



TI Fluid Systems plc

Q1 2022 Trading Update

TI Fluid Systems plc, a leading global manufacturer of highly engineered automotive fluid storage, carrying, delivery and thermal management systems for light vehicles issues a trading update for the three months ended 31 March 2022.

Group Results

Group revenue for Q1 was €755.0 million, a decrease of 4.1% versus Q1 2021. Global light vehicle production (GLVP) volumes decreased 4.5%, reflecting the continued disruptions to the supply chain, further exacerbated by the Ukraine conflict and Covid-19 related shutdowns in China.

At actual rates, revenue outperformed GLVP by 40 basis points (bps). On a constant currency basis, revenue declined 7.7% year over year and underperformed GLVP by 320 bps.

€m	3 months ended Mar 22	3 months ended Mar 21	% Change (Actual currency)	% Change (Constant Currency)	Global LVP volumes
Group Revenue	755.0	787.0	-4.1%	-7.7%	-4.5%
By Region					
Europe and Africa	289.9	320.3	-9.5%	-9.4%	-15.0%
Asia Pacific	257.8	263.6	-2.2%	-7.7%	0.2%
North America	196.9	190.2	3.5%	-3.6%	-1.8%
Latin America	10.4	12.9	-19.3%	-26.4%	-12.7%
By Segment					
Fluid Carrying Systems ("FCS")	427.9	418.8	2.2%	-1.9%	-4.5%
Fuel Tank and Delivery Systems ("FTDS")	327.1	368.2	-11.2%	-14.3%	-4.5%

Notes: All production volume outperformance metrics herein are based on IHS Markit, April 2022, and Company estimates. All revenue and outperformance at constant currency basis

Revenue by Segment

Supported by strong execution on the Company's electrification strategy, the FCS division outperformed GLVP by 260 bps primarily due to the new content thermal revenue.

The FTDS division underperformed GLVP by 980 bps, largely impacted by the Covid-19 related customer shutdowns in China (Tianjin) and the anticipated lower year-over-year launch activity in the quarter.

Revenue by Region

In Europe and Africa, revenue decreased 9.4% year over year and outperformed GLVP in that region by 560 bps, benefiting from new thermal HEV and BEV programs. This represented a strong performance in the region given customer scheduling volatilities resulting from the Ukraine conflict.

Asia Pacific revenue decreased 7.7% year over year, underperforming GLVP in that region by 790 bps, reflecting various disruptions to the supply chain in the region, Covid-19 related customer shutdowns in China and unfavourable mix.

In North America revenue decreased 3.6% year over year and underperformed GLVP in that region by 180 bps, mainly due to the anticipated lower launch activity than prior year.

Electrification

The Group continues to show good progress in the execution of its electrification strategy and recorded new BEV business bookings with lifetime revenue of €427 million in Q1.

Outlook

We continue to see uncertainty and volatility in the markets due to continued microchip shortages, the ongoing conflict in Ukraine and Covid-19 related customer shutdowns in China.

We are making progress with cost recovery from our customers. However, we expect our H1 2022 margins to be modestly lower than H2 2021 due to disruptions in production, ongoing inflationary pressures and time lag on recoveries.

Taking the year as a whole, we anticipate annual GLVP volumes to be below 2021 levels. Provided that commodity prices stabilise and GLVP volumes and inflationary pressures do not deteriorate significantly further, consistent with our previous full year outlook guidance, we would expect to achieve revenue outperformance and historical cash flow conversion with full year margins slightly below 2021 levels, thanks to sequential margin expansion in H2 2022 as customer pricing recoveries are realised.

Trading update call

TI Fluid Systems plc is holding a call for analysts and investors at 09:00am UK time today.

Conference Call Dial-In Details:

UK: +44 (0)330 165 4012

Conference Code: 5754956

The audio recording will be available on www.tifluidsystems.com later today.

Enquiries

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Cautionary Statement

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of TI Fluid Systems plc (the “Company”). The words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “forecast”, “project”, “will”, “may”, “should” and similar expressions identify forward-looking statements. Others can be identified from the context in which they are made. By their nature, forward-looking statements involve risks and uncertainties, and such forward-looking statements are made only as of the date of this announcement. Accordingly, no assurance can be given that the forward-looking statements will prove to be accurate, and you are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty therein. Past performance of the Company cannot be relied on as a guide to future performance. Nothing in this announcement should be construed as a profit forecast.