Released: 8 August 2023

TI Fluid Systems

TI Fluid Systems plc
Half Year Results 2023

Strong revenue growth and margin expansion
Increases full year guidance
Growth in new BEV awards

TI Fluid Systems plc ("The Group"), a global industry leader in highly engineered automotive fluid storage, carrying and delivery systems and thermal management products and systems for light vehicles, announces its results for the six-month period ended 30 June 2023 (the "period").

€ millions

Adjusted Measures *	**H1 2023**	H1 2022	Change	Constant currency change
Revenue	**1,768.1**	1,559.5	13.4%	15.1%
Adjusted EBIT	**131.9**	83.7		
Adjusted EBIT Margin %	**7.5%**	5.4%		
Adjusted Net Income **	**62.5**	29.4		
Adjusted Basic Earnings per Share (€ cents)**	**12.12**	5.73		
Adjusted Free Cash Flow	**2.3**	(1.6)		

Statutory Measures	**H1 2023**	H1 2022	Change
Revenue	**1,768.1**	1,559.5	13.4%
Operating Profit	**95.0**	48.3	
Profit for the period	**33.3**	0.5	
Basic Earnings per share (€ cents)	**6.44**	0.10	
Dividend (€ cents)	**2.30**	1.00	

*Adjusted measures are non-IFRS measures and reconciled in Note 3 and defined in Note 16
** Adjusted net income definition changed to exclude the impact of purchase accounting adjustments, consistent with other metrics, see Note 3

Group highlights for the period:

- Strong revenue growth of 15.1% at constant currency, a 390 basis point ("bps") revenue outperformance of light vehicle production volume growth; revenue growth at actual rates 13.4%
- Revenue outperformance in all regions with China developing in line with our expectations
- Adjusted EBIT margin increased 210 bps to 7.5%; statutory operating profit margin increased to 5.4%
- Significant majority of 2023 price and cost recovery agreements completed
- Efficiency improvements contributed c.100 bps to margin expansion

- Continued progress in our Take the Turn ("T^{3}") strategy with two further E-Mobility Innovation Centres ("eMICs") opened in Japan and South Korea and technology developments progressing to plan
- New business bookings and BEV awards respectively growing to €1,359 million and €649 million on a lifetime basis; China represents c.45% of BEV awards

Revised capital allocation policy

Reflecting our confidence in the future prospects for the business, we have reviewed the capital allocation policy with a view to optimising shareholder value, whilst maintaining balance sheet strength and liquidity. The key elements of this new policy are as follows:

- With immediate effect the Group intends to adopt a progressive dividend policy commencing with a dividend of €35.0 million for 2023 (2022: €13.0 million), and an interim dividend of €11.8 million
- A share buyback programme of up to €40.0 million to be launched in H2 2023 subject to regulatory and shareholder approval
- The gross leverage will be reduced through a term loan prepayment of €100 million in H2 2023 utilising available cash balances
- Maintaining both strong liquidity, through existing facilities and debt and a robust balance sheet for value accretive acquisitions in support of the acceleration of growth and implementation of our strategy.

Outlook

Mindful of the ongoing uncertainties and the forecast for modest global economic growth, we remain cautious about the global light vehicle production (GLVP) growth for the year. We assume a GLVP of c.85 million units, up 3.3% compared to last year, though slightly below the latest S&P Global forecast. Consequently, we expect H2 to be slightly below H1. For the full year we continue to expect revenue outperformance.

We now expect full year adjusted EBIT margins to be above 7%, benefiting from operational improvements, ongoing cost recoveries and volume enhancements, notwithstanding continued cost pressures, especially from labour inflation. Adjusted free cash flow conversion is expected to be at the rate of approximately 30% of adjusted EBITDA.

Hans Dieltjens, Chief Executive Officer and President, commented:

“During the first half of 2023, the company delivered 15.1% revenue growth at constant currency and made good progress in adjusted EBIT margin enhancement. This was achieved thanks to the efforts of our team that has successfully implemented our operational improvement plan and closed important cost recovery agreements with a significant majority of our customers.

We continued to make good strategic progress, in line with our plans, pivoting towards electrification whilst continuing to drive strong performance in our ICE business. Two new eMIC facilities were opened in South Korea and Japan in line with our strategy to bring local support directly to our customer base, increasing the speed of development and improving efficiency and collaboration. This progress was reflected in the

continued growth of new business awards on BEV platforms. Further details on our Take the Turn strategy will be shared at our capital markets day on 27 September in London, where we will build on the Technology Showcase Day held in April 2023.

Importantly, I am pleased to announce a new, optimised and balanced capital allocation strategy. This reflects our focus on organic and inorganic growth, improved shareholder returns and deleveraging, whilst retaining a strong and sustainable financial position for the business. This change in policy will further support the business strategy and our pivot to electrification."

Results presentation

TI Fluid Systems plc will host a teleconference for analysts and investors at 11.00 am UK time on 8 August 2023.

Analysts and investors can join live by using the details below.

Conference Call Dial-In Details:

United Kingdom:	+44 20 3936 2999
United States:	+1 646 787 9445
Spain:	+34 919 01 16 44
All other locations:	Global Dial In Numbers
Conference Code:	270211

You can pre-register using this link to receive a unique PIN to dial directly into the call.

The presentation will be available at 7:00 am UK time from www.tifluidsystems.com. An audio recording will be available on our website in due course.

Enquiries

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Strategy update

Against the industry backdrop of rapid change and accelerated electrification, TIFS is well positioned to be a leader in the transition to electrification. Our Take the Turn strategy is designed to capitalise on electric vehicle production growth, the Group's key long term growth opportunity, while also successfully and profitably managing our ICE business during the transition to EVs. This strategy has three pillars: Technology, Transformation and Talent. Progress was made across all three pillars in the period:

Technology

To increase market share of our advanced technology and safety-critical products, including new thermal management products for EVs.

We opened new eMIC facilities in Japan and South Korea, and our plans to open a China eMIC in the second half of this year are on track. As with our first eMIC in Germany, the introduction of these state-of-the-art facilities has been met with positive feedback from our customers and will play a crucial role in advancing our thermal business growth in this important region.

Our business wins on BEV and PHEV platforms have been increasing steadily. In the year to date, we have secured €674 million of BEV/PHEV awards, of which c.45% were in China with a majority with local Chinese OEMs. These achievements highlight customer confidence in our products to drive innovation, which enhances vehicle efficiency and are a direct result of strong engagement with local Chinese OEMs.

We are progressing well with the development of our new thermal product lines technology, especially in the area of Modular technology ("ITMa"). We will have the chance to show more during our capital markets day in September 2023.

Transformation

To operate our business in a sustainable manner

We submitted our proposed greenhouse gas reduction plan to SBTi for approval. This plan assumes a 50% reduction of Scope 1 and 2 emissions and a 30% reduction of Scope 3 emissions by 2030. In line with this target, we have partially completed the purchase of renewable energy in July. Furthermore, we are implementing and refining our energy efficiency plan, which is proceeding well. With this we believe we are ahead of plan for our 2022 CO_2(e) reduction target.

Talent

Develop, promote and retain our workforce in an inclusive environment

We successfully continued our hiring strategy to reflect diversity according to graduation rates in the regions and countries we operate in. We also held our third session of the Women's Empowerment Network, a global network of women who wish to connect on common themes, where Board members shared their experiences as part of a wider Board Engagement initiative. Inclusivity assessments have been made with 750 managers

and directors that measured their propensity to be inclusive, supporting their ambition to improve their inclusivity scores.

At our capital markets event in London on 27 September, we will provide further updates on the Group's strategic progress.

Capital allocation strategy

The Group regularly reviews its approach to capital allocation and today announces that it has adopted a new capital allocation strategy which seeks to maximise the value created by the Group through both investment-driven earnings growth and attractive shareholder returns, while maintaining a strong balance sheet and significant liquidity.

The Group retains significant liquidity, with cash on hand of €441.5 million, and expects adjusted Free Cash Flow to increase significantly as automotive markets recover and the Group's margin expands towards its medium-term target level. Alongside this, the Group believes that the proven financial resilience of the Group will enable it to operate, sustainably, at a target leverage level of around 1.5x Adjusted EBITDA in the future, with scope to increase this in the short term should compelling investment opportunities arise.

In combination, the Group's strong balance sheet and Adjusted Free Cash Flow generation are expected to provide significant funding capacity over the medium term which will enable a comprehensive capital allocation strategy, comprising:

- Continued investment in the Group's capability and capacity to support growth and margin enhancement initiatives, with annual capital expenditure in line with previous guidance of 4-5%;
- A change in dividend policy to target a progressive annual growth in dividend per share. For 2023, the new dividend policy aims to return €35.0 million to shareholders (2022: €13.0 million);
- A renewed focus on value-accretive acquisitions. We believe there are attractive opportunities for the Group to accelerate its strategic progress through acquisitions, subject to the Group's strict investment criteria;
- In light of the higher interest rates over the last 12 months, the Company will make a €100.0 million prepayment on the Group's $293.3 million USD-denominated term loan. The prepayment is expected to result in annualised cash interest savings of c.€4 million. The Group will retain significant liquidity through cash on hand and the available revolving credit facility; and
- The Group intends to maintain a flexible and agile approach to capital deployment which takes into account both investment requirements and prevailing market conditions. In line with this approach, the Company intends to launch a share buyback programme of up to €40 million during H2 2023, subject to regulatory and shareholder approval.

The Company believes that this revised capital allocation strategy reflects the resilient and cash-generative nature of the business, and the strength of its long-term growth prospects as well as delivering stronger and more consistent returns for shareholders.

Business performance

Automotive markets

Global light vehicle production volumes for H1 2023 were 11.2% above the same period in 2022. Microchip lead times, while elevated, are much improved and this has contributed to a more stable supply chain in the automotive industry. Demand in the first half has remained strong as OEMs continue to work through their order backlog and inventory restocking. In Europe, the year-over-year disruption caused by the Ukraine/Russia conflict has eased. For H1 we saw a more modest increase in China of 7.0%, which is fully attributable to electrified vehicle production. China also benefited from the end of COVID-19 lockdowns which took place in 2022.

Table 1: Global light vehicle production volumes: millions of units

	H1 2023	**% Change**
Europe, including Middle East and Africa	**10.2**	13.7 %
Asia Pacific	**23.7**	9.9 %
North America	**8.0**	12.2 %
Latin America	**1.4**	10.0 %
Global volumes	**43.3**	11.2 %

Source: S&P Global Mobility, July 2023 and Company estimates
Change percentages calculated using unrounded data

Revenue

Group revenue in H1 2023 was €1,768.1 million, a robust increase of 15.1% year-over-year at constant currency, and resulted in a 390 bps outperformance compared to the growth in GLVP. This outperformance was mainly delivered by cost recoveries and new programme launches. At actual rates, revenue increased by 13.4% after accounting for a net negative currency exchange rate impact of €24.0 million compared with the prior period. This was mostly due to the strengthening of the Euro against key currencies including the Chinese Renminbi and Korean Won.

Table 2: Revenue by region and by segment:

€ millions	**H1 2023**	H1 2022	**Change**	**% Change**	**% Change at constant currency**	**Constant currency growth vs LVP growth**
Group Revenue	**1,768.1**	1,559.5	208.6	13.4 %	15.1 %	390 bps
By segment						
FCS	**1,028.0**	876.9	151.1	17.2 %	19.1 %	790 bps
FTDS	**740.1**	682.6	57.5	8.4 %	10.1 %	(110) bps
By Region						
Europe and Africa	**702.8**	596.4	106.4	17.8 %	18.0 %	430 bps
Asia Pacific	**540.2**	515.2	25.0	4.9 %	10.1 %	20 bps
North America	**496.5**	424.3	72.2	17.0 %	16.1 %	390 bps
Latin America	**28.6**	23.6	5.0	21.2 %	29.5 %	1,950 bps

In Europe and Africa, the strong growth of 18.0% was driven mainly by market volumes, cost recoveries and launches. The FCS division further expanded with excellent growth of its thermal products, while FTDS saw the effects of the electrification shift. The market volume increase was, to a large extent, a recovery from the Russia/Ukraine conflict impact which adversely impacted the prior period.

In Asia Pacific, revenue at constant currency increased by 10.1%, broadly in line with the market evolution. We continue to outperform strongly in Thailand, Japan and India, offset by the Chinese market which is heavily influenced by the continued domestic growth of BYD and Tesla. Several new product launches in China remain scheduled for the second half of the year which will continue to improve our position in the market, notwithstanding some delays in some programme launches.

In North America, revenue at constant currency increased by 16.1% driven by new product launches and cost recoveries across both divisions.

FCS revenue increased by 19.1% at constant currency, a robust outperformance when compared to the GLVP growth. The strong FCS revenue growth was driven by successful launches of thermal programmes on BEVs, strong progress on HEV platforms, combined with inflationary recoveries.

FTDS revenue at constant currency increased by 10.1% to €740.1 million, (110) bps below the GLVP growth but outperforming our addressable market for ICE and HEV vehicles.

Half-year 2023 profitability

We use several financial measures to manage our business, including Adjusted EBITDA and Adjusted EBIT, which are non-IFRS measures but measures of profitability that have been used consistently by the Group and give insight into the operating performance of the business. The metrics are also used in certain of our compensation plans and to communicate to our investors. A reconciliation between the reported measures and the adjusted measures is shown in Note 3.

Table 3: Key performance measures

€ millions

Adjusted Measures *	**H1 2023**	H1 2022	Change	Constant currency change
Revenue	**1,768.1**	1,559.5	13.4%	15.1%
Adjusted EBITDA	**198.6**	160.1		
Adjusted EBITDA Margin %	**11.2 %**	10.3 %		
Adjusted EBIT	**131.9**	83.7		
Adjusted EBIT Margin %	**7.5 %**	5.4 %		
Adjusted Net Income **	**62.5**	29.4		
Adjusted Basic Earnings per Share (€ cents)**	**12.12**	5.73		
Adjusted Free Cash Flow	**2.3**	(1.6)		
Statutory Measures	**H1 2023**	H1 2022	Change	
Revenue	**1,768.1**	1,559.5	13.4%	
Operating Profit	**95.0**	48.3		
Profit for the period	**33.3**	0.5		
Basic Earnings per share (€ cents)	**6.44**	0.10		
Dividend (€ cents)	**2.30**	1.00		

*Adjusted measures are non-IFRS measures and reconciled in Note 3 and defined in Note 16
** Adjusted net income definition changed to exclude the impact of purchase accounting adjustments, consistent with other adjusted measures, see Note 3

Profitability recovered strongly in the period with an Adjusted EBIT margin improvement of 210 bps. We concluded a significant majority of the inflationary and other cost recovery agreements for 2023 with our customers. The impact of recoveries net of cost inflation was a net benefit of 130 bps in the period compared to H1 2022. We have now recovered more than 80% of the inflation impacts experienced in the period from 2021. Operating efficiencies, purchasing, and restructuring benefits contributed €19 million or 100 bps. This reflects the continued focus on operational performance and the flexibility of the Group's footprint.

Our good progress in the period is a testament to the hard work of our commercial and operational teams globally. It also underlines the strength of our customer relationships and the effects of maintaining our cost-saving discipline. Higher volumes and relative supply chain stability, in addition to management action, has driven increased productivity in our plants.

By segment, FCS Adjusted EBIT was €69.9 million compared to €46.1 million in H1 2022, with Adjusted EBIT margin of 6.8% (H1 2022: 5.3%). FTDS Adjusted EBIT was €62.0 million compared to €37.6 million in H1 2022, with Adjusted EBIT margin of 8.4% (H1 2022: 5.5%).

We continued to implement the restructuring and cost rationalisation programme which has helped to improve margins across the business. We incurred restructuring charges of €6.8 million in the period related to the planned closure and downsizing of manufacturing plants in Europe and Latin America, which is in addition to the six locations closed or downsized in 2022. At the end of H1 2023 there was a restructuring provision of €5.2 million (31 December 2022: €7.8 million).

Net finance expense

Net finance expense for the period was €36.1 million, an increase of €7.6 million from the prior period. The increase reflects rising interest expense on the US dollar and Euro Term Loans due to higher base lending rates for both US-dollar LIBOR and EURIBOR. This was partially offset by higher interest income received on short-term deposits.

Taxation

The income tax charge for the first half of 2023 is €25.6 million (H1 2022: €19.3m) based on a Group profit before income tax of €58.9 million (H1 2022: €19.8m). The H1 2023 Effective Tax Rate is 43.5% (H1 2022: 97.5%) and when the impact of the Adjusting Items is excluded from the Group results, the H1 2023 Effective Tax Rate is 34.7% (H1 2022: 46.7%). There were no significant changes to uncertain tax positions during the period.

Adjusted net income and profit for the period

The definition of Adjusted Net Income has been updated in the period to include an adjustment for depreciation and amortisation arising on purchase accounting, net of tax. This is consistent with the definition of Adjusted EBIT and therefore in Management's view, this change in definition improves consistency within the adjusted performance measures and provides increased transparency into the performance of the Company. The adjustment to the comparative data is an increase of €20.4 million for H1 2022, and the data is presented including this adjustment.

Adjusted Net Income was €62.5 million in H1 2023 compared to €29.4 million in H1 2022, and profit for the period was €33.3 million in H1 2023 compared to €0.5 million in H1 2022.

Basic EPS and adjusted basic EPS

On a statutory basis, Basic Earnings per Share ("EPS") was 6.44 Euro cents for the period (H1 2022: 0.10 Euro cents), reflecting the increased profit for the period. Adjusted Basic EPS calculation is based on Adjusted Net Income, as redefined to add back the purchase price depreciation and amortisation, and the weighted average

number of shares issued. Adjusted Basic EPS was 12.12 Euro cents per share for the period (H1 2022: 5.73 Euro cents per share).

Cash flow performance

In H1 2023, Adjusted Free Cash Flow was €2.3 million (H1 2022: €(1.6) million). The Adjusted EBITDA generated by the Group was used to fund investment in capital equipment and intangibles of €59.6 million (H1 2022: €55.2 million). The outflow from working capital of €78.9 million (H1 2022: €54.4 million outflow) was driven by increased levels of inventory and receivables as the business continues to ramp up and following the inflation recovery agreements with our customers that will result in incoming cash flow in the third quarter. The net cash outflow on restructuring was €8.4 million, predominantly severance payments (H1 2022: €12.2 million).

Cash outflows from financing were €25.7 million (H1 2022: €37.8 million), and together with free cash outflows of €7.5 million (H1 2022: €16.1 million outflows), resulted in a reported decrease in cash and cash equivalents before currency translation of €33.2 million (H1 2022: €(53.9) million). Financing outflows include scheduled repayment of borrowings of €2.7 million (H1 2022: €2.7 million), lease principal repayments €15.0 million (H1 2022: €16.2 million) and €8.0 million dividend payments (H1 2022: €7.5 million).

Retirement benefits

We operate funded and unfunded defined benefit schemes across multiple jurisdictions. Our net unfunded position decreased by €3.5 million from December 2022 to €100.7 million at 30 June 2023 primarily due to the discount rate evolution year-over-year and overall pension investment performance. The largest portion of the net unfunded position is the US pension and retiree healthcare schemes, which represent 50% of our net unfunded position on 30 June 2023 (H1 2022: 57%). We also have funded schemes in Germany representing 19% (H1 2022: 18%), and other post-employment liabilities representing approximately 31% of the net unfunded position. These are primarily in France, Italy, South Korea, Poland and Belgium, where obligations are either partially funded or unfunded. While all our major defined benefit plans are closed to new entrants, a few allow for future accrual. Our schemes are subject to periodic actuarial valuations.

Dividend

The Group paid a final dividend in respect of the 2022 financial year of 1.54 Euro cents per share, amounting to €8.0 million on 23 June 2023. For 2023 the Company is targeting a full-year payment of €35.0 million, a similar level to the dividends paid in 2018/2019. The Board has recommended a 2023 interim dividend of 2.30 Euro cents per share, amounting to €11.8 million, being one-third of the full-year target payment.

Net debt and net leverage

Net debt, a non-IFRS measure, as of 30 June 2023 was €668.0 million, an increase of €43.1 million from the prior year end due to the build-up of working capital during the period, and foreign exchange movements of €10.3 million. The facilities also include a $225.0 million revolving credit facility with an undrawn amount of

$220.4 million as at 30 June 2023. Full details of the facilities are given in Note 9. Issuance fees and discounts of €18.1 million associated with the loans are carried forward for future amortisation.

The Group's net leverage ratio, also a non-IFRS measure, was 1.8 times the last twelve months Adjusted EBITDA of €371.8 million as of 30 June 2023, down from 1.9 times as of 31 December 2022, and 2.1 times as of 30 June 2022.

The Group excludes IFRS 16 lease liabilities from its net debt and net leverage ratio. If the IFRS 16 lease liabilities were to be included, the Group's net debt would be €807.1 million (31 December 2022: €774.5 million) and the net leverage ratio would be 2.2 times Adjusted EBITDA, down from 2.3 times as of 31 December 2022, and 2.6 times as of 30 June 2022.

Liquidity and going concern

As at 30 June 2023, the Group's external financing arrangements comprised unsecured Senior Notes of €600.0 million (maturing on 15 April 2029), a Euro term loan of €259.0 million (repayable in instalments until 16 December 2026), a US Dollar term loan of $293.3 million (repayable in instalments until 16 December 2026) and a revolving credit facility ("RCF") of $225.0 million (€206.1 million) maturing 16 July 2026. The amount utilised under the RCF, as of 30 June 2023, was $4.6 million (€4.2 million), with the available undrawn amount at $220.4 million (€201.9 million). The only covenant measure that exists applies to the RCF and defines a leverage ratio limit of 3.8x Adjusted EBITDA.

In addition, the Group held €441.5 million of cash and cash equivalent as of 30 June 2023. Actual available liquidity, including cash and revolving facility on 30 June 2023 was therefore €643.4 million, which provides a strong basis for the Group's liquidity during the review period.

The Directors have reviewed the likely performance of the Group and the Company for the period to the end of 2024 by reference to the latest outlook for FY23, and the approved Medium-Term Plan for FY24 as a base case scenario (volumes used: 2023 85.0 million units, 2024 86.3 million units). The volumes used are reduced from externally available data to anticipate a slower recovery to normalised production volumes in light of the microchip supply issue and other challenges facing the industry. The base case has also been updated to reflect a revised capital allocation policy assuming a €100.0 million term loan repayment in the current year and a €40.0 million share buyback programme.

A severe, but plausible downside scenario, mindful of developing geopolitical tensions and emerging economic challenges, was produced comprising a 10% reduction in future global light vehicle production volumes against the base case over the review period (volumes used: 2023 80.8 million units, 2024 77.6 million units), a further 5% annual reduction in operating margin due to increased costs, a further 0.5% annual sales price reduction, and an €8 million business disruption from an unexpected plant closure, and an additional €10 million per

annum capital investment. These reflect the downside impact of the principal risks facing the business in respect of global light vehicle production volumes, cost pressures (commodities and energy costs), customer price reduction pressures, changes in technology and the impact of a business disruption. The downside scenario showed the availability of liquidity headroom without the use of the revolving credit facility. There were no covenant breaches in the review period.

In addition, a reverse stress test was performed as part of the review and indicates there would need to be a catastrophic reduction in volumes to extinguish all available liquidity (available undrawn borrowing facility and cash and cash equivalents), which the Directors considered to be highly unlikely.

The going concern scenarios do not indicate a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Based on these assessments, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and, accordingly, have adopted the going concern basis in preparing the consolidated financial statements.

Principal risks and uncertainties

The executive management and Directors have considered the principal risks and uncertainties of the Group and have determined, on balance, that those reported in the 2022 Annual Report and Accounts remain relevant and appropriate for the remaining half of the financial year.

The challenge associated with the shift in technology and market dynamics impacting the automotive industry, as well as the related need to attract and retain the talent to address this shift, remains of the highest priority to executive management and the Directors, who have continued to drive a strategic evolution through the business in order to ensure continued excellence in operational and market performance.

Current operating challenges from volatile customer production volumes and supply chain disruptions in the automotive industry, whilst not thought to represent prolonged long-term risks, are expected to persist into the remainder of 2023 and into 2024. Inflationary pressures continue to drive price and cost increases, particularly in Europe. The Group has taken robust initiatives to recover increased costs from customers and align prices accordingly, as well as manage operating costs closely. Toughening economic conditions in certain areas, including the possibility of recession, will continue to pose a challenge for the business in the short and medium term.

The Directors continue to monitor the impact of geopolitical tensions and uncertainty within Europe due to Russia's continuing invasion of Ukraine, particularly with regards to risks related to continuing energy availability and economic downturn in the region. The Directors also monitor the developing risks identified in our 2022 Annual Report – climate change, sustainability and the transition to a low carbon economy, and

increasing geopolitical tensions and conflict globally. We continue to believe that these do not represent separate new principal risks and uncertainties at this time.

Details of the Group's Principal Risks and Uncertainties are available in the 2022 Annual Report and Accounts, available on our website www.tifluidsystems.com.

By order of the Board

Hans Dieltjens	**Alexander De Bock**
Chief Executive Officer and President	**Chief Financial Officer**
7 August 2023	7 August 2023

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 "Group"). 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 presentation. 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.

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Condensed Consolidated Income Statement

For the period ended 30 June

Continuing operations	Note	**2023 Unaudited €m**	2022 Unaudited €m
Revenue	2	**1,768.1**	1,559.5
Cost of sales		**(1,537.5)**	(1,401.7)
Gross profit		**230.6**	157.8
Distribution costs		**(55.6)**	(53.3)
Administrative expenses		**(77.0)**	(60.1)
Net foreign exchange (losses)/gains		**(3.3)**	3.2
Other gains and losses		**0.3**	0.7
Operating profit		**95.0**	48.3
Finance income	4	**4.4**	1.6
Finance expense	4	**(40.5)**	(30.1)
Net finance expense	4	**(36.1)**	(28.5)
Profit before income tax		**58.9**	19.8
Income tax expense	5	**(25.6)**	(19.3)
Profit for the period		**33.3**	0.5
Profit for the period attributable to:			
Owners of the Parent Company		**33.2**	0.5
Non-controlling interests		**0.1**	—
		33.3	0.5
Total earnings per share (€ cents)			
Basic	6	**6.44**	0.10
Diluted	6	**6.41**	0.10

Condensed Consolidated Statement of Comprehensive Income

For the period ended 30 June

	Unaudited 2023 €m	Unaudited 2022 €m
Profit for the period	**33.3**	0.5
Other comprehensive income		
Items that will not be reclassified to profit or loss		
– Re-measurements of retirement benefit obligations	**3.7**	22.9
– Income tax expense on retirement benefit obligations	**(1.0)**	(5.6)
	2.7	17.3
Items that may be subsequently reclassified to profit or loss		
– Currency translation	**(56.8)**	42.4
Total other comprehensive income for the period	**(54.1)**	59.7
Total comprehensive income for the period	**(20.8)**	60.2
Attributable to:		
– Owners of the Parent Company	**(20.9)**	60.2
– Non-controlling interests	**0.1**	—
Total comprehensive income for the period	**(20.8)**	60.2

Condensed Consolidated Balance Sheet

As at 30 June 2023

	Note	**Unaudited 30 June 2023 €m**	Audited 31 December 2022 €m
Non-current assets			
Intangible assets		**550.7**	603.9
Right-of-use assets		**101.4**	109.3
Property, plant and equipment	7	**510.4**	531.4
Deferred income tax assets	5	**112.4**	105.2
Trade and other receivables		**20.8**	20.6
		1,295.7	1,370.4
Current assets			
Inventories		**378.4**	372.0
Trade and other receivables		**644.8**	541.9
Current income tax assets	5	**9.7**	7.9
Derivative financial instruments	10	**3.1**	2.8
Cash and cash equivalents		**441.5**	491.0
		1,477.5	1,415.6
Total assets		**2,773.2**	2,786.0
Equity			
Share capital		**6.8**	6.8
Share premium		**2.2**	2.2
Other reserves		**(112.2)**	(55.4)
Retained earnings		**750.0**	722.6
Equity attributable to owners of the Parent Company		**646.8**	676.2
Non-controlling interests		**0.6**	0.5
Total equity		**647.4**	676.7
Non-current liabilities			
Trade and other payables		**12.0**	12.8
Borrowings	9	**1,107.6**	1,114.0
Lease liabilities		**111.8**	121.5
Deferred income tax liabilities	5	**82.3**	80.7
Retirement benefit obligations	11	**100.7**	104.2
Provisions	12	**2.7**	2.6
		1,417.1	1,435.8
Current liabilities			
Trade and other payables		**620.8**	584.8
Current income tax liabilities	5	**46.7**	44.5
Borrowings	9	**1.9**	1.9
Lease liabilities		**27.3**	28.1
Derivative financial instruments	10	**—**	0.2
Provisions	12	**12.0**	14.0
		708.7	673.5
Total liabilities		**2,125.8**	2,109.3
Total equity and liabilities		**2,773.2**	2,786.0

Condensed Consolidated Statement of Changes in Equity

For the period ended 30 June

Unaudited	Ordinary shares €m	Share premium €m	Other reserves €m	Retained earnings €m	Total €m	Non-controlling interests €m	Total equity €m
Balance at 1 January 2023	**6.8**	**2.2**	**(55.4)**	**722.6**	**676.2**	**0.5**	**676.7**
Profit for the period	—	—	—	**33.2**	**33.2**	**0.1**	**33.3**
Total other comprehensive income for the period	—	—	**(56.8)**	**2.7**	**(54.1)**	—	**(54.1)**
Total comprehensive income for the period	—	—	**(56.8)**	**35.9**	**(20.9)**	**0.1**	**(20.8)**
Share-based expense	—	—	—	**3.5**	**3.5**	—	**3.5**
Dividends paid	—	—	—	**(8.0)**	**(8.0)**	—	**(8.0)**
Issue of own shares from Employee Benefit Trust	—	—	—	**10.9**	**10.9**	—	**10.9**
Vested share awards	—	—	—	**(14.9)**	**(14.9)**	—	**(14.9)**
Purchase of own shares	—	—	—	—	—	—	—
Total transactions with owners	—	—	—	**(8.5)**	**(8.5)**	—	**(8.5)**
Balance at 30 June 2023	**6.8**	**2.2**	**(112.2)**	**750.0**	**646.8**	**0.6**	**647.4**

Unaudited	Ordinary shares €m	Share premium €m	Other reserves €m	Retained earnings €m	Total €m	Non-controlling interests €m	Total equity €m
Balance at 1 January 2022	6.8	2.2	(61.4)	995.9	943.5	0.4	943.9
Profit for the period	—	—	—	0.5	0.5	—	0.5
Total other comprehensive income for the period	—	—	42.4	17.3	59.7	—	59.7
Total comprehensive income for the period	—	—	42.4	17.8	60.2	—	60.2
Share-based expense	—	—	—	3.7	3.7	—	3.7
Dividends paid	—	—	—	(7.5)	(7.5)	—	(7.5)
Issue of own shares from Employee Benefit Trust	—	—	—	1.0	1.0	—	1.0
Vested shared awards	—	—	—	(1.9)	(1.9)	—	(1.9)
Purchase of own shares	—	—	—	(11.4)	(11.4)	—	(11.4)
Total transactions with owners	—	—	—	(16.1)	(16.1)	—	(16.1)
Balance at 30 June 2022	6.8	2.2	(19.0)	997.6	987.6	0.4	988.0

Condensed Consolidated Statement of Cash Flows

For the period ended 30 June

	Note	**Unaudited Half Year 2023 €m**	Unaudited Half Year 2022 €m
Cash flows from operating activities			
Cash generated from operations	13	**112.1**	91.4
Interest paid		**(35.9)**	(25.9)
Income tax paid on operating activities		**(28.6)**	(25.3)
Net cash generated from operating activities		**47.6**	40.2
Cash flows from investing activities			
Payment for property, plant and equipment		**(47.9)**	(39.9)
Payment for intangible assets		**(11.7)**	(15.3)
Proceeds from the sale of property, plant and equipment		**0.7**	0.1
Tax paid on the proceeds from the sale of associated undertakings		**—**	(3.0)
Interest received		**3.8**	1.8
Net cash used by investing activities		**(55.1)**	(56.3)
Net cash used by operating and investing activities ("Free Cash Flow")		**(7.5)**	(16.1)
Cash flows from financing activities			
Purchase of own shares		**—**	(11.4)
Scheduled repayments of borrowings	9	**(2.7)**	(2.7)
Lease principal repayments	9	**(15.0)**	(16.2)
Dividends paid		**(8.0)**	(7.5)
Net cash used by financing activities		**(25.7)**	(37.8)
Decrease in cash and cash equivalents		**(33.2)**	(53.9)
Cash and cash equivalents at the beginning of the period		**491.0**	499.1
Currency translation on cash and cash equivalents		**(16.3)**	12.2
Cash and cash equivalents at the end of the period		**441.5**	457.4

1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are the same as those applied in the audited consolidated financial statements for the year ended 31 December 2022.

1.1. Basis of Preparation

These condensed consolidated interim financial statements do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2022 have been filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. These condensed consolidated interim financial statements have been reviewed, not audited.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the United Kingdom and the Disclosure and Transparency Rules of the Financial Conduct Authority. These condensed consolidated interim financial statements need to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022.

Foreign operations are those subsidiaries whose functional currency is not Euro. For the purposes of consolidation, income and expenses of foreign operations are translated to Euro at average exchange rates for the period, and assets and liabilities of foreign operations are translated to Euro at exchange rates at the reporting date. Foreign currency translation differences are recognised in the Statement of Comprehensive Income.

The average and period-end exchange rates for the Group's principal currencies were:

Key Euro exchange rates	**H1 2023 Average**	H1 2022 Average	% Change	**30 June 2023 Period End**	30 June 2022 Period End	% Change
US dollar	**1.081**	1.093	(1.1)%	**1.092**	1.047	4.3 %
Chinese renminbi	**7.488**	7.079	5.8 %	**7.918**	7.013	12.9 %
South Korean won	**1,401**	1,348	3.9 %	**1,438**	1,354	6.2 %

1.1.1. Going Concern

At 30 June 2023, the Group's external financing arrangements comprised unsecured Senior Notes of €600.0 million (maturing on 15 April 2029), a Euro term loan of €259.0 million (repayable in instalments until 16 December 2026), a US Dollar term loan of $293.3 million (repayable in instalments until 16 December 2026) and a revolving credit facility ("RCF") of $225.0 million (€206.1 million) maturing 16 July 2026. The amount utilised under the RCF, as of 30 June 2023, was $4.6 million (€4.2 million), with the available undrawn amount at $220.4 million (€201.9 million). The only covenant measure that exists applies to the RCF and defines a leverage ratio limit of 3.8x Adjusted EBITDA.

In addition, the Group held €441.5 million of cash and cash equivalent as of 30 June 2023. Actual available liquidity, including cash and revolving facility on 30 June 2023 was therefore €643.4 million, which provides a strong basis for the Group's liquidity during the review period.

The Directors have reviewed the likely performance of the Group and the Company for the period to the end of 2024 by reference to the latest outlook for FY23, and the approved Medium-Term Plan for FY24 as a base case scenario (volumes used: 2023 85.0 million units, 2024 86.3 million units). The volumes used are reduced from externally available data to anticipate a slower recovery to normalised production volumes in light of the microchip supply issue and other challenges facing the industry. The base case has also been updated to reflect a revised capital allocation policy assuming a €100.0 million term loan repayment in the current year and a €40.0 million share buyback programme.

A severe, but plausible downside scenario, mindful of developing geopolitical tensions and emerging economic challenges, was produced comprising a 10% reduction in future global light vehicle production volumes against the base case over the review period (volumes used: 2023 80.8 million units, 2024 77.6 million units), a further 5% annual reduction in operating margin due to increased costs, a further 0.5% annual sales price reduction, and an €8 million business disruption from an unexpected plant closure, and an additional €10 million per annum capital investment. These reflect the downside impact of the principal risks facing the business in respect of global light vehicle production volumes, cost pressures (commodities and energy costs), customer price reduction pressures, changes in technology and the impact of a business disruption. The downside scenario showed the availability of liquidity headroom without the use of the revolving credit facility. There were no covenant breaches in the review period.

In addition, a reverse stress test was performed as part of the review and indicates there would need to be a catastrophic reduction in volumes to extinguish all available liquidity (available undrawn borrowing facility and cash and cash equivalents), which the Directors considered to be highly unlikely.

The going concern scenarios do not indicate a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Based on these assessments, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable

future, and, accordingly, have adopted the going concern basis in preparing the consolidated financial statements.

1.2. New and Revised IFRS Affecting Amounts Reported in the Current Period (and/or Prior Periods)

There are no new standards or IFRS IC interpretations effective in the period that have a material impact on the Group except that the Group has applied the temporary mandatory exception under Amendments to IAS 12 International Tax Reform: Pillar Two Model Rules for accounting periods commencing 1 January 2023 to not recognise or disclose information about deferred tax assets and liabilities related to top-up income taxes, see Note 5 for more detail.

1.3. Critical Accounting Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates and for Management to exercise judgement in applying the Group's accounting policies. Assumptions and accounting estimates are subject to regular review, governed by Group-wide policies and controls. Any revisions required to accounting estimates are recognised in the period in which the revisions are made including all future periods affected.

The judgement and estimates that have the most significant and critical effect on the amounts included in the financial statements are in relation to post-employment obligations, impairments of assets and deferred tax assets described below.

1.3.1 Critical Accounting Estimates

1.3.1.1 Post-employment obligations

Details of the Group's critical accounting estimates around post-employment obligations can be found in Note 1.4.1.1 of the audited consolidated financial statements for the year ended 31 December 2022.

1.3.1.2 Impairments of assets

Management carry out the annual impairment review on the Group's property, plant and equipment, intangible, and right-of-use assets as at 31 December, which involves judgement in determining the assets' recoverable amount (as outlined in the 2022 Annual Report and Accounts). At interim reporting, Management performed a review for any indicators of impairment, as an update to the impairment review performed as part of the 2022 year-end process. Further discussion on this assessment is included within Note 8.

1.3.2 Critical Accounting Judgement

1.3.2.1 Deferred tax assets

Details of the Group's critical accounting judgement around deferred tax assets can be found in Note 1.4.2.1 of the audited consolidated financial statements for the year ended 31 December 2022.

2. Segment Reporting

In accordance with the provisions of IFRS 8 'Operating Segments', the Group's segment reporting is based on the management approach with regard to segment identification; under which information regularly provided to the chief operating decision maker ("CODM") for decision-making purposes forms the basis of the disclosure. The Company's CODM is the Chief Executive Officer ("CEO"), the Chief Operating Officer and the Chief Financial Officer. The CODM evaluates the performance of the Company's segments primarily on the basis of revenue, Adjusted EBITDA, and Adjusted EBIT.

Two operating segments have been identified by the Group: Fluid Carrying Systems ("FCS") and Fuel Tank and Delivery Systems ("FTDS").

	Unaudited Half Year 2023 €m	Unaudited Half Year 2022 €m
Revenue		
– FCS - External	**1,028.0**	876.9
- Inter-segment	**34.5**	34.8
	1,062.5	911.7
– FTDS - External	**740.1**	682.6
- Inter-segment	**1.1**	2.0
	741.2	684.6
Inter-segment elimination	**(35.6)**	(36.8)
Total consolidated revenue	**1,768.1**	1,559.5
Adjusted EBITDA		
– FCS	**101.7**	82.3
– FTDS	**96.9**	77.8
	198.6	160.1
Adjusted EBITDA % of revenue		
– FCS	**9.9 %**	9.4 %
– FTDS	**13.1 %**	11.4 %
Total	**11.2 %**	10.3 %
Adjusted EBIT		
– FCS	**69.9**	46.1
– FTDS	**62.0**	37.6
	131.9	83.7
Adjusted EBIT % of revenue		
– FCS	**6.8 %**	5.3 %
– FTDS	**8.4 %**	5.5 %
Total	**7.5 %**	5.4 %

A reconciliation of non-IFRS measures to statutory measures is included within Note 3.

3. Adjusting Items and Alternative Performance Measures

In addition to the results reported under IFRS, Management use certain non-IFRS financial measures to monitor and measure the performance of the business and operations and the profitability of the divisions. Such measures are also utilised by the Board as targets in determining compensation of certain executives and key members of Management, as well as in communications with investors. In particular, Management use Adjusted EBIT, Adjusted EBITDA, Adjusted Net Income and Adjusted Free Cash Flow. These non-IFRS measures are not recognised measurements of financial performance or liquidity under IFRS and should be viewed as supplemental and not replacements or substitutes for any IFRS measures.

Definitions for alternative performance measures are included in the Note 16 glossary.

The definition of Adjusted net income has been updated in the period to adjust for depreciation and amortisation arising on purchase accounting, net of tax. This is consistent with the definition of Adjusted EBIT and therefore in Management's view, this change in definition improves understandability of the adjusted performance measures. In addition to this, the tax impact on adjusting items has been included as a separate line item. Comparative information has been restated accordingly, increasing Adjusted net income by €20.4 million, from €9.0 million to €29.4 million.

Adjusted Performance Measures	**Unaudited Half Year 2023 €m**	Restated Unaudited Half Year 2022 €m
Adjusted EBIT	**131.9**	83.7
Adjusted EBITDA	**198.6**	160.1
Adjusted net income	**62.5**	29.4
Adjusted free cash flow	**2.3**	(1.6)

For Adjusted basic EPS please refer to Note 6.2.

3.1 Adjusting Items

Management exclude certain items in the derivation of alternative performance measures, as shown below:

Adjusting Items	Note	**Unaudited Half Year 2023 €m**	Unaudited Half Year 2022 €m
Restructuring costs	12	**6.8**	11.5
Net foreign exchange losses/(gains)		**3.3**	(3.2)
Depreciation and amortisation arising on purchase accounting		**24.6**	26.9
Customisation and configuration costs of significant software as a service ("SaaS") arrangements		**0.9**	—
Costs associated with business acquisitions or disposals		**1.3**	—
Other miscellaneous items		**—**	0.2
		36.9	35.4

Adjusting items represent transactions that in Management's view do not form part of the substance of the trading activities of the Group, such as large-scale reorganisations, system implementations, acquisition costs and certain non-cash accounting measures.

Restructuring costs comprise announced headcount reductions and related costs of balancing production capacity with market requirements.

Net foreign exchange gains/losses on the foreign currency revaluation of intercompany loan and cash balances are included in adjusting items to remove the impact of market volatility on our adjusted performance measures.

Costs associated with business acquisitions or disposals and customisation and configuration costs of significant SaaS arrangements in relation to initial costs of multi-year system upgrades or implementations have been excluded from the alternative performance measures due to their ad-hoc non-recurring nature.

3.2 Adjusted Performance Measures

Reconciliations of adjusted performance measures to their statutory GAAP equivalent measures are provided below.

Adjusted EBITDA	Note	**Unaudited Half Year 2023 €m**	Unaudited Half Year 2022 €m
Operating profit		**95.0**	48.3
Adjusting items	3.1	**36.9**	35.4
Adjusted EBIT		**131.9**	83.7
Non-adjusting depreciation, amortisation and impairments		**66.7**	76.4
Adjusted EBITDA		**198.6**	160.1

Adjusted Net Income	Note	**Unaudited Half Year 2023 €m**	Restated Unaudited Half Year 2022 €m
Profit for the period		**33.3**	0.5
Non-controlling interests' share of profit		**(0.1)**	—
Adjusting items	3.1	**36.9**	35.4
Tax impact on adjusting items	5	**(7.6)**	(6.5)
Adjusted Net Income		**62.5**	29.4

Adjusted Free Cash Flow	**Unaudited Half Year 2023 €m**	Unaudited Half Year 2022 €m
Net cash generated from operating activities	**47.6**	40.2
Net cash used in investing activities	**(55.1)**	(56.3)
Free Cash Flow	**(7.5)**	(16.1)
Cash received on movements of financial assets at FVTPL	**—**	(0.7)
Net restructuring cash spend	**8.4**	12.2
Tax paid on the gain on disposal of associated undertakings	**—**	3.0
Costs paid associated with business acquisitions or disposals	**0.8**	—
Other adjusting items	**0.6**	—
Adjusted Free Cash Flow	**2.3**	(1.6)

4. Finance Income and Expense

	Note	**Unaudited Half Year 2023 €m**	Unaudited Half Year 2022 €m
Finance income			
Interest on short-term deposits, other financial assets and other interest income		**3.7**	1.6
Net interest income on release of specific uncertain tax positions		**0.1**	—
Fair value gains on derivatives and foreign exchange contracts not in hedged relationships		**0.6**	—
Finance income		**4.4**	1.6
Finance expense			
Interest payable on term loans including expensed fees	9	**(21.2)**	(11.8)
Interest payable on unsecured senior notes including expensed fees	9	**(11.8)**	(11.9)
Net interest expense on retirement benefit obligations	11	**(2.2)**	(1.4)
Fair value losses on derivatives and foreign exchange contracts not in hedged relationships		**—**	(0.4)
Interest payable on lease liabilities		**(5.3)**	(4.6)
Finance expense		**(40.5)**	(30.1)
Total net finance expense		**(36.1)**	(28.5)

5. Income Tax

The income tax expense for the period ending 30 June 2023 has been recognised based on Management's estimate of the annual effective tax rate of each legal entity (or tax group within a country), considering any projected permanent tax adjustments and tax credits that are available, multiplied by the applicable statutory tax rate for each country. The annual estimated effective tax rates are applied to the first half profits / losses of each legal entity or tax group to determine the overall Group tax charge for the period.

This has resulted in an ordinary effective tax rate of 43.5% for the half year ended 30 June 2023 (97.5% for the half year ended 30 June 2022). The effective tax rate is impacted by the UK accounting loss of €29.5 million for the half year ended 30 June 2023. This is not tax effected due to the projected and historical tax loss position in the UK and therefore has a material impact on the effective tax rate for both periods.

The table below analyses the constituent elements of the Group income tax charge. It separately identifies (i) the tax charges recognised (excluding Adjusting items) in respect of entities that ordinarily pay tax (including withholding tax) or where the recognition of deferred tax assets is appropriate; (ii) the impact (excluding Adjusting items) of entities where the level of tax losses limits the payment of tax or restricts the deferred tax recognition in respect of the losses; and (iii) the impact of the Adjusting items.

	30 June 2023			30 June 2022		
	Profit before income tax	**Income tax expense**		Profit before income tax	Income tax expense	
Unaudited	**€m**	**€m**	**ETR**	€m	€m	ETR
Analysed results excluding Adjusting items:						
Tax charges - recognised (i)	**127.7**	**(33.2)**	**26.0 %**	85.1	(24.3)	28.6 %
Tax losses - not recognised (mainly UK) (ii)	**(31.9)**	**—**	**—**	(29.9)	(1.5)	(5.0)%
Results excluding Adjusting items	**95.8**	**(33.2)**	**34.7 %**	55.2	(25.8)	46.7 %
Adjusting items (iii)	**(36.9)**	**7.6**	**20.6 %**	(35.4)	6.5	18.4 %
Reported results	**58.9**	**(25.6)**	**43.5 %**	19.8	(19.3)	97.5 %

Recognition of deferred tax assets is based on forecast taxable income and a key input is the Group's 2023 budget and 2024 to 2027 medium term plan. Estimation is used in the budget and plan in forecasting global automotive production, pricing and operating costs. In addition, it requires the exercise of Management's judgement regarding the period over which recoverability is assessed taking into account factors such as regulations regarding the amount of tax losses that can be utilised per year and any restrictions on the amount of time that tax losses can be carried forward.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax,

effective for accounting periods starting on or after 31 December 2023. The Group has applied the exception under the IAS 12 amendment to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

6. Earnings Per Share

6.1 Basic and Diluted Earnings Per Share

	Half Year 2023			Half Year 2022		
Unaudited	**Profit attributable to shareholders €m**	**Weighted average number of shares in millions**	**Earnings Per Share € cents**	Profit attributable to shareholders €m	Weighted average number of shares in millions	Earnings Per Share € cents
Basic	**33.2**	**515.5**	**6.44**	0.5	513.5	0.10
Dilutive shares	**—**	**2.8**	**—**	—	10.0	—
Diluted	**33.2**	**518.3**	**6.41**	0.5	523.5	0.10

6.2 Adjusted Earnings Per Share

	Half Year 2023		Restated Half Year 2022	
Unaudited	**Basic**	**Diluted**	Basic	Diluted
Adjusted Net Income (€m)	**62.5**	**62.5**	29.4	29.4
Adjusted Earnings Per Share (€ in cents)	**12.12**	**12.06**	5.73	5.62

Adjusted Net Income is based on profit for the period attributable to shareholders of €33.2 million (2022: €0.5 million) after adding back net adjustments of €29.3 million (2022: €28.9 million). Adjusted Net Income has been updated to adjust for depreciation and amortisation arising on purchase accounting net of tax, with comparative information restated accordingly. The impact to the prior year adjusted earnings per share is an increase of 3.98 € cents for basic (from 1.75 € cents to 5.73 € cents) and 3.90 € cents for diluted (from 1.72 € cents to 5.62 € cents) measures. See Note 3 for further explanation, and a reconciliation of profit for the period to Adjusted Net Income.

7. Property, Plant and Equipment ("PP&E")

During the period the Group made PP&E additions of €40.3 million (2022 full year: €87.7 million). Assets with a carrying value of €0.6 million (2022 full year: €3.7 million) were disposed of during the period.

8. Impairments

Following on from the 2022 annual impairment assessment which resulted in the recognition of a €317.4m impairment loss as at 31 December 2022, Management have performed a review, at the cash generating unit level, for indicators of impairment (or reversal of previous impairment) as at 30 June 2023. The review involved assessing factors such as: external forecast global light vehicle production volumes (from S&P Global Mobility) and the impact of climate change on the transition to BEV; current circumstances of industry-wide matters

such as supply chain issues; economic factors such as inflationary pressures on input prices and energy costs, and the ability to pass these on to customers; and possible changes to the underlying discount rates used in estimating the recoverable amounts.

Based on the assessment, Management concluded that there were no indicators of impairment, nor those that would require an impairment reversal. The next annual impairment test will be performed on 31 December 2023.

9. Borrowings

	Unaudited	Audited
	30 June	31 December
	2023	2022
	€m	€m
Non-current:		
Unsecured senior notes	**593.4**	592.9
Secured loans:		
- Term loans and facilities	**514.2**	521.1
Total non-current borrowings	**1,107.6**	1,114.0
Current:		
Secured loans:		
- Term loans and facilities	**1.9**	1.9
Total current borrowings	**1.9**	1.9
Total borrowings	**1,109.5**	1,115.9
Unsecured senior notes	**593.4**	592.9
Term loans and facilities	**516.1**	523.0
Total borrowings	**1,109.5**	1,115.9

The borrowings are shown net of issuance discounts and fees of €18.1 million (31 December 2022: €20.6 million).

9.1 Movement in Total Borrowings

	Unsecured senior notes	**Term loans and facilities**	**Total borrowings**
Unaudited	**€m**	**€m**	**€m**
At 1 January 2023	**592.9**	**523.0**	**1,115.9**
Interest accrued	**11.3**	**19.4**	**30.7**
Total scheduled payments	**(11.3)**	**(22.1)**	**(33.4)**
Principal payments on borrowings	**—**	**(2.7)**	**(2.7)**
Fees expensed	**0.5**	**1.8**	**2.3**
Currency translation	**—**	**(6.0)**	**(6.0)**
At 30 June 2023	**593.4**	**516.1**	**1,109.5**

Accrued interest payable on the borrowings at 30 June 2023 of €4.8 million (31 December 2022: €4.8 million) is included in current trade and other payables.

Audited	Unsecured senior notes €m	Term loans and facilities €m	Total borrowings €m
1 January 2022	591.7	508.6	1,100.3
Interest accrued	22.5	24.8	47.3
Scheduled payments	(22.5)	(30.3)	(52.8)
Fees expensed	1.2	3.5	4.7
Currency translation	—	16.4	16.4
31 December 2022	592.9	523.0	1,115.9

9.2 Main Borrowing Facilities

The main borrowing facilities are comprised of unsecured senior notes and a package of secured loans consisting of a Euro term loan, a US dollar term loan and a revolving credit facility (which was undrawn during the period except for letters of credit).

The amounts outstanding under the agreements are:

	Unaudited	Audited
	30 June 2023	31 December 2022
	€m	€m
Principal outstanding:		
Unsecured senior notes	**600.0**	600.0
Euro term loan	**259.0**	260.3
US term loan	**268.6**	276.2
Total principal outstanding	**1,127.6**	1,136.5
Issuance discounts and fees	**(18.1)**	(20.6)
Main borrowing facilities	**1,109.5**	1,115.9

The unsecured senior notes bear interest at a fixed rate of 3.75% per annum and mature on 15 April 2029. Interest on the notes is payable semi-annually in arrears on April 15 and October 15 of each year.

The Euro term loan bears interest at one-month EURIBOR (minimum 0.0% p.a.) +3.25% p.a and the amount repayable per quarter is €662,500, until the final balance falls due on 16 December 2026.

Benchmark interest rate transition

During the six month period, the US dollar term loan bore interest at US-dollar three-month LIBOR (minimum 0.5% p.a.) +3.25% p.a. On 30 June 2023, the Group's US dollar term loan agreement was amended to replace the interest rate benchmark, previously US-dollar three-month LIBOR, with an adjusted term Secured Overnight Financing Rate ("SOFR"). The one-month term adjustment is 0.11448%. The other terms of the agreement are unchanged. From that date, the Group's US dollar term loan agreement will therefore incur interest at SOFR + 0.11448% (minimum 0.5% p.a.) +3.25% p.a. The difference in the interest rate between the US-dollar LIBOR and one-month term SOFR replacement rate, at the date of transition, was not significant. The Group plans to amend the small number of intercompany loan agreements impacted by the transition to SOFR

in the second half of the year. The Group has no derivative arrangements impacted by the transition, and no changes to the interest rate risk management strategy are planned resulting from the transition.

The US dollar term loan is repayable at $750,000 per quarter until the final balance falls due on 16 December 2026. The principal outstanding on the US term loan in US dollars at 30 June 2023 is $293.3 million (31 December 2022: $294.8 million).

The revolving credit agreement provides a facility of up to $225.0 million (31 December 2022: $225.0 million) which matures on 16 July 2026. Drawings under this facility bear interest in a range of SOFR +3.0% to SOFR + 3.75% p.a. depending on the Group's total net leverage ratio. The facility is available to be used to issue letters of credit on behalf of TI Group Automotive Systems LLC, a subsidiary undertaking. The facility was undrawn during the period except for letters of credit outstanding of $4.6 million (31 December 2022: $2.0 million), resulting in a net undrawn facility at 30 June 2023 of $220.4 million (€201.9 million) (31 December 2022: $223.0 million; €208.9 million). The non-utilisation fee on the facility is 0.25% p.a. In the event the total net leverage ratio is greater than 3.5:1, the non-utilisation fee will increase to 0.375% p.a.

9.3 Movements in Net Debt and Lease Liabilities

			Non-cash changes				
	At 1 January 2023	**Cash flows**	**New leases**	**Fees expensed**	**Currency translation**	**Remeas-urement and disposals**	**At 30 June 2023**
Unaudited	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**
Cash and cash equivalents	**491.0**	**(33.2)**	**—**	**—**	**(16.3)**	**—**	**441.5**
Borrowings	**(1,115.9)**	**2.7**	**—**	**(2.3)**	**6.0**	**—**	**(1,109.5)**
Net debt	**(624.9)**	**(30.5)**	**—**	**(2.3)**	**(10.3)**	**—**	**(668.0)**
Lease liabilities	**(149.6)**	**15.0**	**(7.1)**	**—**	**3.5**	**(0.9)**	**(139.1)**
Net debt and lease liabilities	**(774.5)**	**(15.5)**	**(7.1)**	**(2.3)**	**(6.8)**	**(0.9)**	**(807.1)**

			Non-cash changes				
	At 1 January 2022	Cash flows	New leases	Fees expensed	Currency translation	Remeas-urement and disposals	At 31 December 2022
Audited	€m	€m	€m	€m	€m	€m	€m
Cash and cash equivalents	499.1	(11.5)	—	—	3.4	—	491.0
Financial assets at FVTPL	0.9	(0.9)	—	—	—	—	—
Borrowings	(1,100.3)	5.5	—	(4.7)	(16.4)	—	(1,115.9)
Net borrowings	(600.3)	(6.9)	—	(4.7)	(13.0)	—	(624.9)
Lease liabilities	(149.9)	32.9	(42.6)	—	(3.0)	13.0	(149.6)
Net borrowings and lease liabilities	(750.2)	26.0	(42.6)	(4.7)	(16.0)	13.0	(774.5)

Cash flows from financing activities arising from changes in financial liabilities are analysed below:

	Unaudited **30 June** **2023** **€m**	Audited 31 December 2022 €m
Scheduled repayments of borrowings	**2.7**	5.5
Lease principal repayments	**15.0**	32.9
Cash outflows from financing activities arising from changes in financial liabilities	**17.7**	38.4
Borrowings cash flows	**2.7**	5.5
Lease liabilities cash flows	**15.0**	32.9
Cash outflows from financing activities arising from changes in financial liabilities	**17.7**	38.4

10. Fair Values of Financial Assets and Liabilities

Financial Instruments by Category

As at 30 June 2023:

Unaudited **Financial assets**	**Assets at amortised cost** **€m**	**Assets at FVTPL** **€m**	**Total** **€m**
Cash and cash equivalents	**441.5**	**—**	**441.5**
Trade and other receivables excluding prepayments	**602.3**	**—**	**602.3**
Derivative financial instruments:- forward foreign exchange contracts (cash flow hedges)	**—**	**3.1**	**3.1**
Total at 30 June 2023	**1,043.8**	**3.1**	**1,046.9**

Unaudited **Financial liabilities**	**Liabilities at amortised cost** **€m**	**Liabilities at FVTPL** **€m**	**Total** **€m**
Trade and other payables excluding deferred income, social security and other taxes	**(525.3)**	**—**	**(525.3)**
Borrowings: unsecured senior notes	**(476.6)**	**—**	**(476.6)**
Borrowings: term loans and facilities	**(516.1)**	**—**	**(516.1)**
Lease liabilities	**(139.1)**	**—**	**(139.1)**
Total at 30 June 2023	**(1,657.1)**	**—**	**(1,657.1)**

As at 31 December 2022:

Audited Financial assets	Assets at amortised cost €m	Assets at FVTPL €m	Total €m
Cash and cash equivalents	491.0	—	491.0
Trade and other receivables excluding prepayments	494.4	—	494.4
Derivative financial instruments:- Forward foreign exchange contracts (cash flow hedges)	—	2.8	2.8
Total at 31 December 2022	985.4	2.8	988.2

Audited Financial liabilities	Liabilities at amortised cost €m	Liabilities at FVTPL €m	Total €m
Trade and other payables excluding deferred income, social security and other taxes	(487.1)	—	(487.1)
Borrowings: unsecured senior notes	(444.0)	—	(444.0)
Borrowings: term loans and facilities	(523.0)	—	(523.0)
Lease liabilities	(149.6)	—	(149.6)
Derivative financial instruments:- Forward foreign exchange contracts (cash flow hedges)	—	(0.2)	(0.2)
Total at 31 December 2022	(1,603.7)	(0.2)	(1,603.9)

The unsecured senior notes are quoted instruments and the fair value is calculated based on the market price. The fair value of the notes is within Level 1 of the fair value hierarchy specified in IFRS 13 'Fair Value Measurement'.

Other than the unsecured senior notes, there were no significant differences between the book value and fair value (as determined by market value) of the Group's non-derivative financial assets and liabilities. The fair value of the term loans and facilities approximates their carrying value because they are floating-rate instruments, and their interest rates are reset to market rates each month.

Fair value estimates of derivatives are based on relevant market information and information about the financial instruments, which are subjective in nature. The fair value of these financial instruments is estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the reporting date, which is a proxy for market price. All derivative items reported are within Level 2 of the fair value hierarchy specified in IFRS 13 'Fair Value Measurement'; their measurement includes inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

11. Retirement Benefit Obligations

Balance Sheet

The net liability for defined benefit arrangements is as follows:

Unaudited	**US pensions**	**Other pensions**	**US healthcare**	**Other post-employment liabilities**	**Total**
Net liability	**€m**	**€m**	**€m**	**€m**	**€m**
Present value of retirement benefit obligations	**(143.3)**	**(67.1)**	**(27.1)**	**(80.3)**	**(317.8)**
Fair value of plan assets	**119.7**	**75.1**	**—**	**30.3**	**225.1**
Asset ceiling	**—**	**(8.0)**	**—**	**—**	**(8.0)**
Net liability at 30 June 2023	**(23.6)**	**—**	**(27.1)**	**(50.0)**	**(100.7)**

Audited	US pensions	Other pensions	US healthcare	Other post-employment liabilities	Total
Net liability	€m	€m	€m	€m	€m
Present value of retirement benefit obligations	(145.5)	(68.9)	(28.0)	(79.7)	(322.1)
Fair value of plan assets	117.9	77.7	—	31.1	226.7
Asset ceiling	—	(8.8)	—	—	(8.8)
Net liability at 31 December 2022	(27.6)	—	(28.0)	(48.6)	(104.2)

Income Statement

Net (expense)/income recognised in the Income Statement is as follows:

Unaudited	**US pensions**	**Other pensions €m**	**US healthcare**	**Other post-employment liabilities**	**Total**
Net expense	**€m**	**€m**	**€m**	**€m**	**€m**
Current service cost	**—**	**(0.3)**	**—**	**(3.6)**	**(3.9)**
Actuarial loss recognised on other post-employment liabilities*	**—**	**—**	**—**	**(0.4)**	**(0.4)**
Settlement/curtailment loss	**—**	**(0.4)**	**—**	**—**	**(0.4)**
Net interest (expense)/income	**(0.7)**	**0.2**	**(0.7)**	**(1.0)**	**(2.2)**
Total net expense for the period ended 30 June 2023	**(0.7)**	**(0.5)**	**(0.7)**	**(5.0)**	**(6.9)**

*Actuarial loss recognised relates to other long-term benefit plans, such as long service agreements. The loss recognised is a result of discount rates decreasing by approximately 80 bps since 31 December 2022.

Unaudited	US pensions	Other pensions	US healthcare	Other post-employment liabilities	Total
Net expense	€m	€m	€m	€m	€m
Current service cost	—	(0.8)	—	(3.3)	(4.1)
Actuarial gains recognised on other post-employment liabilities	—	—	—	1.6	1.6
Settlement/curtailment gain	—	—	—	0.1	0.1
Net interest (expense)/income	(0.5)	0.1	(0.4)	(0.6)	(1.4)
Total net expense for the period ended 30 June 2022	(0.5)	(0.7)	(0.4)	(2.2)	(3.8)

At 30 June 2023, the Group reviewed the discount rates relating to the retirement benefit obligations.

For US pension obligations, the discount rate was determined to be 5.20% (5.35% at 31 December 2022). This change in discount rate increased the US pension obligation by €2.3 million, but was offset by a €4.5 million decrease due to the following: €8.2 million decrease due to currency exchange and benefit payments and €3.7 million increase for interest costs. The overall result was a €2.2 million decrease in the present value of US retirement benefits.

Asset performance for the US pension in the same period increased the fair value of plan assets by €1.8 million.

As a result of these impacts, the net decrease in the net US pension liability was €4.0 million.

For other funded pension obligations the discount rate was determined to be 5.15% (4.95% at 31 December 2022). The resulting discount rate impact was offset by currency exchange and benefit payments, resulting in a net €1.8 million decrease in the obligation. Overall pension asset performance for the other funded pensions in the same period decreased the fair value of plan assets by €2.6 million. The asset ceiling has been applied to the increase of the net surplus, resulting in an overall net nil change in the other funded pension liability.

The decrease/(increase) in the total retirement benefit obligations due to a +50bp/-50bp change in the discount rate is €15.2 million/(€16.7 million) for all plans combined.

12. Restructuring and Other Provisions

Movements in provisions are as follows:

Unaudited	**Product warranty €m**	**Restructuring €m**	**Other €m**	**Total €m**
At 1 January 2023	**5.1**	**7.8**	**3.7**	**16.6**
Provisions made during the period	**1.5**	**7.3**	**1.6**	**10.4**
Provisions used during the period	**(1.3)**	**(8.8)**	**(1.0)**	**(11.1)**
Provisions reversed during the period	**(0.2)**	**(0.5)**	**—**	**(0.7)**
Currency translation	**—**	**(0.6)**	**0.1**	**(0.5)**
At 30 June 2023	**5.1**	**5.2**	**4.4**	**14.7**

Audited	Product warranty €m	Restructuring €m	Other €m	Total €m
At 1 January 2022	10.7	15.8	4.8	31.3
Provisions made during the year	2.4	23.1	0.4	25.9
Provisions used during the year	(2.1)	(30.0)	(1.2)	(33.3)
Provisions reversed during the year	(6.3)	(0.3)	(0.4)	(7.0)
Currency translation	0.4	(0.8)	0.1	(0.3)
At 31 December 2022	5.1	7.8	3.7	16.6

Restructuring provisions made, less restructuring provisions reversed in the period of €6.8 million relate to ongoing restructuring programmes across the Group to align production capacity with market demand.

Product warranty provisions relate to specific customer issues and are based upon open negotiations and past customer claims experience.

Other provisions at 30 June 2023 comprise provisions for disputed claims for indirect taxes, asset retirement obligations and other matters.

13. Cash Generated from Operations

	Unaudited Half Year 2023 €m	Unaudited Half Year 2022 €m
Profit for the period	**33.3**	0.5
Income tax expense	**25.6**	19.3
Profit before income tax	**58.9**	19.8
Adjustments for:		
Depreciation, amortisation and impairment charges	**91.3**	103.3
(Gain)/Loss on disposal of PP&E and intangible assets	**(0.1)**	0.9
Impairment of PP&E, right of use assets and intangible assets in restructuring costs	**—**	2.4
Deferred tax impairment in restructuring costs	**—**	0.9
Share-based expense excluding social security costs	**3.5**	3.7
Net finance expense	**36.1**	28.5
Net foreign exchange losses/(gains)	**3.3**	(3.2)
Changes in working capital:		
- Inventories	**(17.0)**	(40.1)
- Trade and other receivables	**(121.1)**	(65.8)
- Trade and other payables	**59.2**	51.5
Change in provisions	**(1.4)**	(7.9)
Change in retirement benefit obligations	**(0.6)**	(2.6)
Total	**112.1**	91.4

The changes in working capital (movements in inventories, trade and other receivables and trade and other payables) exclude a number of non-cash transactions. The most significant of these arises from movements due to changes in foreign exchange rates, on translation of the Group's overseas operations into the Group's presentation currency, Euro.

14. Commitments and Contingencies

Capital Commitments

Expenditure on intangible assets and property, plant and equipment, authorised and contracted for at the end of the period but not yet incurred is as below:

	Unaudited	Audited
	30 June 2023	31 December 2022
	€m	€m
Intangible assets	**6.8**	6.9
Property, plant and equipment	**53.9**	45.4
Total	**60.7**	52.3

15. Related Party Transactions

At 30 June 2023 and 31 December 2022 there is no ultimate controlling party of TI Fluid Systems plc.

Balances and transactions between Group companies have been eliminated on consolidation and are not disclosed in this note except for subsidiaries that are not wholly owned. Transactions with those companies are made on the Group's standard terms of trade.

There have been no significant changes in the nature of transactions between subsidiaries that are not wholly owned and other group companies that have materially affected the condensed group financial statements in the period.

Alfmeier Prazision SE is an existing supplier of the Group and was acquired by Gentherm Incorporated during the year 2022, a company in which Mr R Hundzinski is a director. For the period for which Gentherm Incorporated was a related party, the Group purchased goods amounting to €4.3 million (2022: €4.9 million). These goods were purchased on an arm's length basis.

16. Glossary of Terms

Adjusting Items

Adjusting items represent transactions that in Management's view do not form part of the substance of the trading activities of the Group, such as large-scale reorganisations, system implementations, acquisition costs and certain non-cash accounting measures. At the reporting date, Adjusting Items comprise: depreciation and amortisation arising on purchase accounting, net foreign exchange losses/(gains), restructuring costs, customisation and configuration costs of significant software as a service ("SaaS") arrangements and costs associated with business acquisitions or disposals.

Adjusted Basic EPS

Adjusted Net Income divided by the weighted average number of shares in issue in the period.

Adjusted EBIT

Operating profit excluding Adjusting Items.

Adjusted EBITDA

Adjusted EBIT plus depreciation, amortisation and non-exceptional impairments on non-purchase accounting.

Adjusted Free Cash Flow

Free Cash Flow adjusted for cash movements in financial assets at fair value through Profit or Loss, and the net cash flows arising on Adjusting Items.

Adjusted Net Income

Profit or Loss for the period attributable to ordinary shareholders, excluding Adjusting Items, net of their tax effect.

BEV

Battery Electric Vehicles.

CGU

Cash Generating Unit, being the management level of the Group, for example FCS North America.

Constant currency

The remeasurement of prior period results at current exchange rates to eliminate fluctuations in translation rates and achieve a like-for-like comparison.

EBITDA

Profit or loss before tax, net finance expense, depreciation, amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets.

EV

Electric Vehicles including BEV and HEV.

FCS

Fluid Carrying Systems, a division of the Group which supplies Brake & Fuel lines and thermal products.

FHEV

Full Hybrid Electric vehicles, includes PHEV and self-charging HEV.

Free Cash Flow

The total of net cash generated from operating activities and net cash used by investing activities.

FTDS

Fuel Tanks and Delivery Systems, a division of the Group that supplies fuel tanks and fuel pumps and modules.

GLVP

Global Light Vehicle Production of light vehicles.

HEV

Hybrid Electric Vehicles, excluding mild hybrid vehicles.

ICE

Internal Combustion Engine vehicles.

LVP

Light Vehicle production used as a reference when referring to regional data.

MHEV

Mild Hybrid Electric Vehicles, which only have modest electrification.

Net debt

The total of current and non-current borrowings excluding lease liabilities, net of cash and cash equivalents and financial assets at fair value through profit or loss.

Net leverage

Net debt divided by last 12 months' Adjusted EBITDA.

OEM

Original Equipment Manufacturer, used to refer to vehicle manufacturers the main customers of the Group.

Operating profit margin

Operating profit expressed as a percentage of revenue.

PHEV

Plug in Hybrid Electric Vehicles.

Revenue outperformance

The growth in revenue at constant currency compared to the growth in global light vehicle production volumes.

SBTi

Science-Based Target Initiative which is used to refer to the climate change targets aligned to the Paris Agreement targets.

Independent review report to TI Fluid Systems plc
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed TI Fluid Systems plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Results 2023 of TI Fluid Systems plc for the 6 month period ended 30 June 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 30 June 2023;
- the Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Results 2023 of TI Fluid Systems plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year Results 2023 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half Year Results 2023, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half Year Results 2023 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Year Results 2023, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Results 2023 based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Birmingham
7 August 2023

Directors' Responsibility Statement

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

By order of the Board

Hans Dieltjens
Chief Executive Officer and President
7 August 2023

Alexander De Bock
Chief Financial Officer
7 August 2023