OUR MARKETS: WINNING SOLUTIONS IN

AUTOMATION & ELECTRIFICATION

Customers rely on us to help solve their toughest automation and electrification challenges; streamlining their supply chains, increasing their efficiency, and helping them bring smart, new products to market.

Automation & electrification markets continue to show encouraging signs of recovery from the disruption caused by the pandemic, and we support the increased demand for digitalisation through design and manufacture of connectivity solutions. Given the wide scope of these markets, performance correlates strongly with global economic growth, with key indicators being GDP growth and the Purchasing Managers' Index (PMI), but the digitisation and proliferation of electronics and electrification means markets will grow faster than these indicators.

Market trends and drivers

The electronics manufacturing market is estimated to have grown by over 10% globally in 2022. Our positioning in sub-segments such as electrification and industrial automation are good contributors to growth. Furthermore, the increasing trend to the re-shoring of manufacturing capability, or moves to regions with less expensive labour, will increase the demand for Artificial Intelligence, Augmented Reality, the Internet of Things, and other aspects of digitalisation. We see the key drivers of IoT connectivity being cost efficiency, better supply chain insight, smart buildings, fleet management, smart manufacturing and inventory tracking, and monitoring and diagnostics, and believe these structural growth drivers are aligned with our capabilities.

A key force underpinning growth in automation & electrification markets is an increasing focus on sustainability. With the backdrop of increasingly stringent regulation to reduce environmental impacts across supply chains, sustainability is a significant positive trend. Shifting towards electricity as the major fuel powering industrial systems is a key imperative for organisations looking to reduce their carbon footprints. Additionally, the increasing digitisation of industrial processes and proliferation of connected devices in areas such as smart infrastructure, robotics and automation is promoting improved energy management, efficiency and reliability. As many of our products are enabling devices, the demand profile is highly attractive. This is reflected in the market outlook, with a CAGR of 5-6% expected to 2026.

Our response

We are continuing to invest in developing capabilities which exemplify our low-volume, high-mix approach to address the needs of high-end industrial and connectivity markets. Within automation, we are focusing on products which will enable the full potential of innovation in this space. Irrespective of the final form industrial processes take, we are positioning our business to become embedded within the fabric of this technology transition. Industrial automation and infrastructure is a major portion of the Sensors & Specialist Components division serving market leaders like Schneider, Siemens, Rockwell Automation and Delta Electronics. Our focus is to provide niche and application-specific components that make our customers' applications safer, greener and smarter.

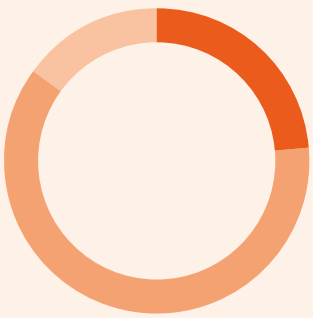
A key area is enhancing our optoelectronic sensors offering. TT sensor products improve the connectivity of manufacturing operations, promoting access to information throughout supply chains and supporting the collection of quality real-time data. Within electrification, our priority is to develop capabilities which support increasing energy efficiency and connectivity. Core focus areas include complex systems integrations and AC and DC power conversion technologies. We are increasingly able to develop complete, high-value products and durable components featuring higher voltage throughput. These are supporting our customers by improving legacy designs and enhancing their ability to meet complex, high-bandwidth requirements

CONTRIBUTION TO GROUP

37%

of Group revenue

MARKET REVENUE BY DIVISION



24% – Power and Connectivity

61% – Global Manufacturing Solutions

15% – Sensors and Specialist Components

EMPOWERING SMART INFRASTRUCTURE TO STREAMLINE PROCESSES AND IMPROVE LIVES

EXPECTED MARKET GROWTH

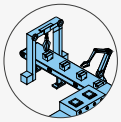
5-6%

Automation & electrification market 2022-26 CAGR

WHAT WE DO

From clean energy and smart home applications to more efficient factory equipment and connected asset tracking, our technologies enable the Internet of Things (IoT) and innovations that are creating a smarter and cleaner world.

TT ELECTRONICS IN ACTION

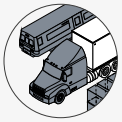


Factory automation and electrification

- Industrial robotics and automation equipment
- Power monitoring
- Industrial safety and security controls
- Smart packaging and labelling equipment
- Electric vehicle inverter technology

Clean energy and smart cities

- Renewable energy generation and smart grid metering
- Power management and energy control systems
- Water and wastewater measurement and monitoring
- Smart lighting, security systems and fire detection
- Secure access and safety controls
- Energy-efficient home appliances



Smart infrastructure and industrial connectivity

- Transportation communication systems
- Railway signalling systems and temperature control
- Rolling stock power systems
- Asset tracking and inventory management systems
- Communication and cloud service connectivity
- Electric vehicles and charging stations