

TT Electronics is a global provider of engineered electronics for performance critical applications. We operate in markets where there are structural growth drivers, working with market-leading customers in industrial, aerospace and defence, medical and transportation sectors. We have c.4,200 employees and operate across 17 manufacturing sites, with our operations positioned to best serve our customers.

Our strategy

Clear market focus

- We are focused on building leading positions in areas of the market where there are structural growth drivers, and the proliferation of electronics is driving demand for our solutions

Creating differentiated capabilities

- We concentrate our time and resources on market areas where our industry expertise and R&D investment creates strong and differentiated capabilities valued by our customers

Engineering smarter solutions with our customers

- We are committed to solving our customers' toughest electronics challenges by engineering smarter solutions together

Investment for growth

Following the sale of the Transportation division in 2017, we have increased financial capacity to drive growth:

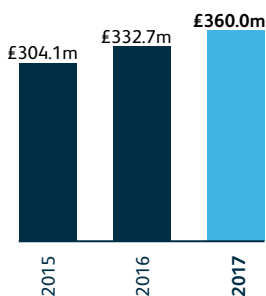
- Acquisitions
- Research and development
- Investing in our sales channels
- Operational excellence
- Talent development

3 year history

Revenue

£360.0m

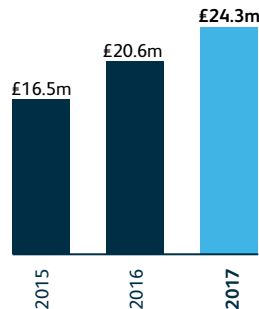
up 5% (organic)



Underlying operating profit

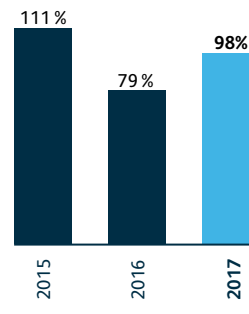
£24.3m

up 12% (constant currency)



Cash conversion

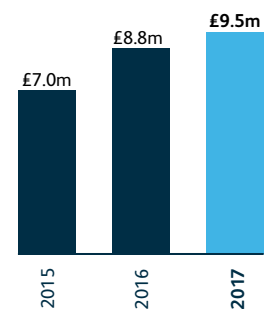
98%



Cash spend on R&D

£9.5m

4.6% of revenue*



NB: all figures for continuing operations

*R&D as a percentage of revenue includes revenue from the Sensors and Specialist Components and Power Electronics divisions. The Global Manufacturing Solutions division does not consume R&D

Our investment proposition

TT is a profitable, growing business, with good cash conversion and a progressive dividend policy, able to execute major organisational and portfolio change. We have positioned TT for:



The markets we serve



Industrial

Market growth from electronics future proofing next generation technology including 'factory 4.0', 'smarter home', and higher specification consumer products.



Aerospace and defence

Market growth from the 'more electric aircraft'; demand for electrical components with reduced size, weight and power consumption.



Medical

Market growth from increased demand for more sophisticated diagnostic, imaging and monitoring equipment; constant drive towards improved patient safety.



Transportation

Market growth from increasing electronic content in automotive, off-road and rail; market trend towards electric and hybrid electric vehicles.

Full Year 2017 financial headlines

£m (unless otherwise stated)	2017	2016	Change	Change constant fx
Continuing operations				
Revenue	360.0	332.7	8%	5%
Underlying operating profit ¹	24.3	20.6	18%	12%
Underlying profit before tax ¹	22.0	16.1	37%	28%
Underlying earnings per share (pence) ¹	10.9p	7.8p	40%	30%
Underlying return on invested capital ^{1,2}	10.6%	9.2%	140bps	
Underlying cash conversion ^{1,3}	98%	79%		
Total Operations				
Earnings per share (pence)	29.5p	10.3p		
Free cash flow ⁴	4.7	13.8		
Net funds (debt)	47.0	(55.4)		
Dividend per share (pence)	5.8p	5.6p		

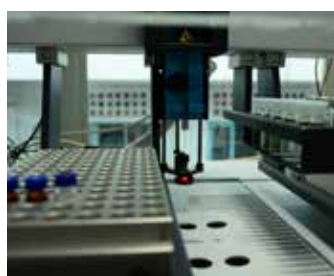
(1) Excluding the effect of restructuring costs, asset impairments and acquisition related costs

(2) Rolling 12 month underlying operating profit return on average invested capital

(3) Underlying operating cash flow (underlying EBITDA less net capital expenditure excluding property disposals, capitalised development expenditure, working capital and non-cash movements) divided by underlying operating profit

(4) Net cash flow from operating activities less net cash flow from investing activities less interest paid

Our business



Sensors and Specialist Components

The **Sensors and Specialist Components** division collaborates with customers to develop both standard and customised solutions that improve the precision, speed and reliability of performance-critical applications in the industrial, medical, transportation and aerospace and defence sectors. We design and manufacture highly engineered parts that solve customer challenges. Product offerings include optoelectronics and sensors for torque, position, pressure, flow and temperature, and specialist circuit protection, current sensing and signal conditioning components.

FY17 Revenue

£142.3m

up 6%
(constant currency)

FY17 Underlying operating profit

£18.8m

up 15% (constant currency)

Underlying operating profit margin

13.2%



Power Electronics

The **Power Electronics** division creates specialist, high performance, ultra-reliable, highly engineered electronic components and sub-assemblies for power management, signal conditioning and connectivity applications in harsh environments. It serves customers in the industrial, automotive and aerospace and defence markets and focuses on creating value by developing innovative electronic solutions to challenging problems for our customers' electronic systems.

FY17 Revenue

£64.2m

up 14%
(constant currency)

FY17 Underlying operating profit

£6.2m

up 24% (constant currency)

Underlying operating profit margin

9.7%



Global Manufacturing Solutions

The **Global Manufacturing Solutions** division draws on its manufacturing design engineering capabilities, global facilities and world-class quality standards to provide highly complex electronic manufacturing solutions to customers in the aerospace and defence, medical, and high technology industrial sectors. The business has broad capabilities ranging from printed circuit board assembly to environmental test and full systems integration. This global suite of end-to-end solutions is focused exclusively on low volume, high mix business.

FY17 Revenue

£153.5m

up 2%
(constant currency)

FY17 Underlying operating profit

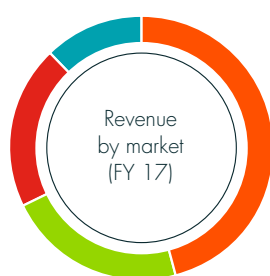
£6.5m

down 3% (constant currency)

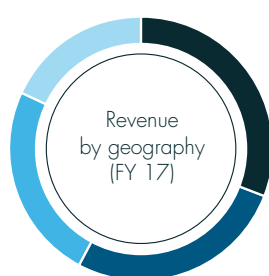
Underlying operating profit margin

4.2%

Revenue split



Industrial	46%
Aerospace and defence	22%
Medical	20%
Transportation	12%



North America	31%
UK	27%
Asia and Rest of World	24%
Rest of Europe	18%

Key management

Chairman:

Neil Carson

CEO:

Richard Tyson

CFO:

Mark Hoad

Share information

Listing:

London Stock Exchange

Ticker symbol:

TTG

Sector:

Electronic and Electrical Equipment

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