



FULL YEAR RESULTS

2022

2022 PERFORMANCE AHEAD OF EXPECTATIONS

GOOD MOMENTUM INTO 2023

- Record order intake in 2022, book to bill at 118%
- Organic growth of 20%, revenue now over £600m
- Adjusted operating profit up 19%
 - Outstanding performance from GMS and S&SC
 - Improvement in P&C on track
- Leverage down, with more reductions to come
- Pension buy-in finalised with £6m annual saving
- Revenue visibility and business momentum underpin our confidence for 2023



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

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

FINANCIAL REVIEW

MARK HOAD, CFO



GROUP FINANCIAL PERFORMANCE

£m (except where stated)	2022	2021	Change	Change constant fx
Revenue	617.0	476.2	30%	22%
Operating profit*	47.1	34.8	35%	19%
Operating profit margin*	7.6%	7.3%	30bps	(20)bps
Profit before tax*	40.4	31.5	28%	13%
EPS* (pence)	18.2p	14.5p	26%	11%
Free cash flow	(13.1)	(1.3)		
Net debt/EBITDA [†]	2.0x	1.7x		
ROIC (%)	10.5%	9.1%	140bps	
Dividend (pence)	6.3p	5.6p	13%	

[†] Net debt/adjusted EBITDA calculated as per bank covenant - pre-IFRS 16, proforma for acquisitions

* Adjusted, before exceptional items

- 20% organic revenue increase - 14% ex pass-through (c. 3% price, 11% volume)
- Strong growth drivers in automation & electrification, healthcare and distribution channel. Aerospace revenue recovery underway
- Operating profit up 19% on constant currency basis
- Adjusted operating margin of 7.6%, 8.1% ex pass-through
- EPS up 26%
- Measured use of balance sheet to support growth and margin improvement – leverage in target range
- ROIC up 140bps to 10.5%
- Dividend up 13% reflecting strong performance and positive outlook



POWER & CONNECTIVITY

	2022	2021	Change	Change constant fx
Revenue (£m)	154.2	140.2	10%	5%
Adjusted operating profit (£m)	7.9	7.8	1%	(9)%
Adjusted operating margin (%)	5.1	5.6	(50)bps	(80)bps

- FY revenue up 5% at constant currency, down 1% organic. Adjusted operating profit down 9%
- H1 impacted by supply chain, timing of programme revenues and COVID related shutdowns
- Return to organic growth and substantial profit improvement in H2 as expected (H2: 6.8% margin)
- Inorganic contribution from Ferranti acquisition - £7.9m revenue, £1.9m operating profit. Moving to new facility in H2
- Good order intake - confidence in further growth in 2023 supporting further margin improvement



GLOBAL MANUFACTURING SOLUTIONS

	2022	2021	Change	Change constant fx
Revenue (£m)	323.0	220.1	47%	37%
Adjusted operating profit (£m)	25.2	18.3	38%	23%
Adjusted operating margin (%)	7.8	8.3	(50)bps	(90)bps

- 37% organic growth (25% ex-pass through) in revenue, strong performance in healthcare, automation & electrification
- Order book growth, benefiting from new contract wins – 2023 revenues fully covered
- Enhanced customer relationships and business development initiatives are delivering revenue and order book growth
- Operating margins 8.7% excluding pass through revenue - reflects customer value proposition



SENSORS AND SPECIALIST COMPONENTS

	2022	2021	Change	Change constant fx
Revenue (£m)	139.8	115.9	21%	12%
Adjusted operating profit (£m)	21.8	16.4	33%	20%
Adjusted operating margin (%)	15.6	14.2	140bps	110bps

- Revenue increased by 12% organically
- Strong demand through our distribution network
- Customers committing orders further ahead to secure capacity giving us greater visibility
- Input cost inflation being recovered, benefits of growth and self-help reflected in record margins

EXPANDED SELF-HELP PROGRAMME COMPLETE

Programme scope

- 3 main site closures + 4 smaller sites
- Net headcount reductions c. 500 FTEs
- Relocation/end-of-life lower margin product lines
- Original project expanded with additional benefits

Programme complete

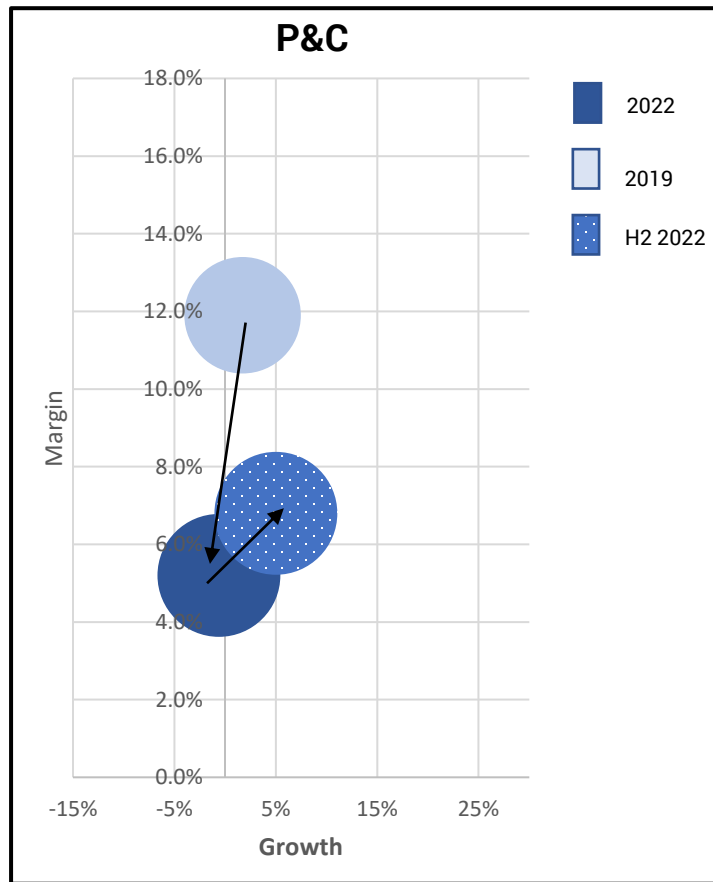
- Closure of 7 sites - Barbados, Carrollton, Corpus Christi, Covina, Lutterworth, Tunisia and Akron
- Delivered step change in CO2 emissions
- Bedlington & Kansas City transfers completed, product qualification completing H1 2023
- Project spend completed
- Benefits realised ahead of schedule supporting profit growth

£m	2020-22	2023	Total
Cash cost			
Original plan	(18)	-	(18)
Final projection	(22)	-	(22)

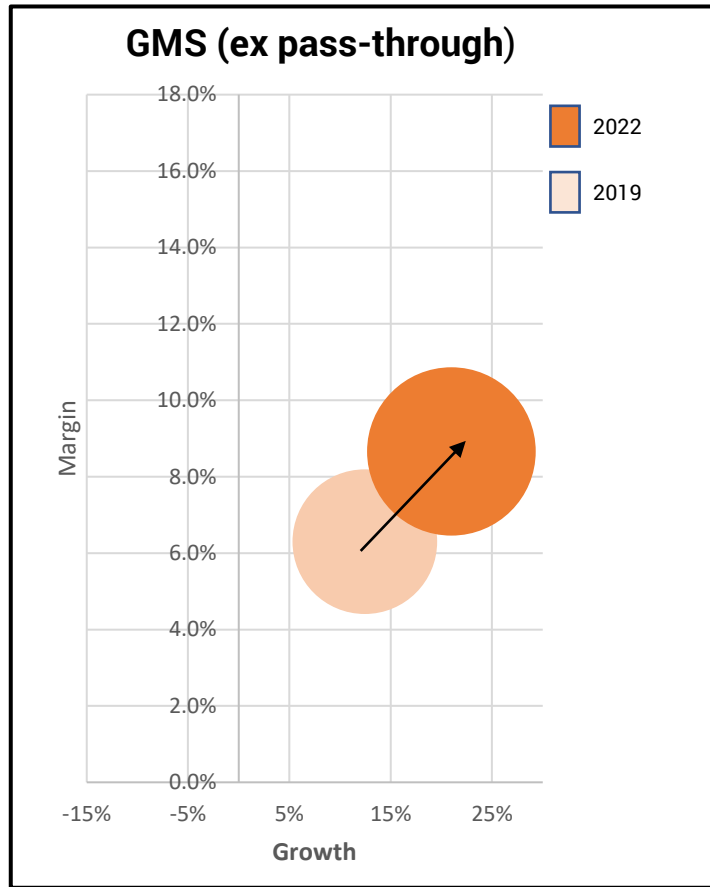
£m	2020-22	2023	Run rate
Benefits			
Original plan	10	1-2	11-12
Final projection	12	1-2	13-14

Expanded programme complete & enhanced benefits realised, supporting margin progression

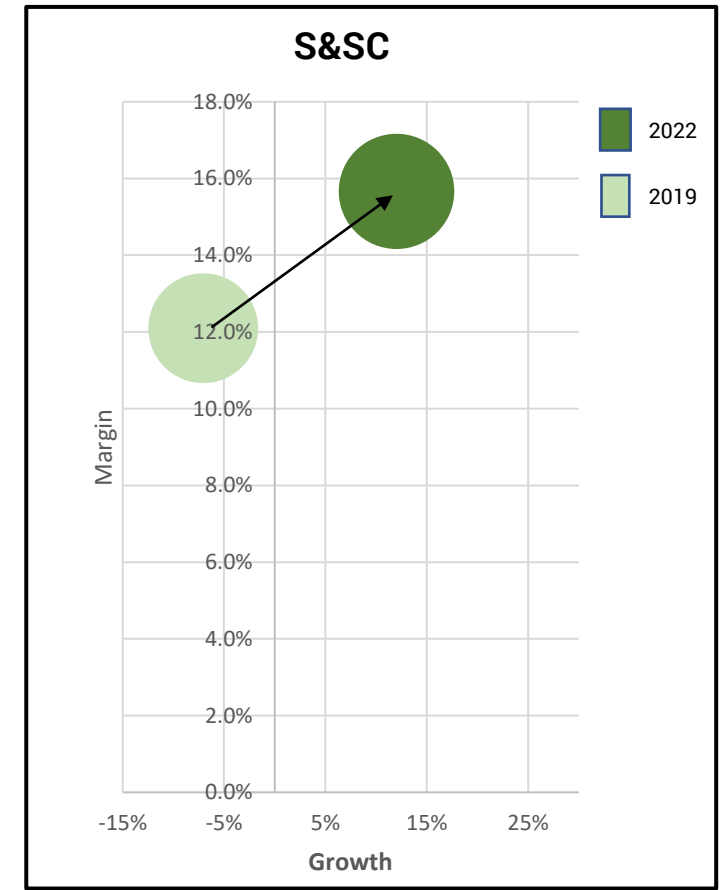
OPERATING MARGIN & GROWTH EVOLUTION 2019 TO 2022



- Greatest lasting impact from Covid
- Growth and margin step-up in H2
- Improved OB visibility for 2023

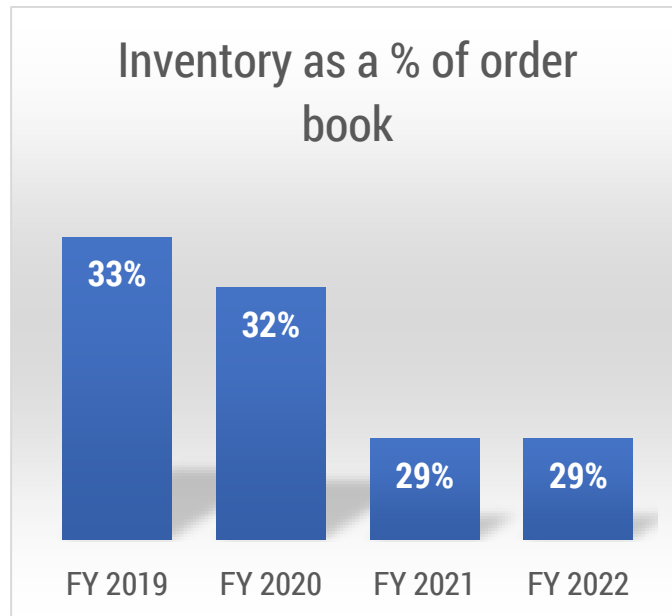


- Step-change in revenue growth
- 240bps margin improvement from 2019
- Further incremental improvement with growth

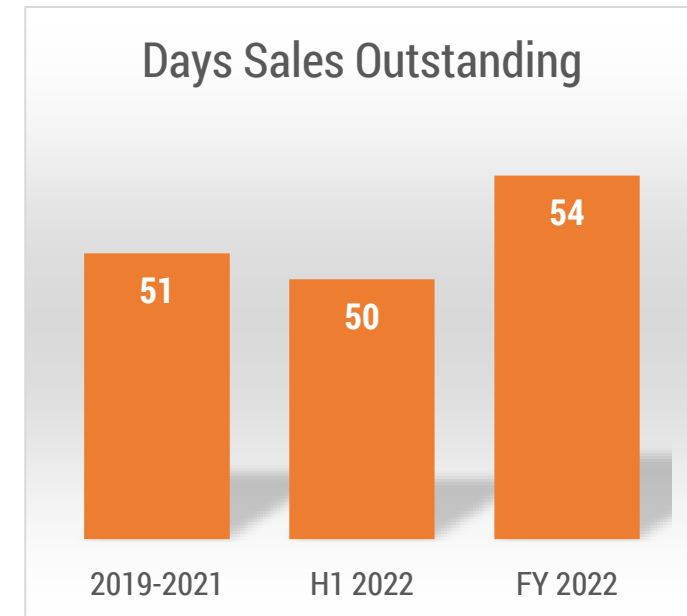


- Returned to growth with improved visibility
- Delivering record margins – up 360bps
- Mid-teens+ margins sustainably

WORKING CAPITAL INVESTING IN GROWTH

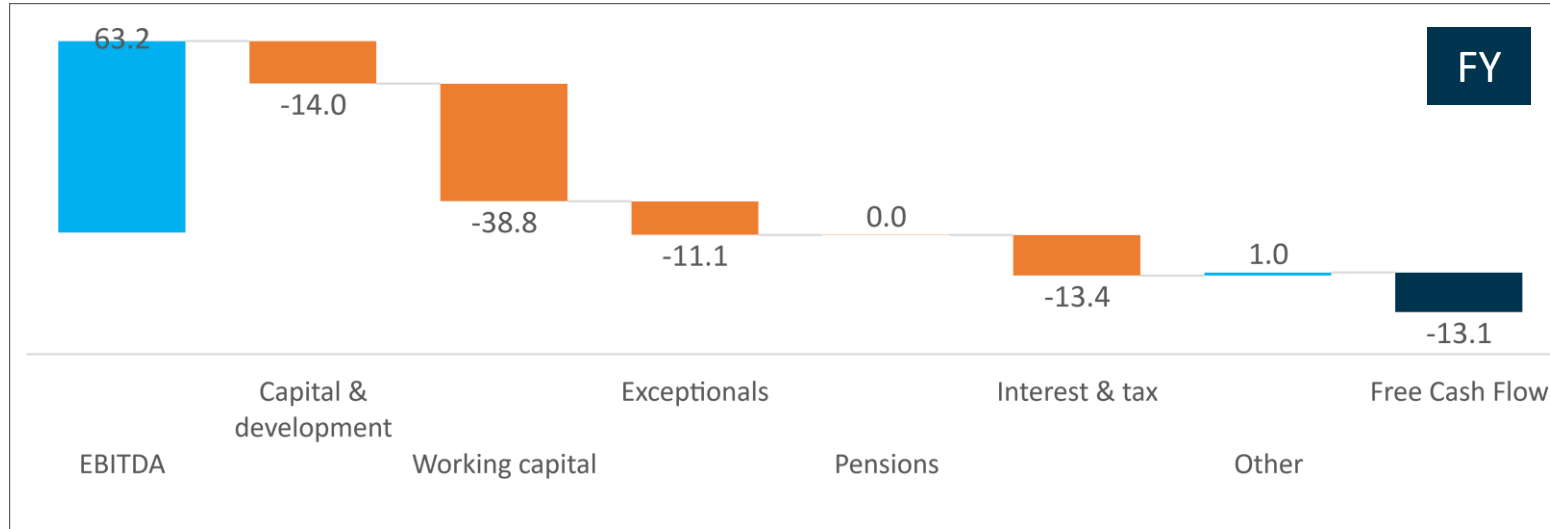


- Investment in inventory backed by a committed order book
- Overall reduced relative to size of the order book
- Circa 40% of inventory increase related to cost inflation



- DSO trends consistent over time
- H2 cash flow impacted by very high growth
- FY 22 DSO – divisional mix & higher balances received post year-end

FREE CASH FLOW INFLECTING LEVERAGE REDUCING



2022

- £13m free cash outflow – impacted by investment in working capital and self-help programme
- Working capital supporting high levels of revenue growth
- H2 improvement - £10m free cash inflow
- Leverage back into 1-2x target range as anticipated – benefit of improved EBITDA and H2 inflow



2023

- Material step-up in free cash flow anticipated
 - Spend on self-help programme complete
 - Working capital needs met
- Continuing to de-lever throughout the year

UK PENSION SCHEME BUY-IN BALANCE SHEET DE-RISKED

- Buy-in of c. £360m pension liabilities completed in November with Legal & General
- Successful culmination of many years work to improve scheme funding, cleanse scheme data and optimise approach with insurers
- Secured benefits for c. 5,000 current and former employees and their dependents
- Immediate cessation of £6m annual company contribution
- Option to move to buy-out in due course
- UK surplus at 31 December £31.3m – further movement from payment of ongoing costs and buy-in true up during 2023

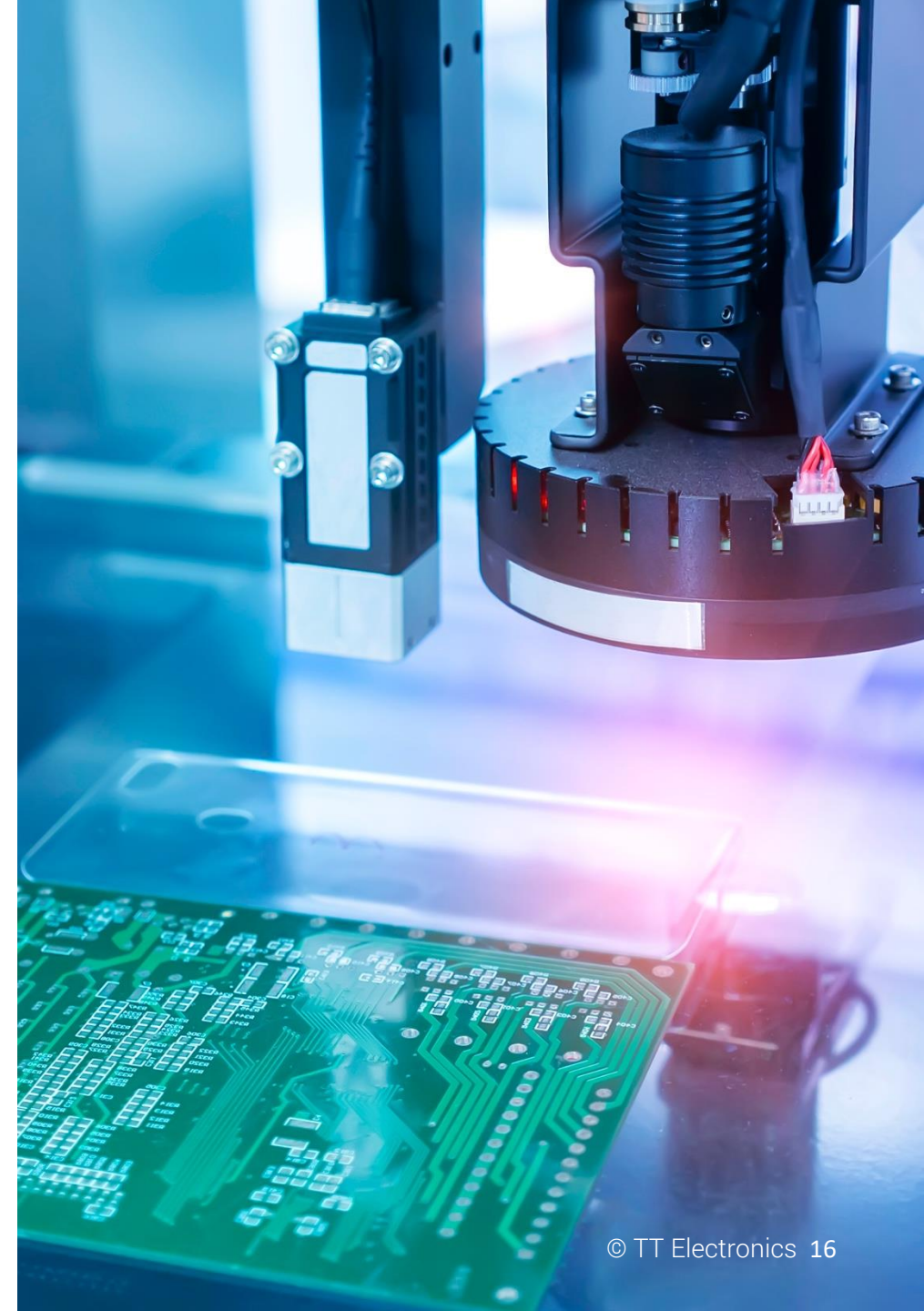
UK scheme de-risked, £6m annual cash flow benefit, potential future surplus refund

A close-up, vertical shot of a robotic arm in a factory. The arm is white and grey, with a black corrugated hose on its upper section. It is positioned over a workbench with various metal components and a tray of white plastic parts. The background is a blurred industrial environment with other machinery and lights. The text "RICHARD TYSON, CEO" is overlaid in the top left corner.

RICHARD TYSON, CEO

WINNING IN GROWING MARKETS

- Over 50 significant contract wins delivering over £125m of multi-year revenues
- Growth in customer accounts
- Strong pipeline of new business opportunities
- Increasing confidence in
 - Higher revenue growth
 - Margin improvement



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

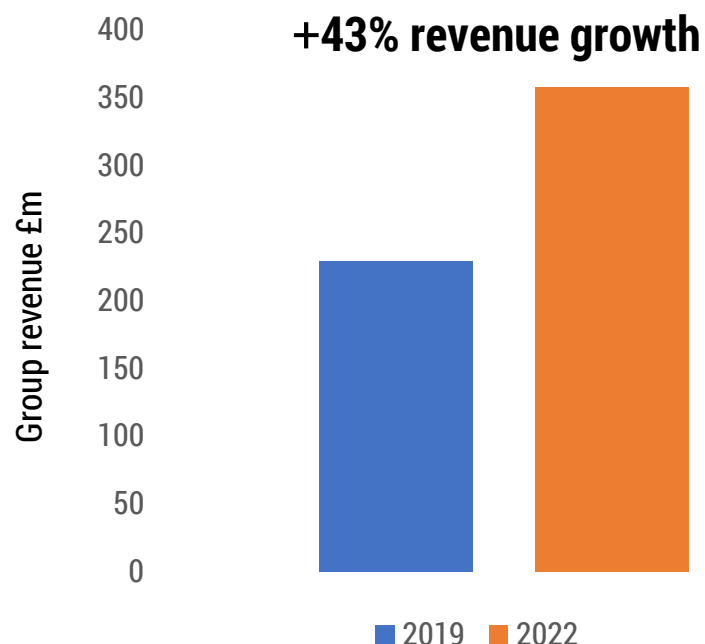
Automation

- 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

BUSINESS DEVELOPMENT SUCCESS GROWING OUR TOP 40 OEM CUSTOMERS



- Revenue from top 40 OEM customers up 43% (vs 2019) - now accounts for 58% of revenue
- Built a broader list of material strategic key accounts with multi-year revenue stream – 40 OEM customers now £2m+ with scope to win share
- Evidence of our successful business development strategy

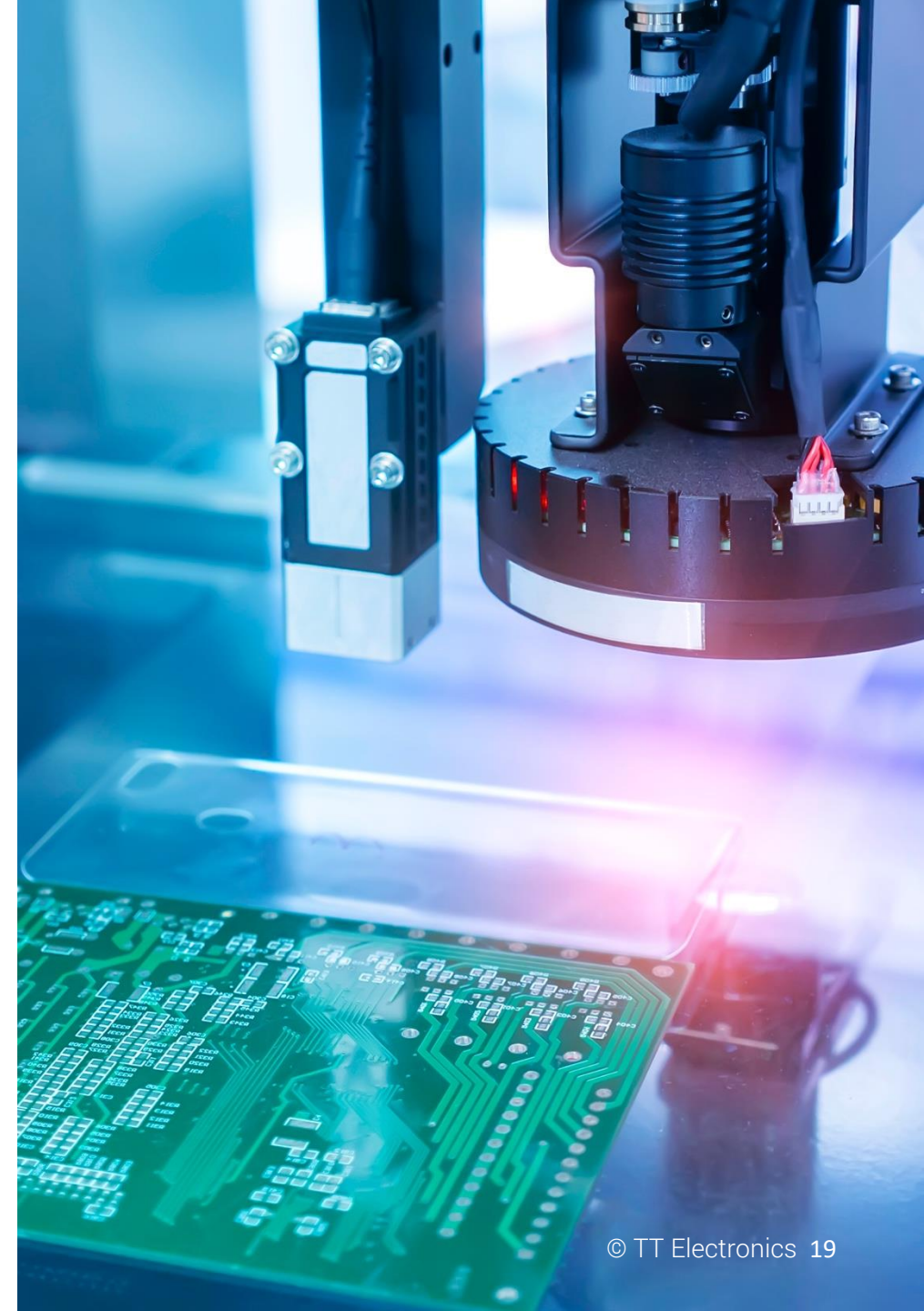


ORDER BOOK STRENGTH AND MOMENTUM GIVING GOOD VISIBILITY

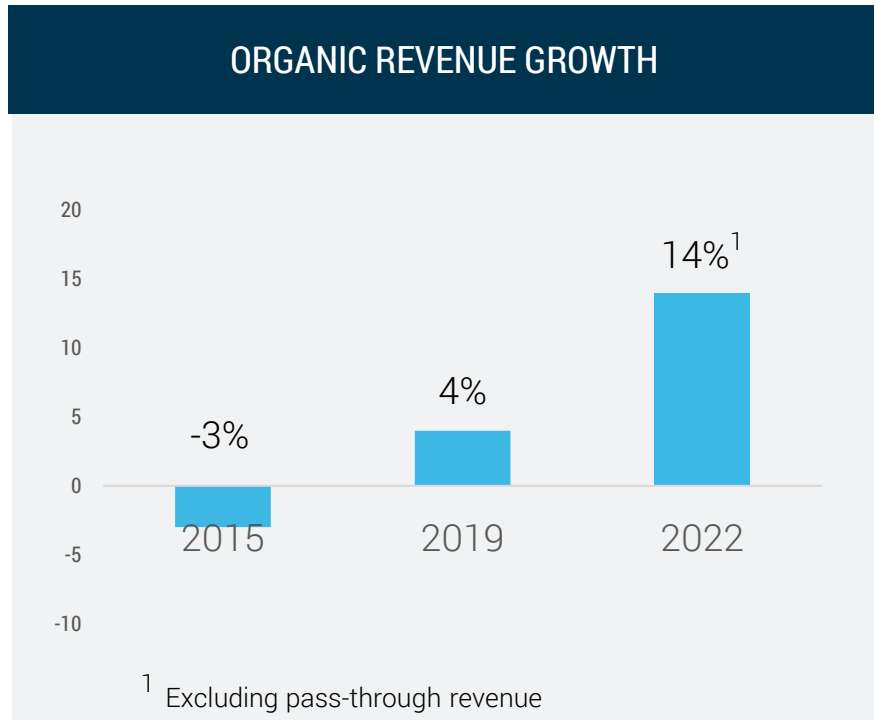
- Expected 2023 revenue c.90% covered at December, book to bill of 118%
- Recovery of inflation and transparent pass-through of extreme cost increases
- Gross profit margins maintained with margin improvement to come from growth
- Our largest customers are growing ahead of market growth rates supported by multiple new products ramping up demand

Order book visibility by division for 2023

- GMS fully covered
- P&C covered through Q3
- S&SC covered through Q3



GREATER POTENTIAL FROM STRUCTURAL GROWTH MARKETS



% OF TT REVENUE FY22	MARKET	UPDATED MEDIUM TERM MARKET GROWTH RATE
28%	Healthcare	+6-8%
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**



POSITIVE OUTLOOK FOR 2023

- Order book strength providing great visibility to 2023 revenues
- Mindful of wider macro environment but TT is well-aligned with global mega trends, driving demand from high-growth markets
- 10% operating margin in sight
- Strong free cash flows and a continued reduction in leverage expected
- Revenue visibility and business momentum underpin our confidence for 2023

HIGHER GROWTH AND CREATING VALUE



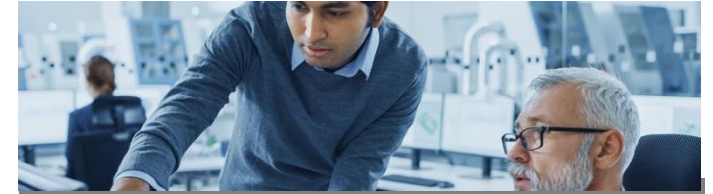
Megatrends driving revenue growth and demand for products that contribute to a more sustainable world

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

A close-up photograph of a person's hands holding a silver tablet. The person is wearing a bright blue suit jacket. The background is a blurred, circular pattern of light and dark segments, resembling a large wheel or a decorative architectural element. The text 'THANK YOU' is centered in white, bold, sans-serif font over the tablet.

THANK YOU

FINANCIAL GUIDANCE FOR 2023

Adjusting items cash spend

- £1m on pensions
- £2m on M&A integration

Capital and development expenditure

- Capex and devex circa £22-24m

Working capital

- No meaningful unwind of inventory levels until supply chain constraints ease
- Full year working capital flows +/- £nil

Pension

- No further deficit contributions
- Assess buy-out of UK scheme during 2023




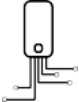


Tax

- Effective rate for year increasing to c.24-25% due to change in UK rate
- Cash payments c.70-80% of adjusted P&L charge

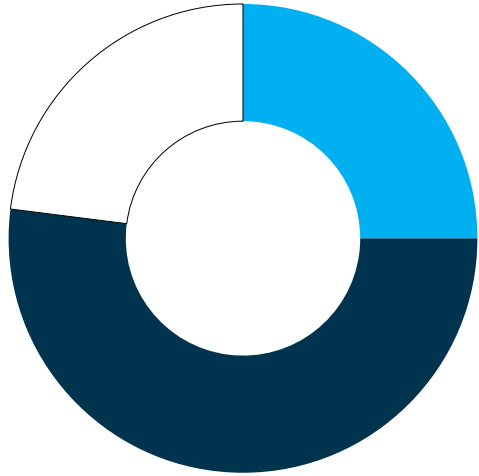
Foreign exchange

- USD 1 cent = c.£350k operating profit impact
- RMB 0.1 = c.£300k operating profit impact

OUR DIVISIONS

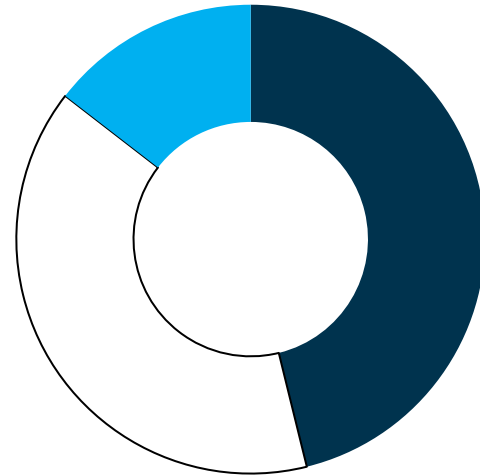
		
Power and Connectivity	Global Manufacturing Solutions	Sensors and Specialist Components
Revenue: £154.2m Operating profit: £7.9m Operating profit margin: 5.1%	Revenue: £323.0m Operating profit: £25.2m Operating profit margin: 7.8%	Revenue: £139.8m Operating profit: £21.8m Operating profit margin: 15.6%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

THE TT ELECTRONICS BUSINESS



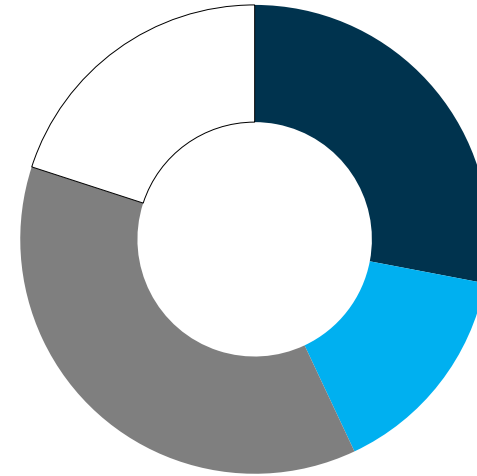
Revenue (2022)

- Power & Connectivity 25%
- Global Manufacturing Solutions 52%
- Sensors & Specialist Components 23%



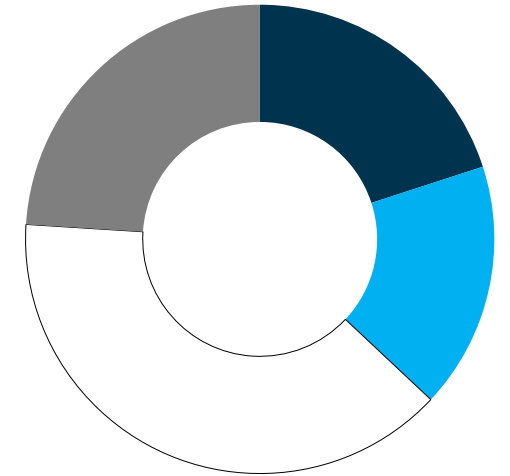
Underlying operating profit (2022)

- Power & Connectivity 17%
- Global Manufacturing Solutions 54%
- Sensors & Specialist Components 46%
- Central costs (17)%



Revenue by market (2022)

- Healthcare 28%
- Aerospace & Defence 15%
- Automation & Electrification 37%
- Distribution sales channel 20%



Revenue by geography (2022)

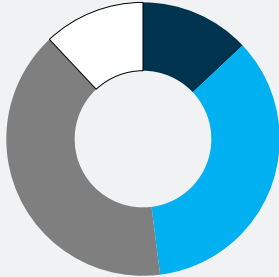
- UK 21%
- Rest of Europe 17%
- North America 38%
- Asia and RoW 24%

REVENUE BY MARKET AND GEOGRAPHY BY DIVISION

Power and Connectivity

Revenue by market (%)

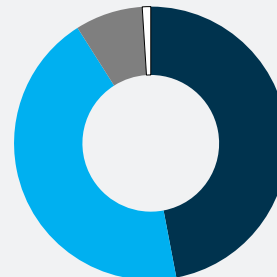
- Healthcare 13%
- Automation & Electrification 35%
- Aerospace & Defence 40%
- Distribution sales channel 12%



Global Manufacturing Solutions

Revenue by market (%)

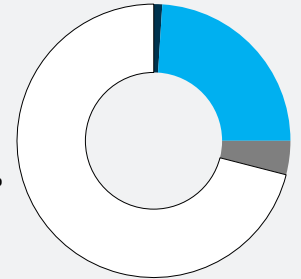
- Healthcare 47%
- Automation & Electrification 44%
- Aerospace & Defence 8%
- Distribution sales channel 1%



Sensors and Specialist Components

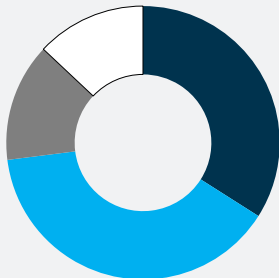
Revenue by market (%)

- Healthcare 1%
- Automation & Electrification 24%
- Aerospace & Defence 4%
- Distribution sales channel 71%



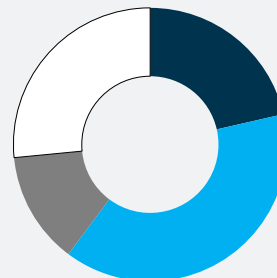
Revenue by geography (%)

- UK 34%
- North America 39%
- Rest of Europe 14%
- Asia and RoW 13%



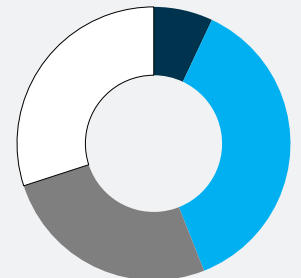
Revenue by geography (%)

- UK 21%
- North America 38%
- Rest of Europe 15%
- Asia and RoW 26%



Revenue by geography (%)

- UK 7%
- North America 37%
- Rest of Europe 26%
- Asia and RoW 30%



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

SUMMARY OF REVENUE AND OPERATING PROFIT BY DIVISION

IMPACT OF FX

	Power and Connectivity	Global Manufacturing Solutions	Sensors and Specialist Components	Corporate	Group
Revenue (£m)					
2022	154.2	323.0	139.8	-	617.0
2021 at 2022 rates	147.4	235.5	124.8	-	507.7
FX impact	7.2	15.4	8.9	-	31.5
2021 as published	140.2	220.1	115.9	-	476.2
Operating Profit (£m)					
2022	7.9	25.2	21.8	(7.8)	47.1
2021 at 2022 rates	8.7	20.5	18.1	(7.7)	39.6
FX impact	0.9	2.2	1.7	-	4.8
2021 as published	7.8	18.3	16.4	(7.7)	34.8

INCOME STATEMENT – ADJUSTING ITEMS

£m	2022	2021
Operating profit	(3.4)	19.3
Adjusted to exclude:		
Restructuring and other items		
Restructuring	6.3	9.7
Property disposals	-	(1.7)
Pension restructuring costs	2.0	-
Pension enhanced value transfer	11.8	-
Pension and past service charge/(credit)	-	(0.3)
Asset impairments		
Goodwill impairment	17.7	-
Other impairments	5.4	-
Acquisition related costs		
Amortisation of intangible assets arising on business combinations	6.0	5.1
Ferranti acquisition and integration costs	1.1	0.5
Torotel acquisition and integration costs	0.1	1.5
Other acquisition costs	-	0.4
Aborted acquisition and disposal costs	-	0.3
Total operating reconciling items	50.5	15.5
Adjusted operating profit	47.1	34.8

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
<i>Cash conversion</i>	33%	65%

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

MOVEMENT IN NET DEBT

£m	2022	2021
Operating cash flow after capex¹	15.7	22.7
Net interest and tax	(13.4)	(8.7)
Lease liability repayments	(4.3)	(3.9)
Restructuring and acquisition related costs ¹	(11.1)	(5.9)
Pensions	-	(5.5)
Free cash flow	(13.1)	(1.3)
Dividends	(10.2)	(11.4)
Acquisitions and disposals	(8.3)	(0.5)
Equity issued	0.4	1.4
Other	1.3	3.4
Increase in net debt	(29.9)	(8.4)
Opening net debt	(102.5)	(83.9)
Borrowings acquired	(0.2)	-
New leases	(2.3)	(10.8)
FX and other non cash items	(3.5)	0.6
Closing net debt	(138.4)	(102.5)

1. In 2021 restructuring, acquisition and disposal related costs¹ comprises proceeds on surplus property disposals of £9.1m.

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 in 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

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.

This document contains forward-looking statements. These have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report. The Directors can give no assurance that these expectations will prove to have been correct. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.