






INTRODUCTION: March 2023




We solve electronic challenges for a sustainable world

SOLVING ELECTRONIC CHALLENGES FOR A SUSTAINABLE WORLD

TT provides smart and sustainable solutions for customers globally....

-  Power
-  Sensing
-  Connectivity

...benefitting from enduring megatrends in structurally high-growth markets...

-  Healthcare
-  Aerospace & defence
-  Automation & electrification

...investing in R&D to design-in products where reliability is mission critical.



TT designs and manufactures electronics that enables our customers to be:



CLEANER

IMPROVE ENERGY EFFICIENCY



SMARTER

ENSURE ACCURACY

DRIVE AUTOMATION



HEALTHIER

IMPROVE PATIENT OUTCOMES

BUILDING A SUSTAINABLE BUSINESS



Our technologies enable our customers to meet their sustainability objectives



CLEANER



TT developed a custom, high-voltage optoisolator for a solar panel inverter system



SMARTER



Ultra lightweight, high voltage DC-DC converters for use on electric aircraft platforms



HEALTHIER



TT developed physically smaller current sensors with improved environmental performance and long-term stability for use in a defibrillation charge control circuit

Sustainability drives our revenue growth and how we run our business

Environmental

Net Zero target by 2035 for Scope 1&2 emissions

- Achieved 54% reduction in scope 1&2 a year ahead of plan
- Site specific plans to reduce energy consumption
- Scope 3 assessment & measuring underway in key categories

Social

- Cost of living support
- Employee engagement – achieved a 2* ranking by Best Companies
- InTTernship, apprentice and graduate schemes

Governance

- Two new Board members
- 38% female representation on the Board
- ED&I Policy

MEGATRENDS DRIVING SUSTAINABLE GROWTH

MEGATRENDS

TT'S SOLUTIONS

UN SDG



CLEANER

Climate change and resource scarcity

IMPROVE ENERGY EFFICIENCY

- Aircraft electrification
- Electric and hybrid electric vehicles
- Smart energy infrastructure



SMARTER

Technological breakthrough and digital transformation

ENSURE ACCURACY; DRIVE AUTOMATION

- Smart city infrastructure
- Remote patient monitoring
- Factory automation and productivity



HEALTHIER

Demographics and social change

IMPROVE PATIENT OUTCOMES

- Laboratory analysis
- Minimally invasive procedures
- Medical diagnostics



GREATER POTENTIAL FROM STRUCTURAL GROWTH MARKETS

% OF TT REVENUE FY22	MARKET	UPDATED MEDIUM TERM MARKET GROWTH RATE	DRIVERS OF HIGHER GROWTH
28%	Healthcare	+6-8%	<ul style="list-style-type: none">• Technological change and digital transformation driving demand• Investment in Europe and US supporting dislocation of global supply chains and underlying growth• New applications across all end markets expanding our addressable markets• Business development success with high growth blue-chip customer base
15%	Aerospace & Defence	+4-5%	
37%	Automation & Electrification	+5-6%	
20%	Distribution Sales Channel	GDP+	

**BETTER MARKET OUTLOOK 4-6% MEDIUM TERM GROWTH
TT SET TO CONTINUE OUTPERFORMANCE**

HIGHER GROWTH AND CREATING VALUE



Megatrends driving revenue growth
and demand for products that
contribute to a more sustainable world

Increased to 4-6% revenue CAGR



A high quality, IP rich business,
with cleaner, smarter and
healthier solutions

10%+ operating margin in sight



Strong cash generation to invest in IP
and value-enhancing acquisitions

**90%+ cash conversion, 2023
FCF step-up**

Organic and M&A investment improving quality of business and exposure to megatrends

GROWTH : FROM BUSINESS DEVELOPMENT IN OUR TARGET END MARKETS



Healthcare

Electromagnetic tracking

- New medical manufacturer customer win using TT's EM micro-coil sensors

Mass Spectrometer

- Excellent execution for an analytical lab manufacturing company driving strong growth

Blood analyser

- Optical sensor opportunities with medical device companies



Aerospace and Defence

Defence

- Multiple programmes for Boxer, the main UK army vehicle, with recent cross sell from Power to GMS

Aerospace

- Honeywell – New power supply for next gen inertial navigation units and strategic manufacturing partner on Anthem, the industry's first cloud-connected cockpit system
- A design and development contract for power converters for a new business jet



Automation and Electrification

Automation

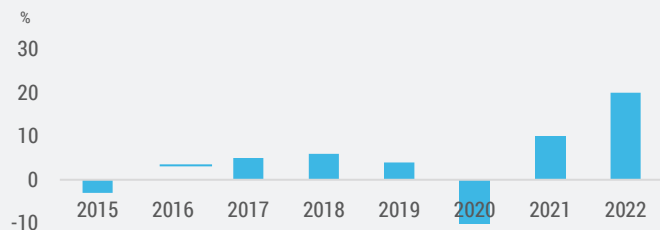
- Industrial customer currently testing our revolutionary optical sensory array FlexSense™ in a robotic arm for factory automation
- Applied Materials customer award for best-in-class performance

Electrification

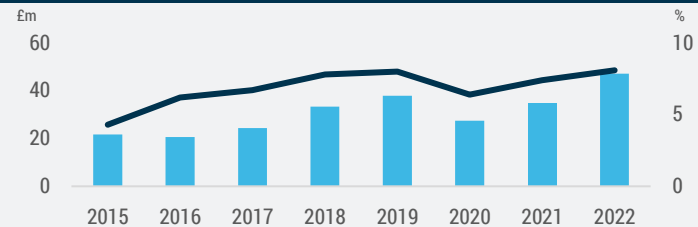
- Schneider Electric - TT provided a sensor that met the high-reliability requirements of a gas-insulated switchboard utilised in electricity distribution

STRONG TRACK RECORD OF DELIVERY

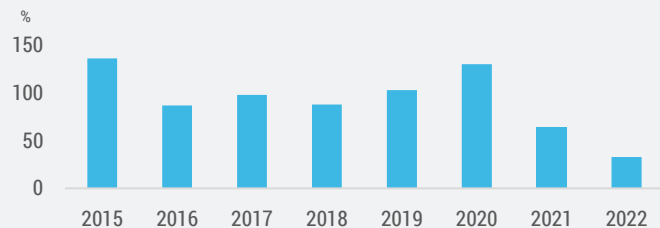
ORGANIC REVENUE GROWTH



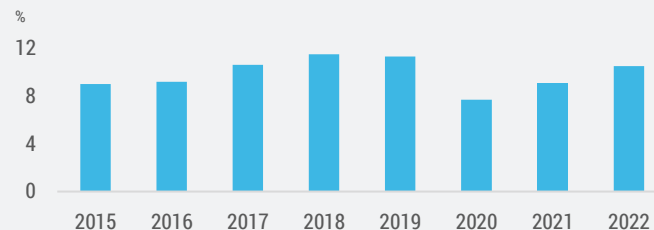
OPERATING PROFIT AND MARGIN¹



CASH CONVERSION SUPPORTING REINVESTMENT



RETURN ON INVESTED CAPITAL



Progress temporarily impacted by COVID-19 in 2020

Strong 2022 performance - organic revenue growth 20%, margins¹ 8.1%

TRANSFORMING THE BUSINESS

DOUBLE DIGIT MARGINS THROUGH SELF-HELP, GROWTH & PORTFOLIO CHANGE

- Self-help: £13-14m run rate benefit by 2023 from site closures and overhead reduction
- Growth: Operational leverage on growth of mid to high single digit through cycle
- Acquisitions of higher margin business with synergy opportunities





DELIVERING VALUE THROUGH M&A

Covina and Torotel acquisitions

- Integrated ahead of plan
- Torotel enhances our US Power electronics capabilities and strengthens our position in the US defence markets
- Leveraging Torotel's blue-chip aerospace and defence customer relationships across TT's businesses
- Covina integration has created additional rationalisation opportunities with Torotel
- Delivered 10% margin and on track to hit ROIC acquisition hurdles

Ferranti Power & Control

- Adds further technology capability, IP and scale to our Power business
- Valuable long-term customer relationships and positioned on programmes with leading global aerospace and defence customers
- Contributing mid-teens operating margins
- Cost synergies of £0.4m expected by year 3

Demonstrates ability to create value through consolidation of fragmented niche markets

GUIDED BY A CLEAR CAPITAL ALLOCATION POLICY

Free cash flow priorities

- 1 Maximise organic investment including R&D to support growth
- 2 Maintain progressive dividend policy
- 3 Continue to support our strategy with targeted, complementary M&A - disciplined hurdle rates
- 4 Return excess capital to shareholders

Application

- 1 £11.0m investment in R&D; £11.7m capex spend; £6.3m on self-help net of property disposals
- 2 £10.2m paid in year, 13% increase for FY2022 dividend
- 3 Torotel integrated; Ferranti acquired January 2022; total acquisition spend since 2020 >£55m
- 4 Leverage of 2.0x net debt to EBITDA

TARGET LEVERAGE WITHIN RANGE OF 1.0-2.0X EBITDA

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


**90%+ cash conversion, 2023
FCF step-up**

Organic and M&A investment improving quality of business and exposure to megatrends

APPENDIX



OUR DIVISIONS

		
Power and Connectivity	Global Manufacturing Solutions	Sensors and Specialist Components
Revenue: £154.2m Operating profit: £7.9m Operating profit margin: 5.1%	Revenue: £323.0m Operating profit: £25.2m Operating profit margin: 7.8%	Revenue: £139.8m Operating profit: £21.8m Operating profit margin: 15.6%
 Power	 Sensing	 Connectivity
Higher value-add product solutions and sub-assemblies	Higher-level complex electronic assemblies	Components and sub-assemblies
Continued technology investment to develop higher-value product offerings and cross-selling to TT customers across healthcare, aerospace, defence, automation and electrification markets		

SUMMARY INCOME STATEMENT

£m	2022	2021
Revenue	617.0	476.2
Adjusted operating profit	47.1	34.8
Net finance cost	(6.7)	(3.3)
Adjusted profit before taxation	40.4	31.5
Adjusting items	(50.5)	(15.5)
Profit before taxation	(10.1)	16.0
Taxation	(3.1)	(3.2)
Profit after taxation	(13.2)	12.8

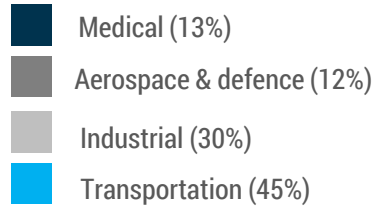
CASH CONVERSION

£m	2022	2021
Adjusted operating profit	47.1	34.8
Depreciation and amortisation	16.1	16.1
Net capital expenditure	(11.7)	(14.9)
Capitalised development expenditure	(2.3)	(1.9)
Working capital	(38.8)	(14.7)
Other	5.3	3.3
Operating cash flow after capex	15.7	22.7¹
Operating profit	47.1	34.8
Cash conversion	33%	65%

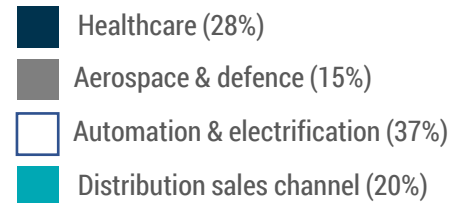
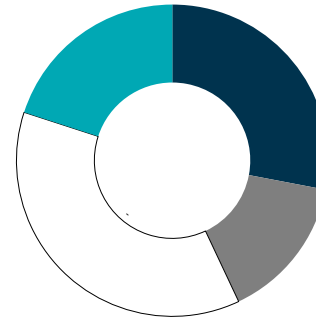
¹ Excludes the net proceeds of the Covina property sale (£5.8 million).

GOOD EXPOSURE TO STRUCTURAL GROWTH MARKETS

2015



2022



CAUTIONARY STATEMENT

For the purposes of the following disclaimers, references to this 'document' shall be deemed to include references to the presenters' speeches, the question and answer session and any other related verbal or written communications.

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