

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



Three-year history

Revenue (£m)

£194.2m

+3% (organic), +5% (like for like)

| | |
|------|-------|
| HY18 | 194.2 |
| HY17 | 180.5 |
| HY16 | 159.2 |

Underlying operating profit (£m)

£14.6m

+45% (constant currency)

| | |
|------|------|
| HY18 | 14.6 |
| HY17 | 10.9 |
| HY16 | 8.3 |

Cash spend on R&D (£m)

£5.7m

5.2% of revenue*

| | |
|------|-----|
| HY18 | 5.7 |
| HY17 | 4.9 |
| HY16 | 4.4 |

Cash conversion (%)

105%

| | |
|------|-----|
| HY18 | 105 |
| HY17 | 128 |
| HY16 | 63 |

* 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

Cash conversion of 80%+

R&D investment to support growth

Operating margin progression

Improving ROIC

Targeted, complementary acquisitions

Progressive dividend policy

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.

Our markets



Industrial

- Connectivity and Internet of Things (IoT)
- Robotics and automation
- Factory 4.0, big data and productivity



Medical

- Patient monitoring, diagnostics and control
- Increasing remote care
- Electronic content growth in medical devices



Aerospace

- 'The more electric aircraft'
- Lower cost air travel
- Reliability, size, weight and fuel efficiency



Transportation

- Electric and hybrid electric vehicles
- Road and rail infrastructure increasingly smart

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 (£m)

£71.3m

+7% (constant currency)

**Underlying operating profit (£m)**

£9.9m

+24% (constant currency)

Underlying operating margin (%)

13.9%

**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 (£m)

£38.7m

+18% (constant currency),
(12)% (organic)

**Underlying operating profit (£m)**

£2.5m

(22)% (constant currency)

Underlying operating margin (%)

6.5%

**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 produce printed circuit board assemblies through to full electronic products to our customers' designs coupled with engineering testing and integration services.

Revenue (£m)

£84.2m

+13% (constant currency),
+6% (organic)

**Underlying operating profit (£m)**

£5.9m

+136% (constant currency)

Underlying operating margin (%)

7.0%

Half year 2018 financial headlines

| £m (unless otherwise stated) | HY 2018 | HY 2017 | Underlying change ¹ | Change constant fx ² |
|---|---------------|---------|--------------------------------|---------------------------------|
| Revenue ¹ | 194.2 | 180.5 | 8% | 12% |
| Operating profit ¹ | 14.6 | 10.9 | 34% | 45% |
| Operating profit margin ¹ | 7.5% | 6.0% | 150bps | 170bps |
| Profit before taxation ¹ | 14.0 | 9.5 | 47% | 61% |
| Earnings per share (pence) ¹ | 6.9p | 4.6p | 50% | 60% |
| Return on invested capital ^{3,4} | 11.2% | 10.6% | | |
| Cash conversion ⁵ | 105% | 128% | | |
| Free cash flow ⁶ | 4.1 | 6.8 | | |
| (Net debt)/net funds (2017: year-end) | (41.2) | 47.0 | | |
| Dividend per share (pence) | 1.95p | 1.75p | | |

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

² Change at constant currency calculated by comparing current year results to the prior year results retranslated at current year actual exchange rates.

³ Rolling 12 month underlying operating profit return on average invested capital.

⁴ Return on invested capital for full year 2017.

⁵ Underlying operating cash flow (underlying EBITDA less net capital expenditure, capitalised development expenditure, working capital and non-cash movements) divided by underlying operating profit.

⁶ Net cash flow from operating activities less net cash flow from investing activities less interest paid.

Revenue split

Revenue by market

46% Industrial
22% Medical
18% Aerospace and defence
14% Transportation

**Revenue by geography**

28% North America
28% UK
25% 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