

FULL YEAR 2020 RESULTS

10 March 2021



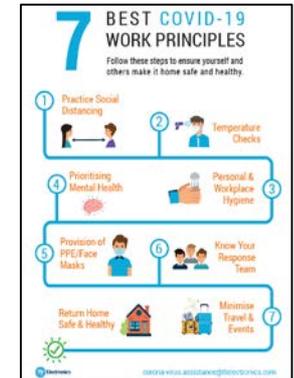
We solve electronic
challenges for a
sustainable world

SUBSTANTIAL STRATEGIC PROGRESS AND GROWING BUSINESS MOMENTUM

- Entered 2020 with momentum, principal impact from COVID-19 in Q2
- Significant steps to improve the quality of the business
 - £60 million investment in 2 acquisitions (Torotel and Covina) and R&D
 - Acquisitions performing well and bringing exciting business opportunities
 - Closer customer relationships → more new business
 - Good progress executing our sustainability strategy
 - ESG credentials recognised through 'AA' rating in the MSCI ESG assessment
- Recovery in H2 2020 with an encouraging Q4
- Strong start to 2021

TT RESPONSE TO COVID-19 GUIDED BY OUR STRONG VALUES

- Successfully navigated challenges of 2020
- Best practice from operations in China deployed worldwide
- Significant increase in employee engagement; TT now among top global companies
 - No site based COVID-19 transmissions
 - Wellbeing, mental health and employee engagement programs extended
 - Wages increased for the lowest paid
- Customers prioritised, relationships strengthened, opportunity pipeline increased



A RESPONSIBLE BUSINESS

Our priorities and goals

Zero Harm with year on year reduction in incidents

Engage our employees and become a 1 star great place to work

Build an inclusive, vibrant and diverse environment for our employees

Carbon neutral* by 2035 with like-for-like reductions annually

Reduce our use of single-use plastics

Reduce the amount of waste we send to landfill every year

Our progress

- 5 lost time accidents during the year
- Exceeded our target; recognised by our employees as a 2 star great place to work
- Board approved Equality, Diversity & Inclusion strategy and framework deployed. 53% employees identify as female
- 20% reduction in CO₂ emissions
- 61% of plastic purchased is now recyclable
- 88% waste diverted away from landfill. 3 sites already achieved zero waste to landfill

Third party recognition

Recognised as a **2 star** great place to work

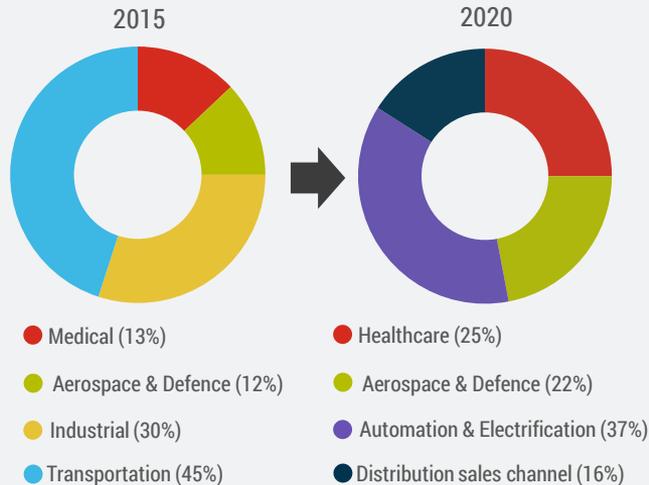


MSCI rating improved to AA, CDP rating "C", up from "D"

PORTFOLIO TRANSFORMATION: SUSTAINABILITY DRIVING GROWTH AND MARGIN

END MARKET EXPOSURES

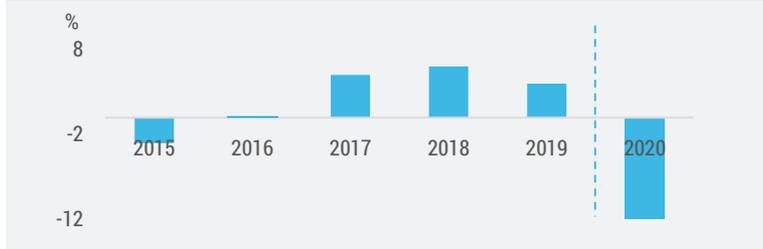
Transformation out of traditional automotive and general industrial markets



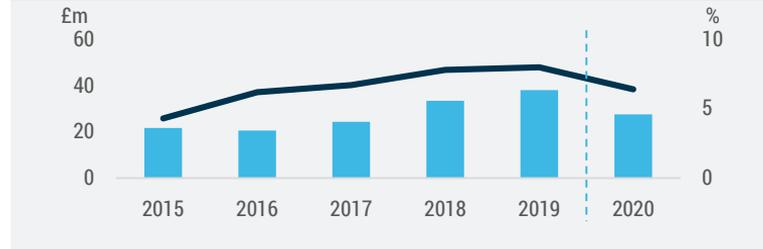
- Increased exposure to structural growth markets, providing solutions for a cleaner, smarter and healthier world
- Customer intimacy and R&D collaboration resulting in designed-in products largely direct to OEMs
- Improved margin profile through portfolio change, growth and self-help actions
- Increased capital discipline – focus on cash generation and careful use of improved balance sheet

STRONG TRACK RECORD OF DELIVERY

IMPROVING ORGANIC REVENUE GROWTH



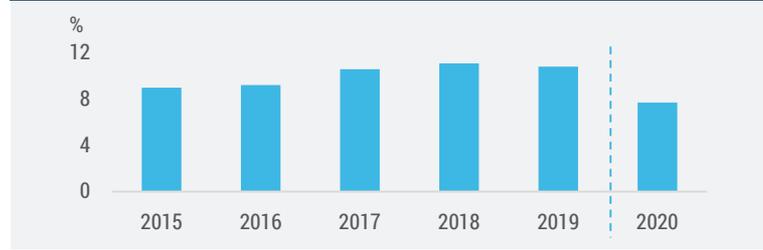
OPERATING PROFIT AND MARGIN NEARLY DOUBLED



HIGH CASH CONVERSION SUPPORTING REINVESTMENT



IMPROVING RETURN ON INVESTED CAPITAL



2018 has been restated to show the impact of IFRS16

Temporary impact to progress from COVID-19, recovery underway

FINANCIAL REVIEW
MARK HOAD, CFO

GROUP FINANCIAL PERFORMANCE

£m (except where stated)	2020	2019 ¹	Change constant fx
Revenue	431.8	478.2	(9) %
Operating profit*	27.5	38.1	(27)%
Operating profit margin*	6.4%	8.0%	(150)bps
Profit before tax*	23.8	34.4	(30)%
EPS* (pence)	11.7p	17.8p	(34)%
Free cash flow	14.4	9.7	48%
Leverage [†]	1.6x	1.0x	
ROIC (%)	7.7%	10.8%	(310)bps
Dividend (pence)	4.7p	2.1p	

¹ Restated

* Adjusted, before restructuring and acquisition related costs

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

- Primary COVID-19 impact Q2, improving H2, strong Q4 recovery
- 12% organic revenue reduction
- 2019 restated – non-cash timing error on overhead recognition in 1 GMS site
- Operating profit and margin protected by cost action
- Strong free cash generation – up 48%
- Robust balance sheet, de-leveraging post Torotel acquisition underway
- Dividend resumed, reflecting good recovery and positive outlook

POWER AND CONNECTIVITY

	2020	2019	Change	Change constant fx
Revenue (£m)	125.1	138.2	(9)%	(9)%
Adjusted operating profit (£m)	10.3	16.5	(38)%	(37)%
Adjusted operating margin	8.2%	11.9%	(370)bps	(370)bps



- 17% organic revenue decline – lower commercial aero and industrial demand, defence market demand remained strong
- Contribution from acquisitions - £11.1m revenue, £1.3m operating profit
- Sequential revenue, profit and margin improvement in H2
- Restructuring and site rationalisation to optimise cost-base for 2021 and beyond

GLOBAL MANUFACTURING SOLUTIONS

	2020	2019 ¹	Change	Change constant fx
Revenue (£m)	197.5	213.2	(7)%	(7)%
Adjusted operating profit (£m)	15.0	13.5	11%	11%
Adjusted operating margin	7.6%	6.3%	130bps	120bps

¹ Restated

- 7% organic reduction in revenue, 4% in H2 – ramp up of defence related contracts
- Operating profit and margins up despite revenue reduction
- Benefit of cost control, factory efficiency actions and self-help
- Margins sustainable at these levels



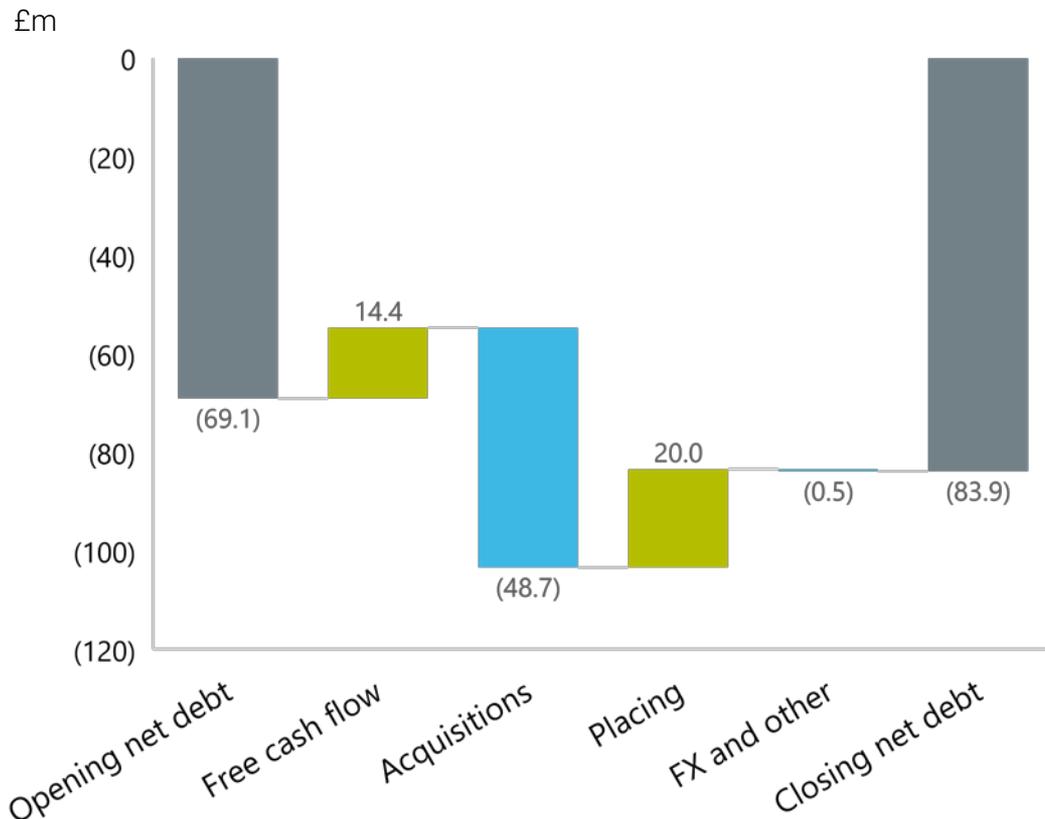
SENSORS AND SPECIALIST COMPONENTS

	2020	2019	Change	Change constant fx
Revenue (£m)	109.2	126.8	(14)%	(14)%
Underlying operating profit (£m)	9.4	15.3	(39)%	(38)%
Underlying operating margin	8.6%	12.1%	(350)bps	(340)bps



- Revenue decreased by 14% organically – impact across end markets
- This division most impacted by COVID-19 related capacity constraints – improvement through H2
- Largest parts of self-help programme underway here

STRONG FREE CASH FLOW GENERATION



- Improving the quality of TT through acquisition of Covina and Torotel
 - £49m spend
 - £20m equity placing
 - Increased pro-forma leverage to 1.8x
- Strong free cash flow generation – up 48%
 - Capex discipline
 - £3.6m working capital inflow
 - 130% operating cash conversion
- Leverage reduction underway - net debt/adjusted EBITDA 1.6x

FINANCIAL GUIDANCE FOR FY 2021

Adjusting items cash spend

- £9m on self-help programme
- £1m on pensions projects
- £2m on Torotel integration

Capital and development expenditure

- Capex and devex circa £18-20m - includes £6m relating to self-help programme

Working capital

- Some inventory buffer build in H1 to support line transfers
- Full year expect modest outflows

Pension

- UK deficit contributions £5.5m, increasing £0.2m p.a.
- UK scheme now fully funded on a self-sufficiency basis
- GMP conversion, liability management projects underway

Tax

- Effective rate for year c.20%
- Cash payments c.80% of adjusted P&L charge

Foreign exchange

- USD 1 cent = c.£200k operating profit impact
- RMB 0.1 = c.£150k operating profit impact
- At current spot rates, FX headwind of c. £15m to revenue, c. £2m to adjusted operating profit

EXPANDED SELF-HELP PROGRAMME PROGRESSING WELL

Programme scope

- 3 main site closures
- Net headcount reductions c.500 FTEs
- Relocation/end-of-life lower margin product lines

Progressing to plan

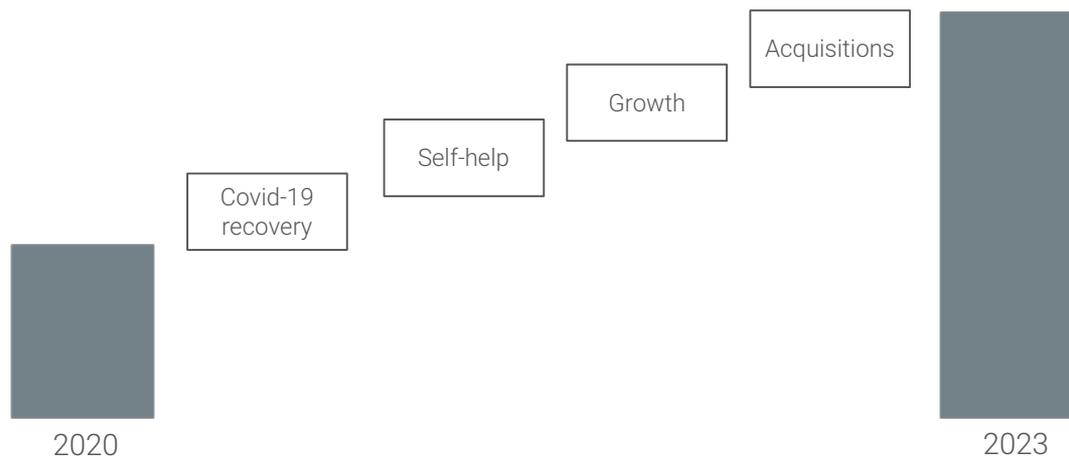
- 70% of headcount reductions completed
- £3 million Lutterworth site sale in 2020, ahead of plan
- Significant product transfer activities in 2021
- Project expenditure to be largely completed in 2021

£m	2020	2021	2022	Total
Cash cost				
Restructuring	(2)	(9)	1	(10)
Capex	(2)	(6)	-	(8)
Total	(4)	(15)	1	(18)

£m	2020	2021	2022	Run rate
Benefits	2	7	10	11-12

On track to deliver planned efficiencies, supporting margin progression in 2021 and beyond

DRIVERS OF MARGIN ENHANCEMENT TOWARDS 10%+



Clear path to 10%+ margins

- Recovery from COVID-19 impact
- Self-help– £11-12m run rate benefit by 2023 from site closures and overhead reduction
- Operational leverage on growth – 3-5% p.a. market growth
- Acquisitions of higher margin business with synergy opportunities

H2 RECOVERY, STRONG CASH GENERATION AND POSITIVE OUTLOOK

- Improving trends in H2 and strong Q4 recovery
- Operating profit and margins protected through cost action
- Strong free cash flow of £14.4 million, aided by £3.6 million working capital inflow
- Improving quality of the business through acquisition
 - Torotel already integrated, performing well and bringing exciting business opportunities
- Clear path to 10%+ margins
 - Self-help programme on-track; £5 million incremental benefits in 2021
- Resumption of dividend payments, reflecting good recovery and positive outlook

**DELIVERING SUSTAINABLE
GROWTH**

RICHARD TYSON, CEO

MEGATRENDS DRIVING SUSTAINABLE GROWTH – ACCELERATED BY COVID-19

	MEGATRENDS	TT'S SOLUTIONS	UN SUSTAINABLE DEVELOPMENT GOALS
 CLEANER	Climate change and resource scarcity	IMPROVE ENERGY EFFICIENCY <ul style="list-style-type: none"> Aircraft electrification Electric and hybrid electric vehicles Smart energy infrastructure 	
 SMARTER	Technological breakthrough and digital transformation	ENSURE ACCURACY DRIVE AUTOMATION <ul style="list-style-type: none"> Smart city infrastructure Remote patient monitoring Factory automation and productivity 	
 HEALTHIER	Demographics and social change	IMPROVE PATIENT OUTCOMES <ul style="list-style-type: none"> Laboratory analysis Minimally invasive procedures Medical diagnostics 	

COMBINING CAPABILITIES ACROSS TT TO DRIVE KEY ACCOUNT GROWTH

CLEANER



Next generation avionics and power supply



- Next generation avionics and space power modules
- Customer account c.5x larger than in 2018 at c.£9m
- Moving up the value chain – investing in capabilities in partnership with customer for designed-in solutions
- Cross Selling - increased opportunity pipeline for all divisions, and extended to Covina and Torotel

Climate change and resource scarcity

MOVING UP THE VALUE-CHAIN AND LEVERAGING RELATIONSHIPS

SMARTER



Digital security generation

Technological breakthrough and the digital transformation

- Automation products including digital security
- Moving up the value-chain – from sensors to assemblies
- Growth from cross selling between divisions
- Designed-in repeat revenues from customer partnership for R&D
 - Supported 6 new product program launches

ACQUISITIONS EXTENDING CAPABILITIES AND DRIVING GROWTH

HEALTHIER

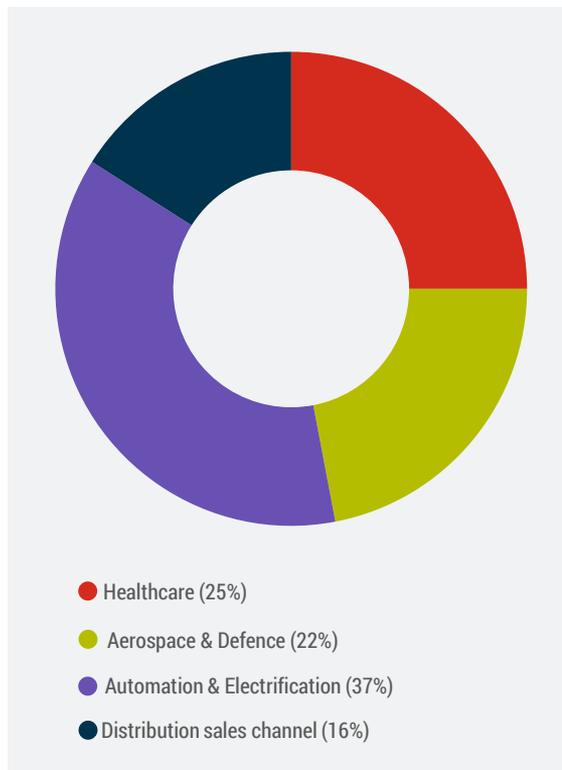


Deep brain stimulation (DBS) machine used to treat Parkinson's disease

Demographic and social change

- Extending TT's capabilities through acquisition – Precision Inc offered differentiated technology with higher margins
- Developing smaller implantable devices for improved patient outcomes
- Benefiting from TT's scale, capabilities and R&D investment
- Moving up the value chain, improved revenue growth – exceeding business case

GOOD EXPOSURE TO STRUCTURAL GROWTH MARKETS

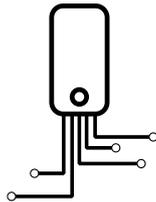


Market	% of TT revenue (2020)	Medium term growth rate	Sustainability drivers
Healthcare	25%	+5-7%	Demographic and social change
Aerospace & Defence	22%	+3-4%	Climate change and resource scarcity
Automation & Electrification	37%	+4-6%	Technological change; the digital transformation
Distribution sales channel	16%	GDP+	Technological change; the digital transformation

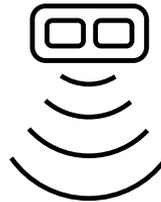
Blended market growth rate 3-5% p.a.

DRIVING GROWTH THROUGH CUSTOMER INTIMACY - DESIGNED-IN, HIGHER-VALUE PARTNERSHIPS

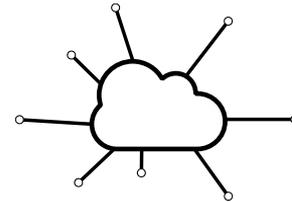
- Improved business development approach → greater customer intimacy
- TT and customer engineering teams collaborating; trusted for technical expertise
- Investing in the right capabilities, in the right markets, with the right customers
 - c.£63 million invested in R&D since 2015 – c.5% of revenue



Power



Sensing



Connectivity

AN M&A PLATFORM THAT EXTENDS OUR CAPABILITIES AND CREATES VALUE

How we create value through M&A

Rationale

- Extension of technical capabilities
- Leveraging customer access
- Supply chain and operations optimisation

Status

- £123m of acquisition spend 2015-2019 – exceeding cost of capital in 2019
- Revenue synergy from cross-selling has further enhanced Group margins and ROIC

Strategic and financial value from acquisition of Torotel



Rationale

- Creates scale in North America Power Solutions business
- Adds R&D resource and bolsters power capabilities
- Increases exposure to US defence primes; Torotel access to European market
- Margin enhancing and expected to exceed ROIC hurdle by year 3

Status

- Systems and process integration largely complete; highly engaged team
- c.\$5m increase in pipeline of business opportunities
- Operations improvement planning underway
- Performing in line with expectations and exciting opportunities

Good potential to consolidate fragmented niche markets and create value

OUTLOOK

- Strong start to 2021 with record order book
- Exposed to global megatrends - long term structural markets driving growth
- R&D investment, recent acquisitions
- Self-help programme progressing well; contributing to margin improvement
- Dividend resumed
- Growth and self-help actions give us confidence for 2021 and beyond

TT INVESTMENT CASE: DELIVERING GROWTH AND CREATING VALUE



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

3-5% revenue growth p.a.



A high quality, IP rich business, with cleaner, smarter and healthier solutions

10%+ operating margin



Strong cash generation to invest in IP and value-enhancing acquisitions

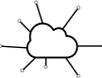
90%+ cash conversion and strong free cash flow generation

Investment in R&D and M&A improving quality of business and exposure to attractive megatrends

APPENDIX

OUR DIVISIONS



Power and Connectivity	Global Manufacturing Solutions	Sensors and Specialist Components
Revenue: £125.1m Operating profit: £10.3m Operating profit margin: 8.2%	Revenue: £197.5m Operating profit: £15.0m Operating profit margin: 7.6%	Revenue: £109.2m Operating profit: £9.4m Operating profit margin: 8.6%
 Power	 Sensing	 Connectivity
Higher value-add product solutions and sub-assemblies	Higher-level complex electronic assemblies	Components and sub-assemblies
Continued technology investment to develop higher-value product offerings and cross-selling to TT customers across healthcare, aerospace, defence, automation and electrification markets		

AN EXPERIENCED EXECUTIVE LEADERSHIP TEAM



Richard Tyson

Chief Executive Officer

Cobham
TRW



Mark Hoad

Chief Financial Officer

BBA Aviation
RMC Group



Charlie Peppiatt

Divisional EVP

Stadium Group
Laird Connectivity



Michael Leahan

Divisional EVP

Marotta Controls
Lucas Aerospace



Sarah Hamilton-Hanna

EVP, Human Resources

Tate & Lyle
AB Mauri



Lynton Boardman

**Group General Counsel
& Corporate Secretary**

Syngenta
QinetiQ Group

CAPITAL ALLOCATION PRIORITIES

Our objective is to maintain a strong financial position and provide flexibility for growth



Target leverage within range of 1.0-2.0x net debt / EBITDA

THE TT ELECTRONICS BUSINESS

Revenue (2020)

- Power and Connectivity 29%
- Global Manufacturing Solutions 46%
- Sensors and Specialist Components 25%



Underlying operating profit (2020)

- Power and Connectivity 37%
- Global Manufacturing Solutions 55%
- Sensors and Specialist Components 34%
- Central costs (26)%



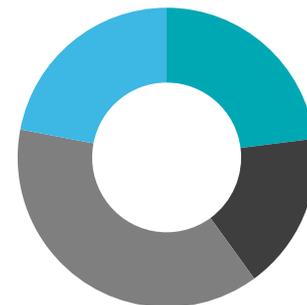
Revenue by market (2020)

- Healthcare 25%
- Aerospace and defence 22%
- Automation and electrification 37%
- Distribution sales channel 16%



Revenue by geography (2020)

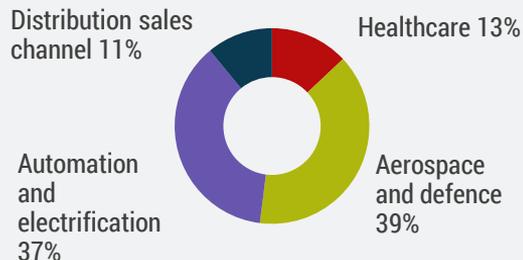
- UK 23%
- Rest of Europe 17%
- North America 38%
- Asia and RoW 22%



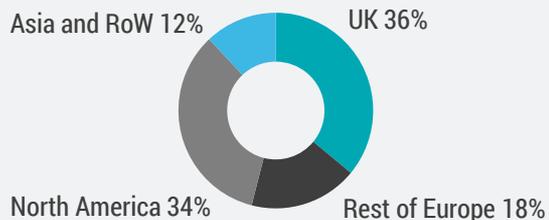
REVENUE BY MARKET AND GEOGRAPHY BY DIVISION

Power and Connectivity

Revenue by market (%)

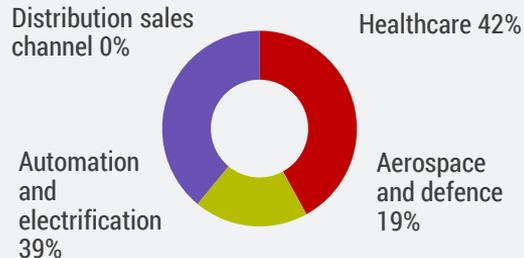


Revenue by geography (%)

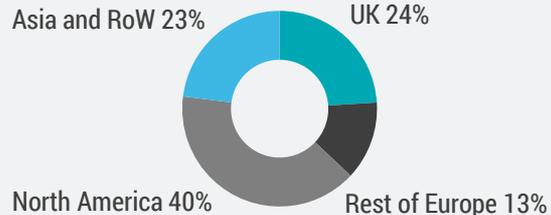


Global Manufacturing Solutions

Revenue by market (%)

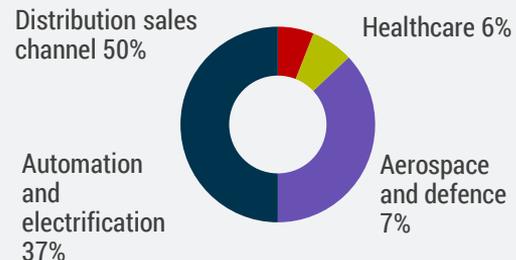


Revenue by geography (%)

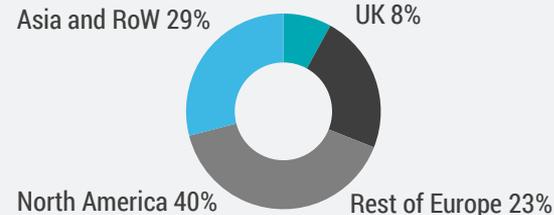


Sensors and Specialist Components

Revenue by market (%)



Revenue by geography (%)



SUMMARY INCOME STATEMENT

Continuing operations (£m)	2020	2019
Revenue	431.8	478.2
Adjusted operating profit	27.5	38.1
Adjusted net finance cost	(3.7)	(3.7)
Adjusted profit before taxation	23.8	34.4
Adjusting items	(20.9)	(21.2)
Profit before taxation	2.9	13.2
Taxation	(1.6)	(0.8)
Profit after taxation	1.3	12.4

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)					
2020	125.1	197.5	109.2	-	431.8
2019 at 2020 rates	138.1	212.1	126.6	-	476.8
FX impact	(0.1)	(1.1)	(0.2)	-	(1.4)
2019 as published	138.2	213.2	126.8	-	478.2
Operating Profit (£m)					
2020	10.3	15.0	9.4	(7.2)	27.5
2019 at 2020 rates	16.4	13.5	15.2	(7.2)	37.9
FX impact	(0.1)	-	(0.1)	-	(0.2)
2019 as published	16.5	13.5	15.3	(7.2)	38.1

INCOME STATEMENT – ADJUSTING ITEMS

£m	2020	2019
Restructuring and other items		
Restructuring	(14.8)	(12.2)
Property disposal	1.2	-
Pension and past service charge	(0.9)	(1.0)
	(14.5)	(13.2)
Acquisition related costs		
Release of warranty and claims provision relating to Transportation business divestment	1.0	-
Amortisation of intangible assets arising on business combinations	(4.2)	(4.5)
Other acquisition related costs	(3.2)	(3.5)
	(6.4)	(8.0)
Total adjusting items	(20.9)	(21.2)

CASH CONVERSION

£m	2020	2019
Adjusted operating profit	27.5	38.1
Depreciation and amortisation	17.0	18.0
Net capital expenditure	(9.9)	(14.3)
Capitalised development expenditure	(3.3)	(3.9)
Working capital	3.6	(1.2)
Other	0.9	2.5
Operating cash flow after capex.	35.8	39.2
Operating profit	27.5	38.1
<i>Cash conversion</i>	130%	103%

MOVEMENT IN NET DEBT

£m	2020	2019
Operating cash flow after capex	35.8	39.2
Net interest and tax	(3.8)	(7.7)
Lease liability repayments	(4.1)	(4.0)
Restructuring and acquisition related costs	(8.1)	(9.2)
Pensions	(5.4)	(8.6)
Free cash flow	14.4	9.7
Dividends	-	(10.9)
Acquisitions and disposals	(45.7)	(3.5)
Equity issued	20.2	0.9
Other	2.3	(0.6)
Increase in net debt	(8.8)	(4.4)
Opening net debt	(69.1)	(63.0)
Borrowings acquired	(3.0)	-
FX and other non cash items	(3.0)	(1.7)
Closing net debt	(83.9)	(69.1)

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.