

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.

Our strategy

- Position ourselves in structural growth markets where there is increasing electronic content;
- Target areas of the market where we have a competitive advantage or where we can differentiate ourselves using our industry expertise and focused R&D investment to develop engineered electronic solutions for our customers' most complex challenges;
- Ensure our business is sustainable in the long term; and
- Deliver growth and value for our shareholders.

Investment for growth

Following the proposed sale of the Transportation Sensing and Control division announced in July 2017, we have increased financial capacity to fuel growth:

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

Half Year 2017

Revenue

£180.0m

Up 6% (constant currency)

Underlying operating profit

£10.9m

Up 11% (constant currency)

Cash spent on R&D

£4.9m

Up 6% (constant currency)

Employees

c.4,100

Sites

22

NB: all figures for continuing operations

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:

Organic growth ahead of the market

Cash conversion of 80%+

R&D investment to support growth

Operating margin progression

Improving ROIC

Targeted, complementary acquisitions

Progressive dividend policy

The markets we serve



Industrial



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



Aerospace & defence



Market growth from 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.

Half Year 2017 financial headlines

£m (unless otherwise stated)	HY17	HY16	Change	Change Constant FX
Continuing operations				
Revenue	180.0	159.2	13%	6%
Underlying operating profit ¹	10.9	8.3	31%	11%
Profit before taxation ¹	9.5	5.9	61%	28%
Earnings per share (pence) ¹	4.6p	2.3p	100%	53%
Return on invested capital ^{2,3}	10.0%	9.2%		
Cash conversion ⁴	128%	63%		
Total operations				
Earnings per share (pence) ¹	7.5p	5.1p		
Free cash flow ⁵	6.8	(4.9)		
Net debt (2016: year-end)	(56.0)	(55.4)		
Dividend per share (pence)	1.75p	1.7p		

(1) Excluding the effect of restructuring and acquisition and disposal related items.
 (2) Rolling 12 month underlying operating profit return on average invested capital
 (3) Return on invested capital for full year 2016

(4) Underlying operating cash flow (underlying EBITDA less net capital expenditure, capitalised development expenditure, working capital and non-cash movements) divided by underlying operating profit
 (5) Net cash flow from operating activities less net cash flow from investing activities less interest paid

Full Year 2016 financial headlines

Revenue £332.7m Up 3% (constant currency)	Underlying operating profit £20.6m Up 10% (constant currency)	Cash spent on R&D £8.8m Up 13% (constant currency)	Underlying EPS 6.4p	Cash conversion 91%
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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.

Percentage of Continuing Group revenue
40%

Percentage of Continuing Group underlying operating profit
79%

NB: Corporate percentage of Continuing Group underlying operating profit is (33)%



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.

Percentage of Continuing Group revenue
18%

Percentage of Continuing Group underlying operating profit
31%



Global Manufacturing Solutions

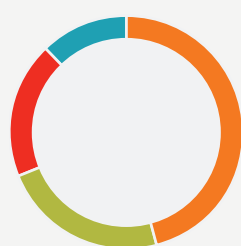
The **Global Manufacturing Solutions** division draws on its manufacturing design engineering capabilities, global facilities and world-class quality standards to provide highly complex electronic manufacturing solutions to customers in the aerospace and defence, medical, and high technology industrial 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.

Percentage of Continuing Group revenue
42%

Percentage of Continuing Group underlying operating profit
23%

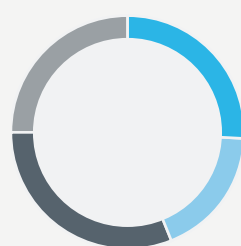
Revenue split

Revenue by market (HY17)



Industrial – 46%
 Aerospace and defence – 23%
 Medical – 19%
 Transportation – 12%

Revenue by geography (HY17)



UK – 26%
 Rest of Europe – 18%
 North America – 31%
 Asia and Rest of World – 25%

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

Contact details

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