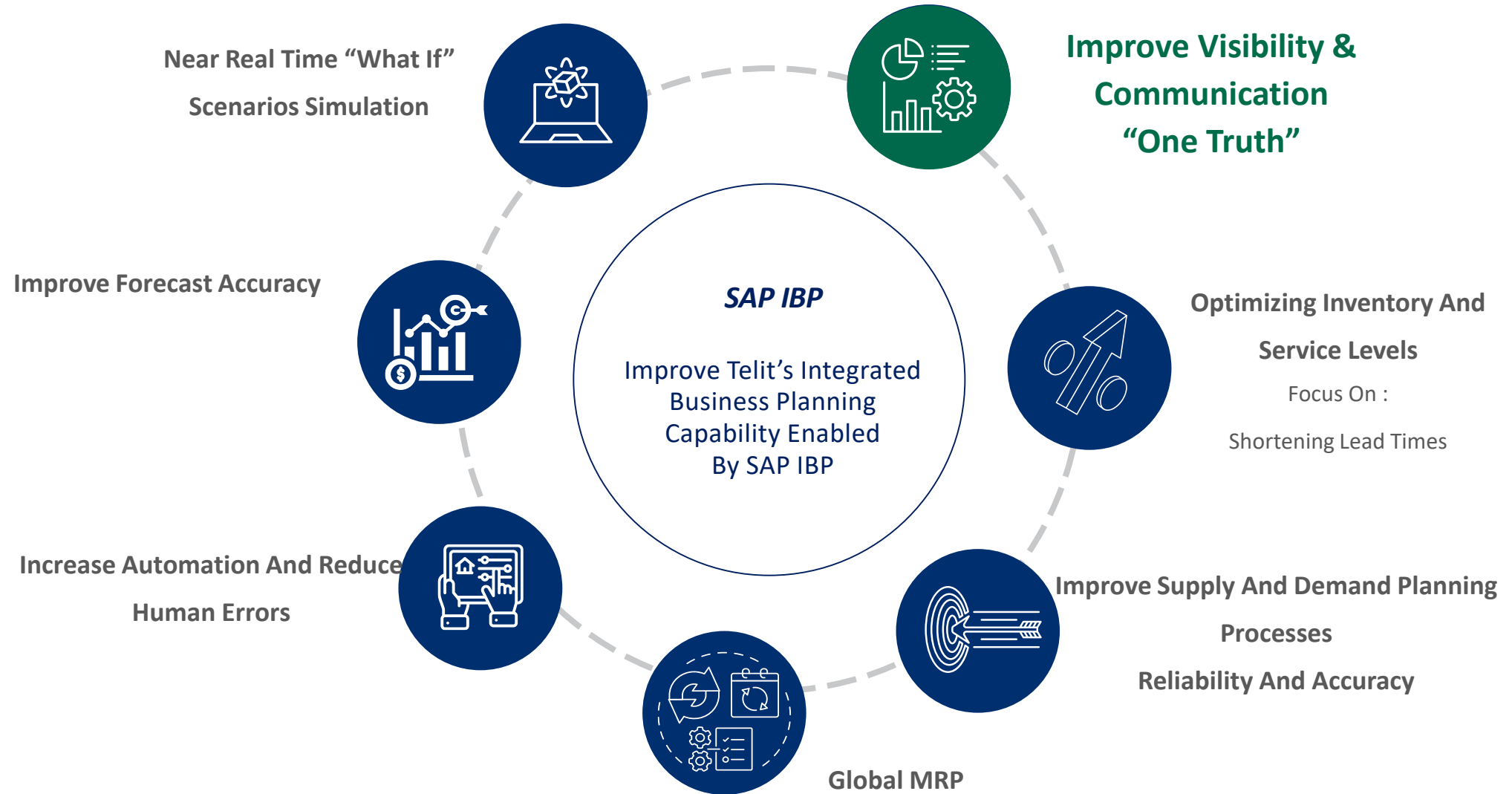
# The strategic Power of an excellent supply chain



# Why IBP was a strategic key for success?

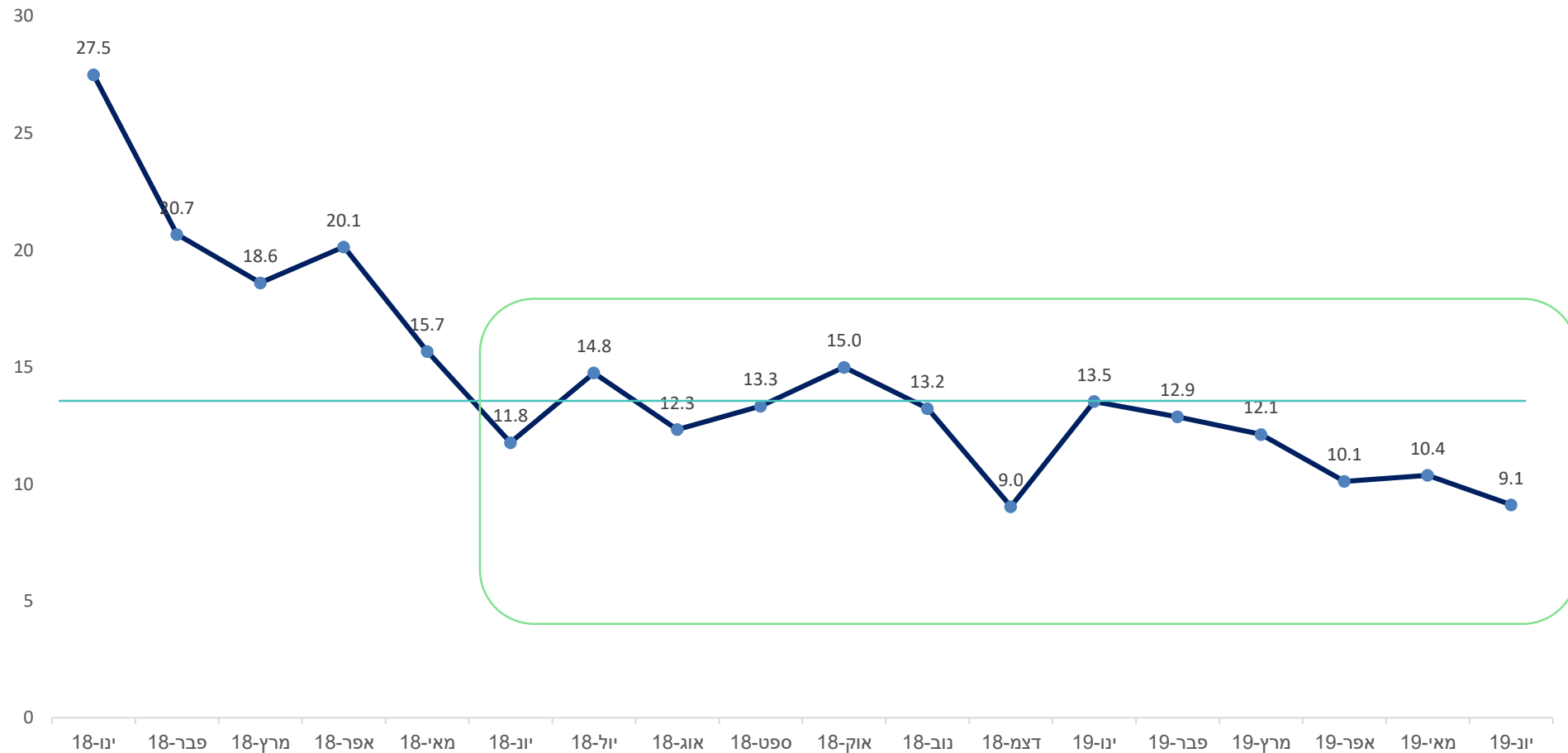


# Why IBP was a strategic key for success?



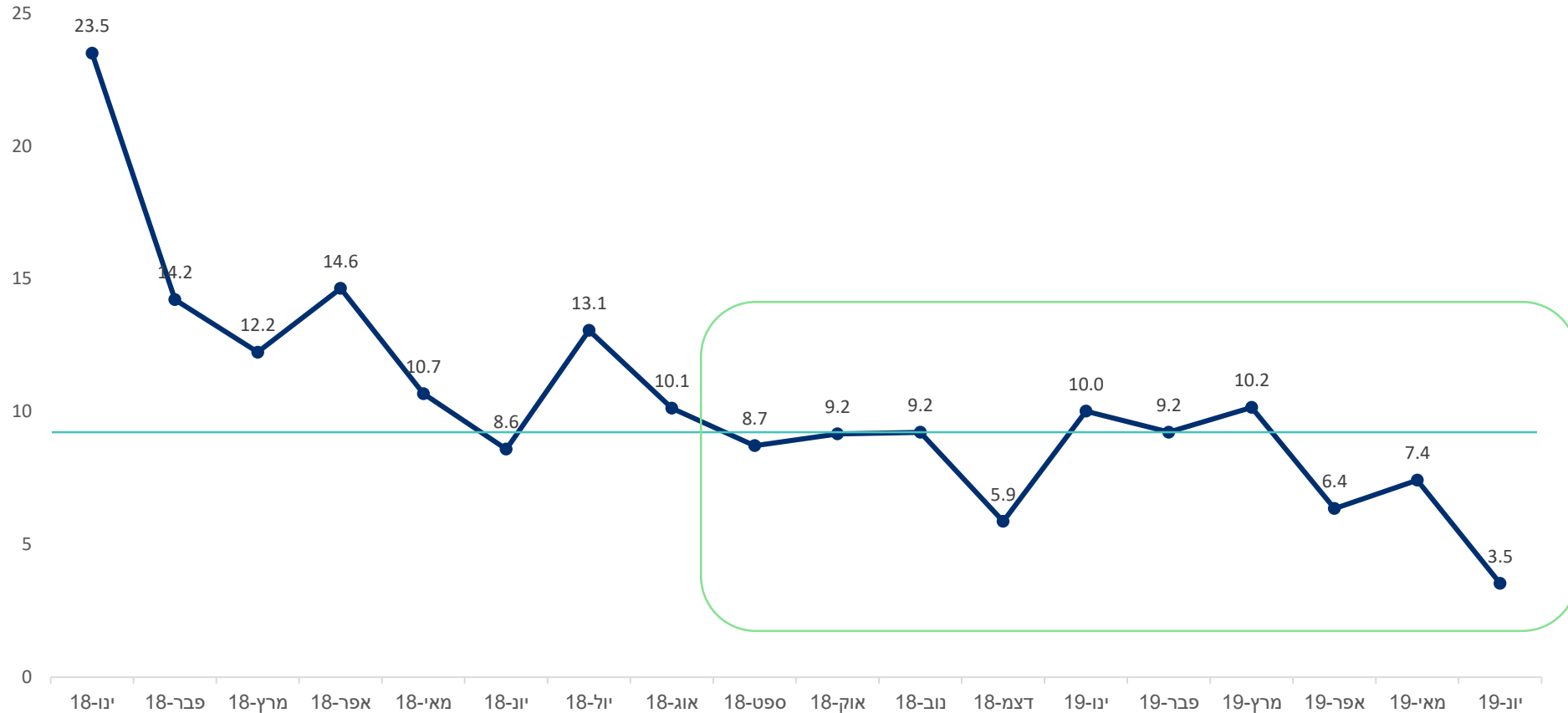
# Service level KPI/Supply on request

CDD-RDD (days), confirmed vs. Requested DD



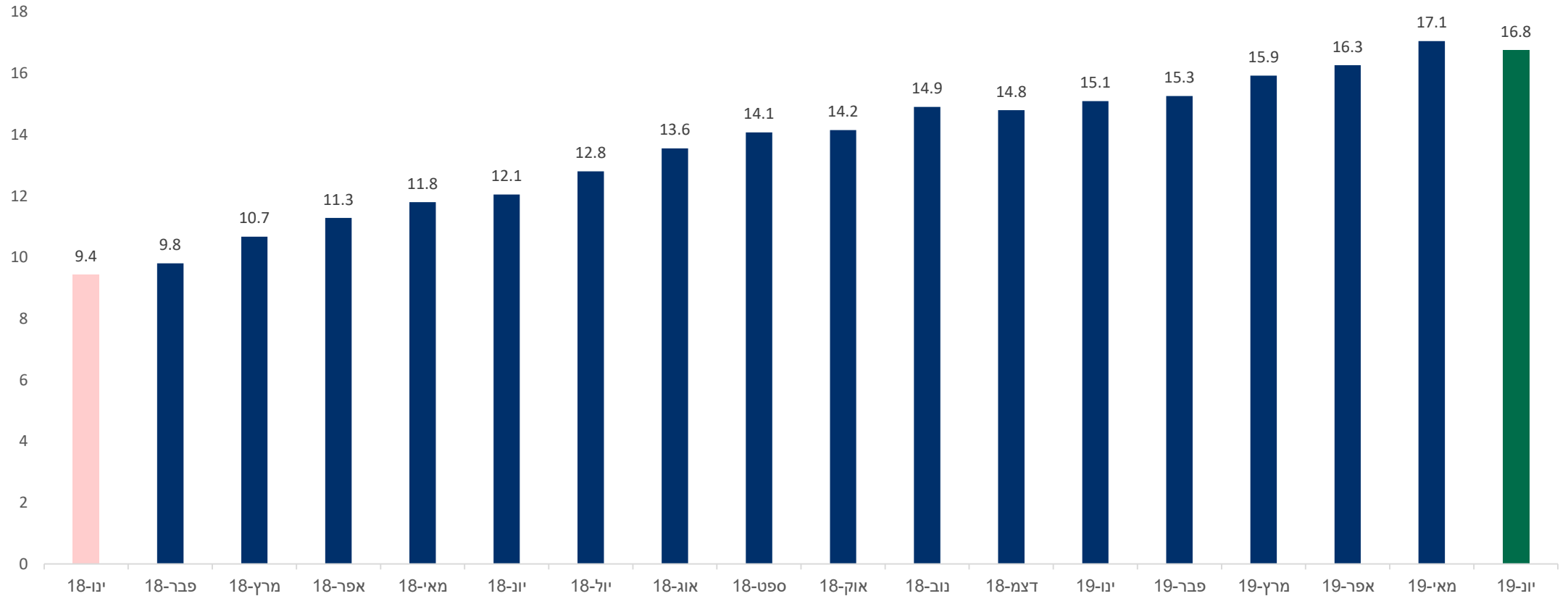
# Service level KPI: High Runners (Almost JIT)

CDD-RDD (days), confirmed vs. Requested DD

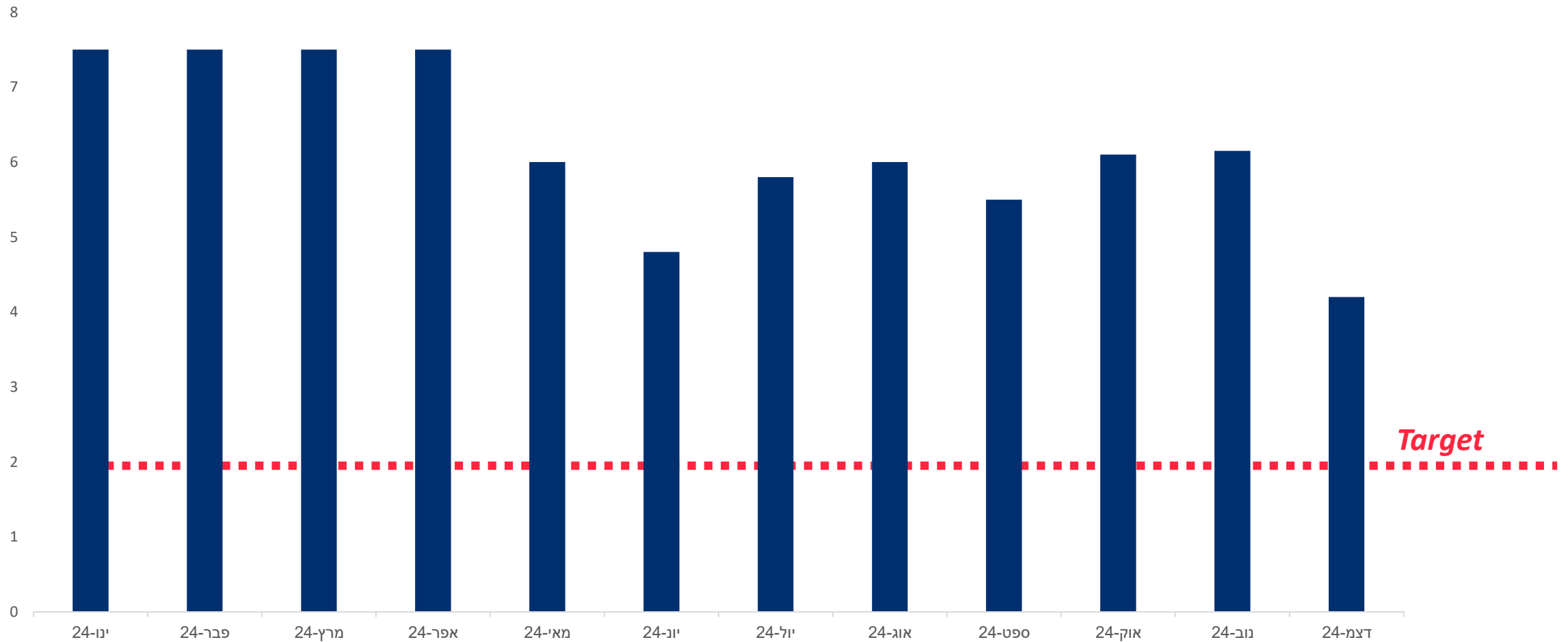


\*For High Runners

# Inventory Turns KPI/(Working Capital/Cash) Finished Goods



# Components Inventory levels (~1-2 inventory months)





# Next step and How AI/ML could take us there ?

 NEW

## Forecast Accuracy (FG)

Further improvement is “blocked” due to **poor Forecast accuracy**

**Challenge** : Input is “given”



## Planning Process (Components)

Planning is done for Finished goods level, while the real and only **bottleneck** is the **components level**

**Challenge** : VERY high complexity level, manual approach is impossible

# Results: 25% **FG** Forecast Accuracy Improvement

## Total

Forecast Accuracy

**25.2%**

## A-Items

Forecast Accuracy

**24.3%**

## B-Items

Forecast Accuracy

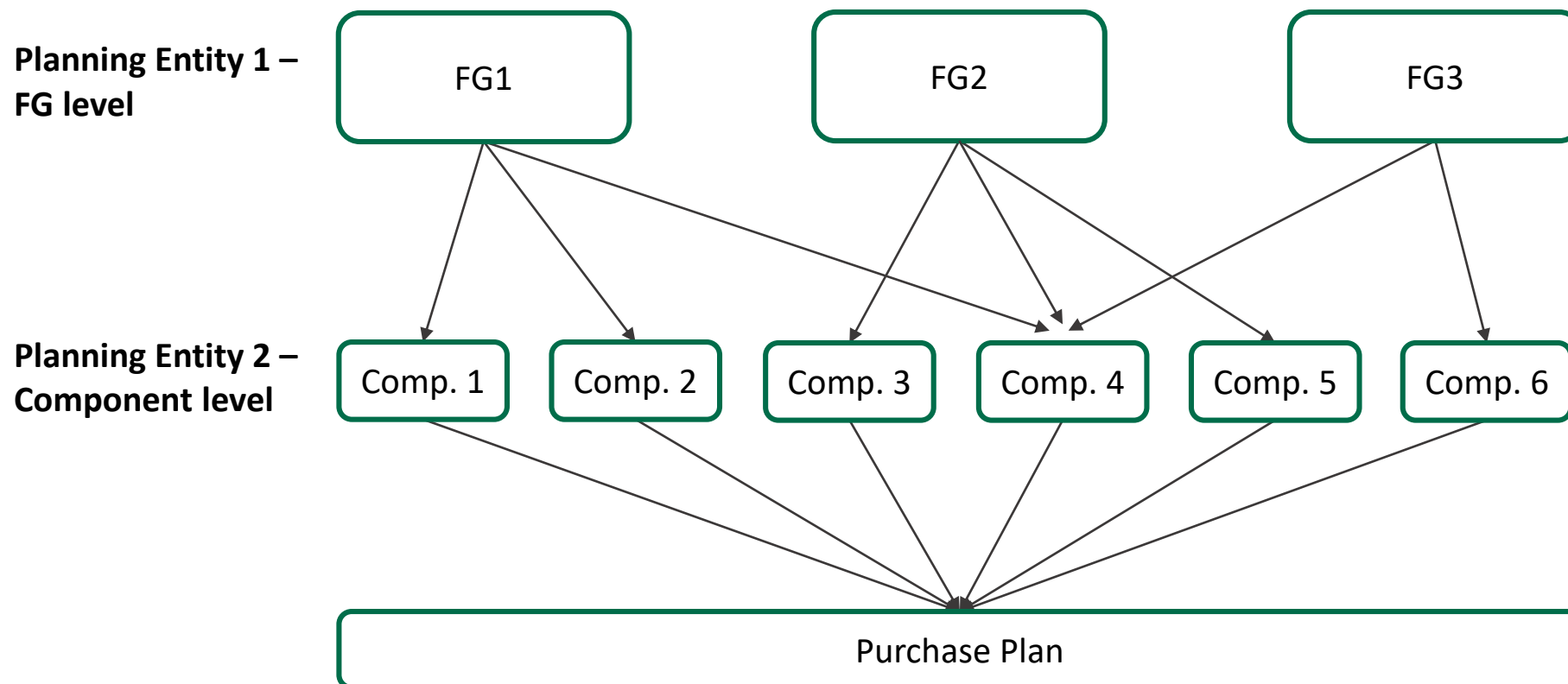
**22.8%**

## C-Items

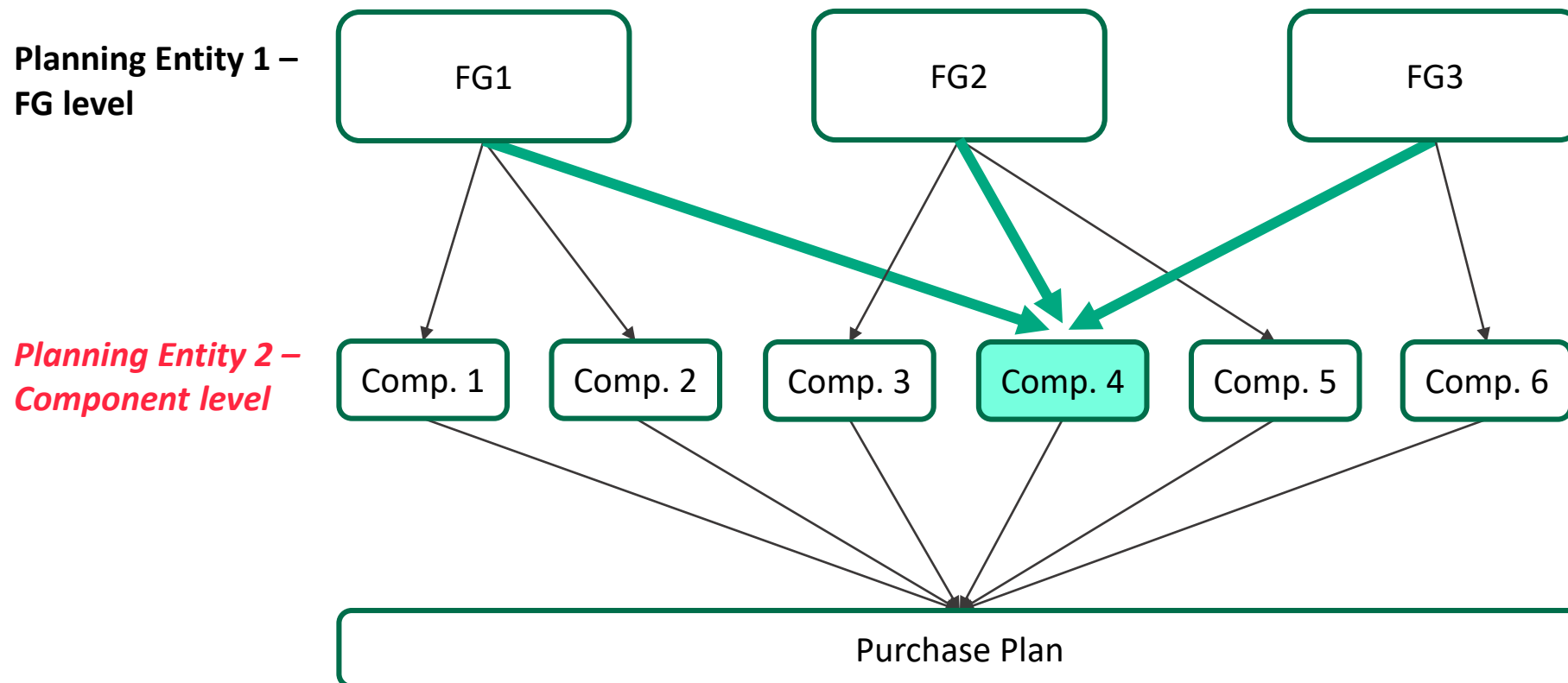
Forecast Accuracy

**43.7%**

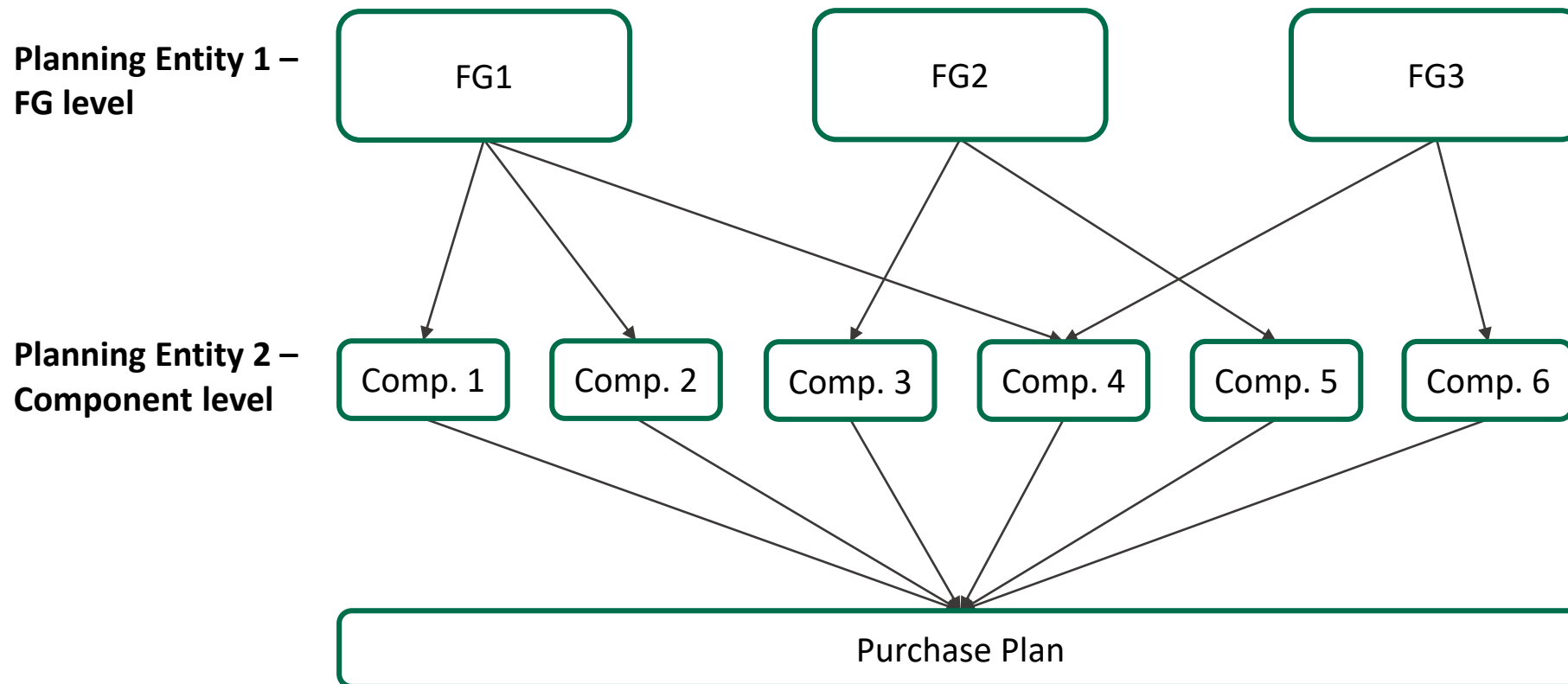
# AI Improved planning approach



# AI Improved planning approach



# AI Improved planning approach



Planning Entity 1 –  
FG level

Planning Entity 2 –  
Component level

~20% accuracy improvement by AI

★ New Approach

component planning for procurement and cost down negotiations

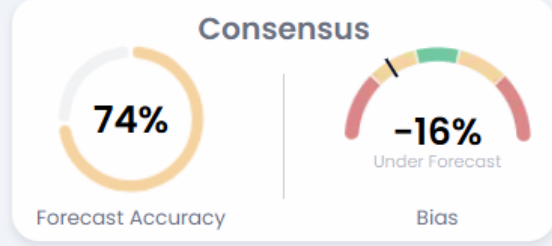
# FG Actual Use-cases

# FG Use-case #1

Category All

Family All

Item Family II (22/176)

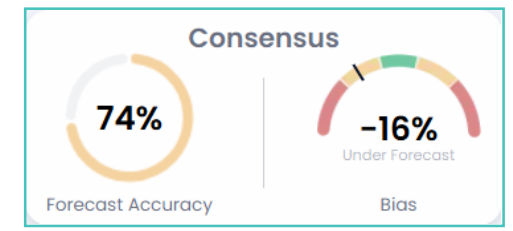
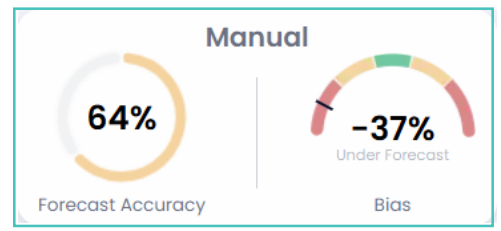
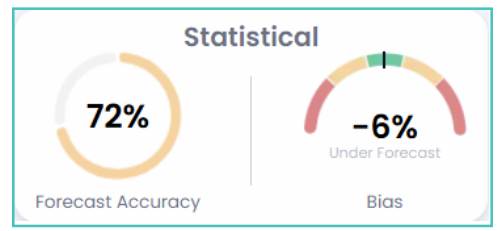
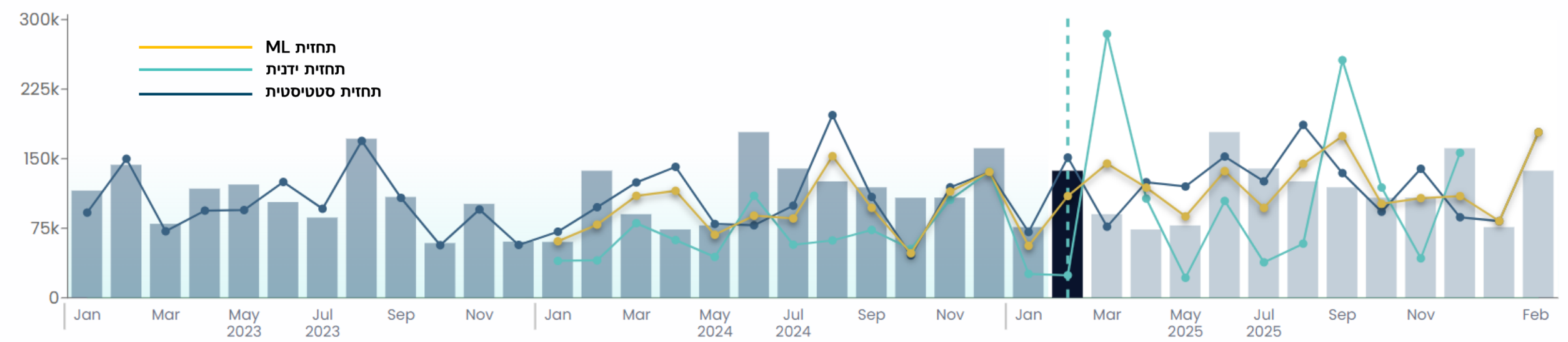


Financial class: All | A | B | C

Operational class: All | F | S | N

Product Lifecycle: All | Mature | NPI | EOL

2025 | Rolling | YoY | Time Frame: Y | Q | M | W | Zoom | Value Quantity



# FG Use-case #2

Category All ▾

Family All ▾

Item: XXXXXXXXXXXX (141/176) < >

Financial class:

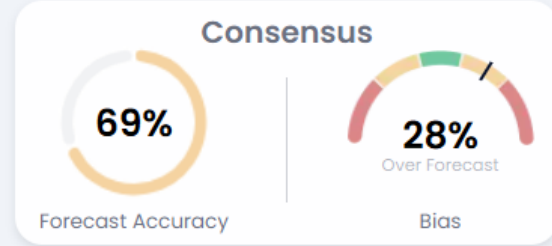
All **A** B C

Operational class:

All **F** S N

Product Lifecycle:

All **Mature** NPI EOL



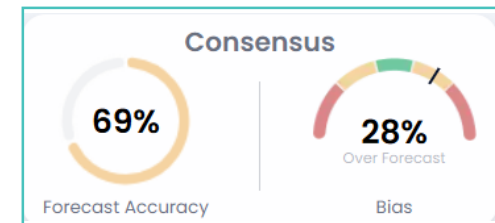
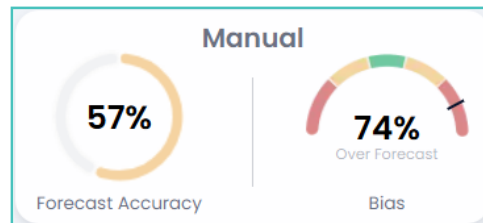
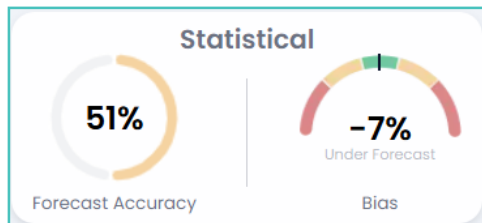
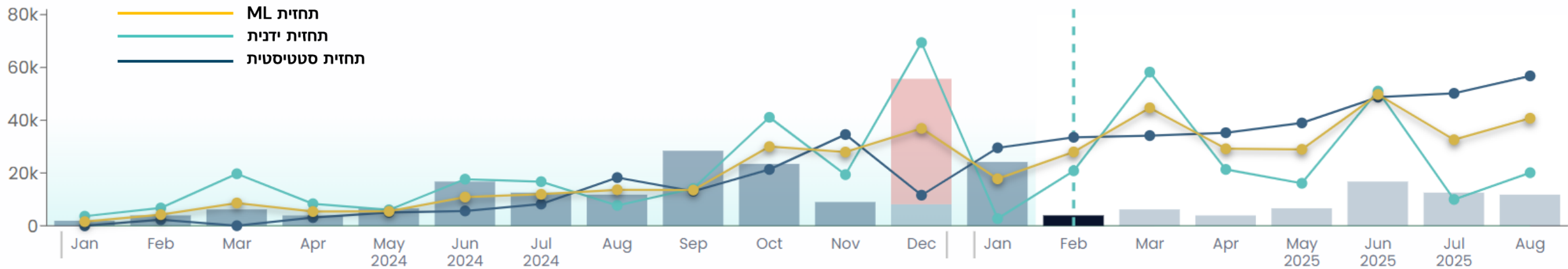
2025

Rolling YoY

Time Frame Y Q **M** W

Zoom

Value Quantity ▾





# Monthly vs Quarterly Planning

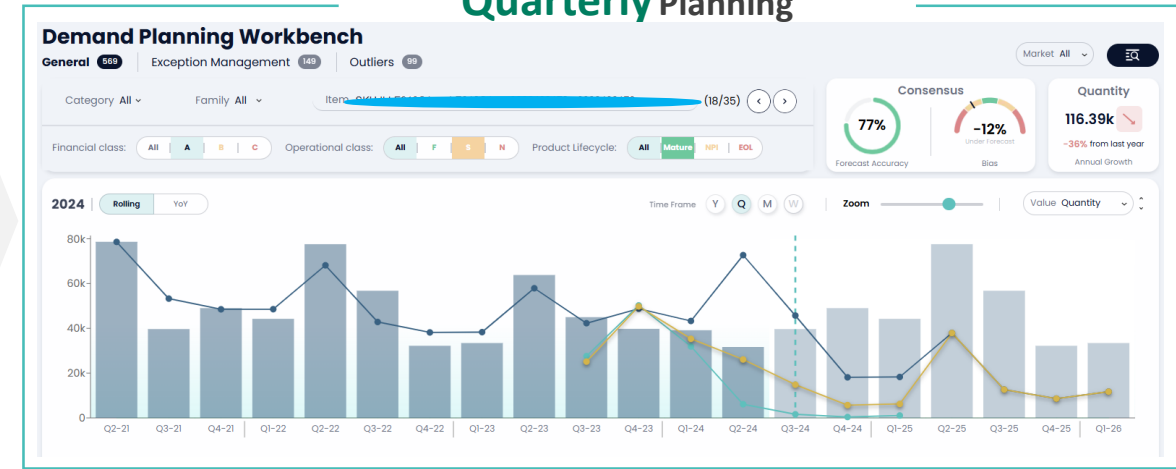
From **50%** FCA to

**77%** FCA

## Monthly Planning



## Quarterly Planning



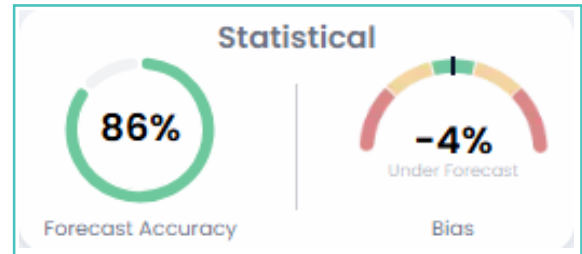
SKU: SKU [redacted]  
Type: "AS" Item

# Components

## Actual Use-cases

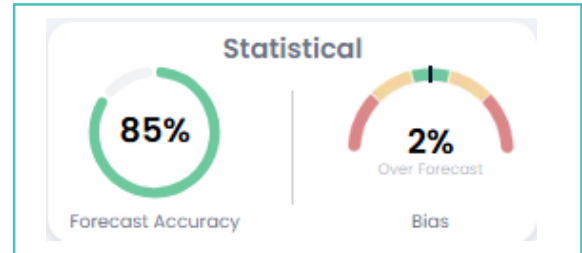
# Use-Case – Component Level :avoiding shortages

Despite the inaccurate current state forecast, Intelichain ML solution has generated **86% forecast accuracy**



# Use-Case – Component Level: avoiding **Excess Inventory**

Despite the inaccurate current state forecast, Intelichain ML solution has generated **85% forecast accuracy**



# "9 Box" Segmentation - Components

		Variability		
		X	Y	Z
A	# SKUs	11	39	19
	% SKUs (from total)	1.1%	3.91%	1.9%
	\$ COGS	18.33M	18.33M	18.33M
	% COGS (from total)	18.3%	47.35%	13.94%
B	# SKUs	31	94	52
	% SKUs (from total)	3.11%	9.42%	5.21%
	\$ COGS	8.95M	8.95M	8.95M
	% COGS (from total)	2.82%	8.5%	3.84%
C	# SKUs	114	227	411
	% SKUs (from total)	11.42%	22.75%	41.18%
	\$ COGS	1.11M	1.11M	1.11M
	% COGS (from total)	1.11%	2.1%	1.78%

## Key Insights

- **4%** of products in the AY segment account for around **50%** of the annual COGS.
- **64%** of products in CZ and CY Segments, accounting for just **4%** of the annual COGS.

# Telit Cinterion Planning Journey...



 Intelichain

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