

OUR MARKETS: CREATING VALUE 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. Given the wide scope of these markets, performance correlates strongly with global economic growth more broadly. Key indicators include GDP growth and the Purchasing Managers' Index (PMI) which improved sharply in 2021, producing the strongest recovery in 50 years.

Contribution to Group

39%
of Group revenue

Market trends and drivers

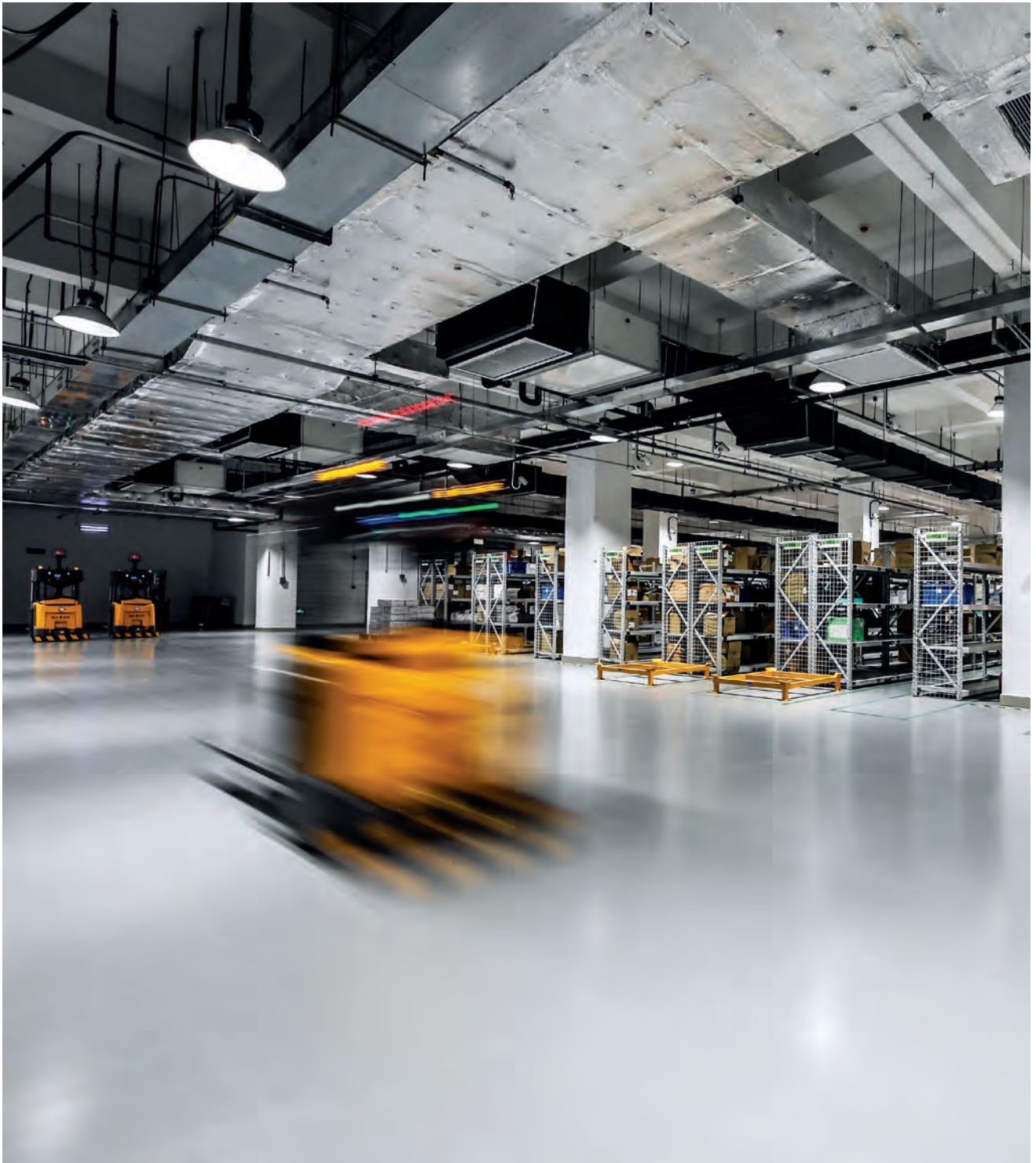
Globally, the electronics manufacturing market is estimated to have grown by over 3% in 2021. New order growth and the pace of job creation remain close to the highs reached mid-year; however, the short-term outlook has been tempered by supply chain issues, inflation, and prospective monetary tightening. Ultimately, this is expected to delay rather than halt the recovery and sentiment is one of patient optimism.

Over the longer term we continue to see structural growth drivers aligned with our capabilities. A key force underpinning growth in automation & electrification markets is the 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 4-6% expected to 2025.

Expected market growth

4-6%

Automation & electrification
market 2021-25 CAGR

**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. A key focus, for instance, is enhancing our optoelectronic sensors

offer. Our sensor products improve the connectivity of manufacturing operations, promoting access to information throughout the supply chain and supporting the collection of quality real-time data. Within electrification, our priority is in developing capabilities which will 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

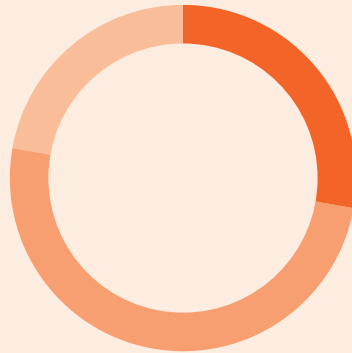
components featuring higher voltages. These are supporting our customers by improving legacy designs and enhancing their ability to meet complex, high-bandwidth requirements.

EMPOWERING SMART INFRASTRUCTURE TO STREAMLINE PROCESSES AND IMPROVE LIVES

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.

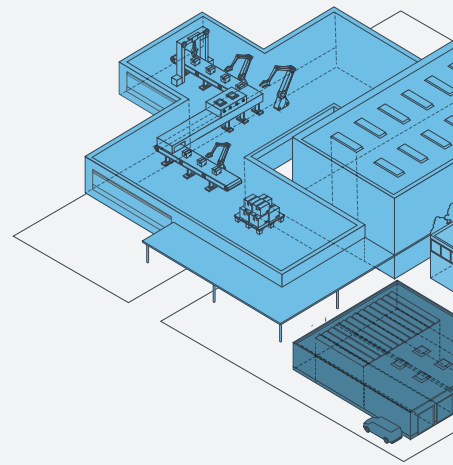
Market revenue by division

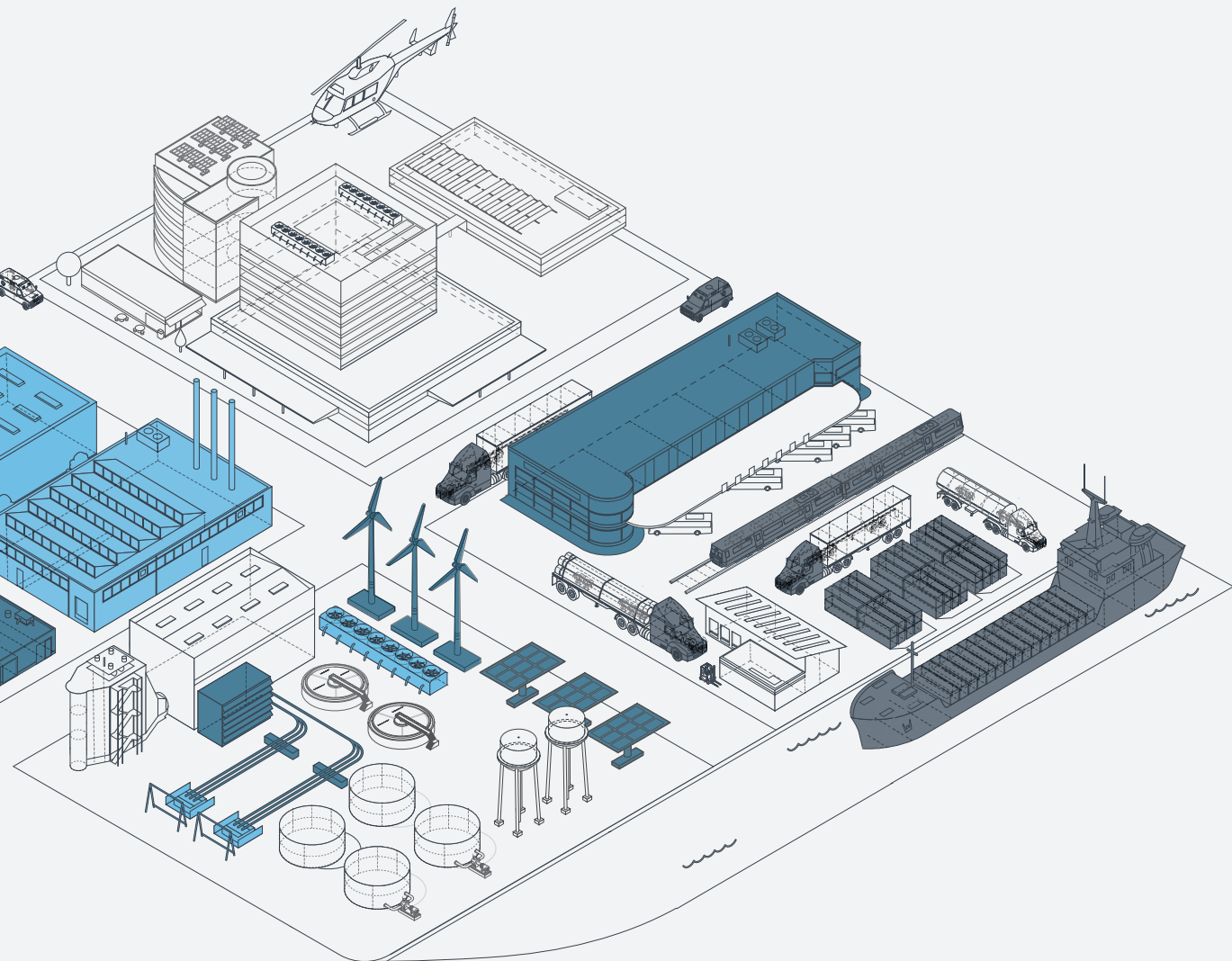


Our market breakdown

28% – Power and Connectivity	●
50% – Global Manufacturing Solutions	●
22% – Sensors and Specialist Components	●

TT Electronics in action





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

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