

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, medical, aerospace and defence and transportation sectors. We have c.5,000 employees and operate across 28 key locations around the world, with our operations positioned to best serve our customers.

Watch our latest Executive insight videos
www.ttelectronics.com/investor-overview

Richard Tyson
Chief Executive Officer



Our three year history

Revenue (£m)

£429.5m

+6% (organic)

FY18	£429.5
FY17 ¹	£361.1m
FY16	£332.7m

Underlying operating profit (£m)

£33.4m

+19% (organic)

FY18	£33.4m
FY17	£24.3m
FY16	£20.6m

Cash spend on R&D (£m)

£12.6m

+37% (5.1% of revenue²)

FY18	£12.6m
FY17	£9.5m
FY16	£8.8m

ROIC (%)

11.5%

+90 bps

FY18	11.5%
FY17	10.6%
FY16	9.2%

1. Re-stated for IFRS15.

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

Our investment proposition

Investment for growth

- Research and development
- Customer interface and sales channels
- Operational excellence
- Value-enhancing acquisitions
- Talent development

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
- R&D investment to support growth
- Operating margin progression
- Cash conversion of 80%+
- Improving ROIC
- Targeted, complementary acquisitions
- Progressive dividend policy

Our capabilities



Sensing



Power



Connectivity

Underpinned by
a global manufacturing footprint

We design and manufacture electronics that sense, manage power and connect to other devices; our solutions are often mission-critical, operating in harsh environments. We help solve our customers' toughest electronic challenges. We:

- Help reduce the environmental impact of aircraft;
- Contribute to the creation of the medical surgical technology for removing cancer cells;
- Improve the accuracy of robotic arm movements in the automated industrial factories of the world;
- Support the efficiency of batteries in electric and hybrid electric vehicles; and
- We provide solutions for the drive towards "electronics everywhere" across our markets.

Our strategy

1. Position ourselves in structural growth markets
2. Create differentiated capabilities
3. Work with our customers to solve their toughest electronic challenges

Our markets

Industrial

- Automation and control
- Energy and smart devices
- Infrastructure

Medical

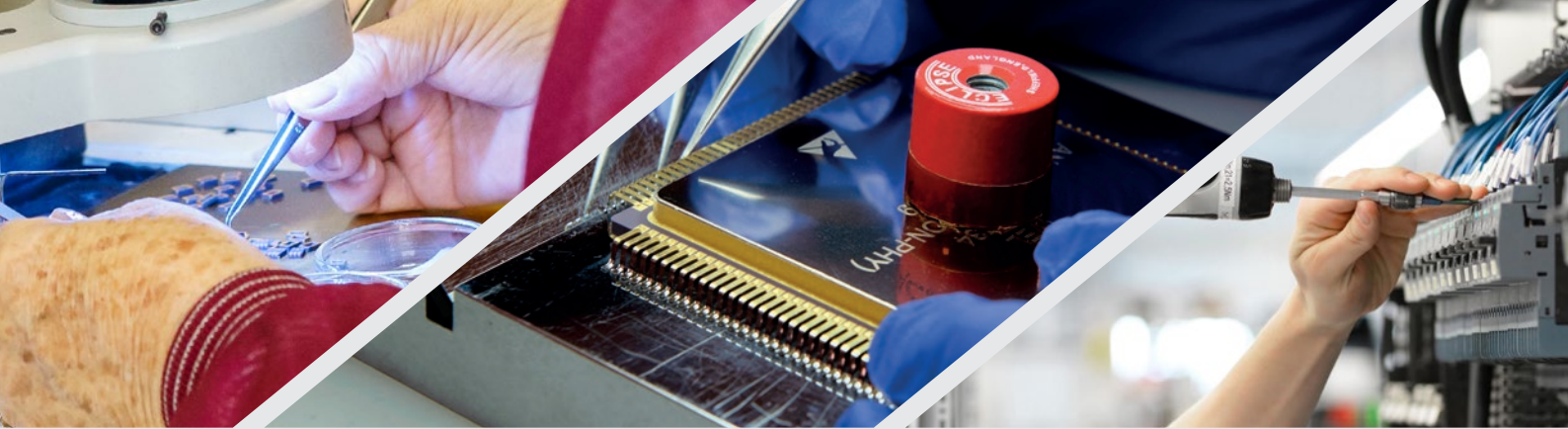
- Advanced surgical devices
- Imaging and direct patient care
- Laboratory automation and diagnostics

Aerospace and defence

- Commercial and military aircraft
- Space and satellite
- Defence systems and vehicles

Transportation

- Electric and hybrid electric vehicles
- Rail infrastructure and equipment



Our business

Sensors and Specialist Components

The Sensors and Specialist Components division works with customers to develop standard and customised solutions including sensors and power management devices. Our solutions improve the precision, speed and reliability of critical aspects of our customers' applications.

Revenue

£149.8m

+8% (constant currency)



Underlying operating profit

£21.3m

+16% (constant currency)

Underlying operating margin (%)

14.2%

Power and Connectivity

The Power and Connectivity division designs and manufactures power application products and connectivity devices which enable the capture and wireless transfer of data. We collaborate with our customers to develop innovative solutions to optimise their electronic systems.

Revenue

£97.9m

+53% (constant currency)



Underlying operating profit

£8.4m

+40% (constant currency)

Underlying operating margin (%)

8.6%

Global Manufacturing Solutions

The Global Manufacturing Solutions division provides manufacturing services and engineering solutions for our product divisions and to customers that often require a lower volume and higher mix of different products. We manufacture complex integrated product assemblies for our customers and provide engineering services including designing testing solutions and value-engineering.

Revenue

£181.8m

+19% (constant currency)



Underlying operating profit

£11.3m

+77% (constant currency)

Underlying operating margin (%)

6.2%

N.B. Division includes the acquisitions of Stadium (Technology Products) and Precision.

N.B. Division includes the acquisition of Stadium (Electronic Assemblies).

Full year 2018 Financial headlines

£ million unless otherwise stated	Underlying ¹				Statutory	
	2018	2017 ⁵	Change	Change constant fx	2018	2017 ⁵
Continuing Operations						
Revenue	429.5	361.1	19%	21%	429.5	361.1
Operating profit	33.4	24.3	37%	42%	16.3	20.0
Operating profit margin (%)	7.8%	6.7%	110bps	120bps		
Profit before tax	31.5	22.0	43%	48%	14.6	17.7
Earnings per share (pence)	16.2p	10.9p	49%	54%	8.0p	9.7p
Return on invested capital ²	11.5%	10.6%				
Cash conversion ³	88%	98%				
Total Operations						
Earnings per share (pence)					8.3p	29.5p
Free cash flow ⁴					8.5	4.7
Net funds /(debt)					(41.7)	47.0
Dividend per share (pence)					6.5p	5.8p

1. Excluding the effect of restructuring and other non-recurring costs and acquisition related costs.
2. Rolling 12 month underlying operating profit return on average invested capital.
3. Underlying operating cash flow (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.
5. Re-stated for IFRS 15.

Revenue split

Revenue by market

- 48% Industrial
- 21% Medical
- 19% Aerospace and defence
- 12% Transportation



Revenue by geography

- 29% UK
- 28% North America
- 24% Asia and Rest of World
- 19% Rest of Europe



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Key management

Neil Carson OBE
Chairman
Richard Tyson
Chief Executive Officer
Mark Hoad
Chief Financial Officer

Share information

Listing
London Stock Exchange
Ticker
TTG
Sector
Electronic and Electrical
Equipment