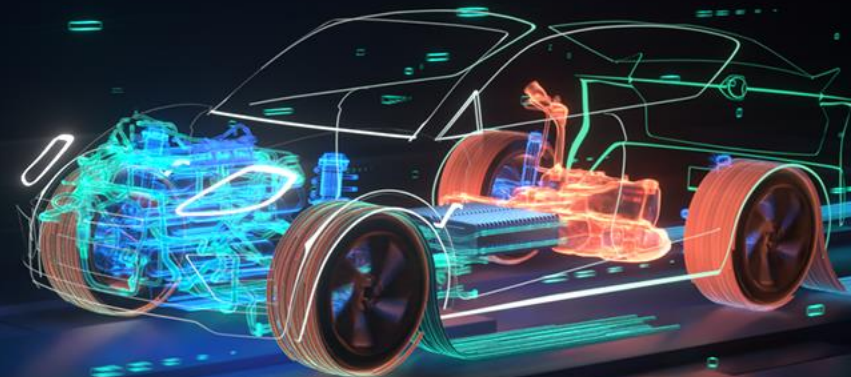


# Investor Presentation

April 2024



# TI Fluid Systems

**Greener** technologies.  
**Cleaner** vehicles.  
A **sustainable** future.

**Market leader in thermal management and fluid system solutions** for the full range of current and developing vehicle architectures

Serving all major automotive manufacturers **worldwide**

**Committed to improving efficiency, performance and sustainability**



# TI Fluid Systems at a glance

## Key facts

**27,000**  
people

**98**  
manufacturing  
locations

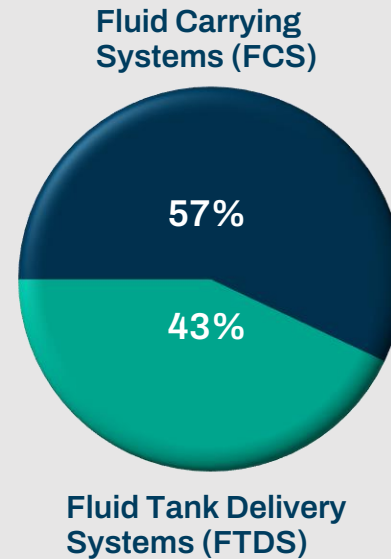
**27**  
countries

**€3,516m**  
revenue

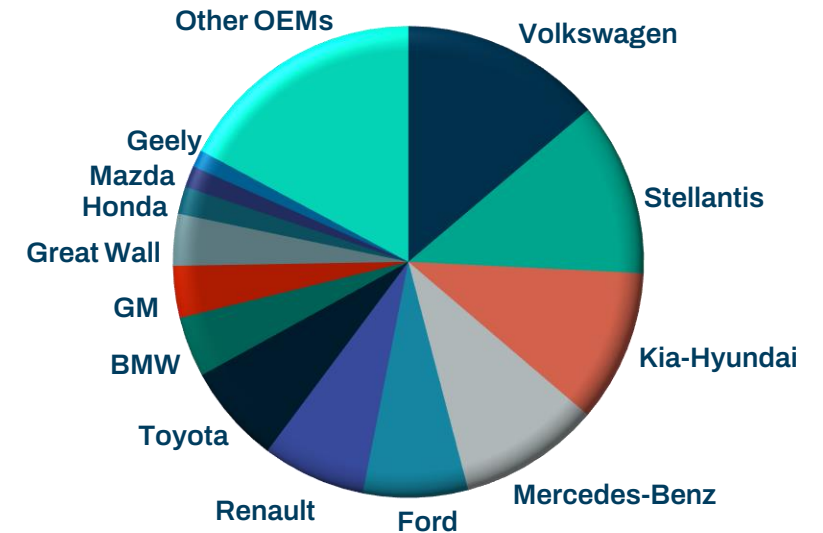
**FTSE 250**  
constituent

**101 years**  
of track record

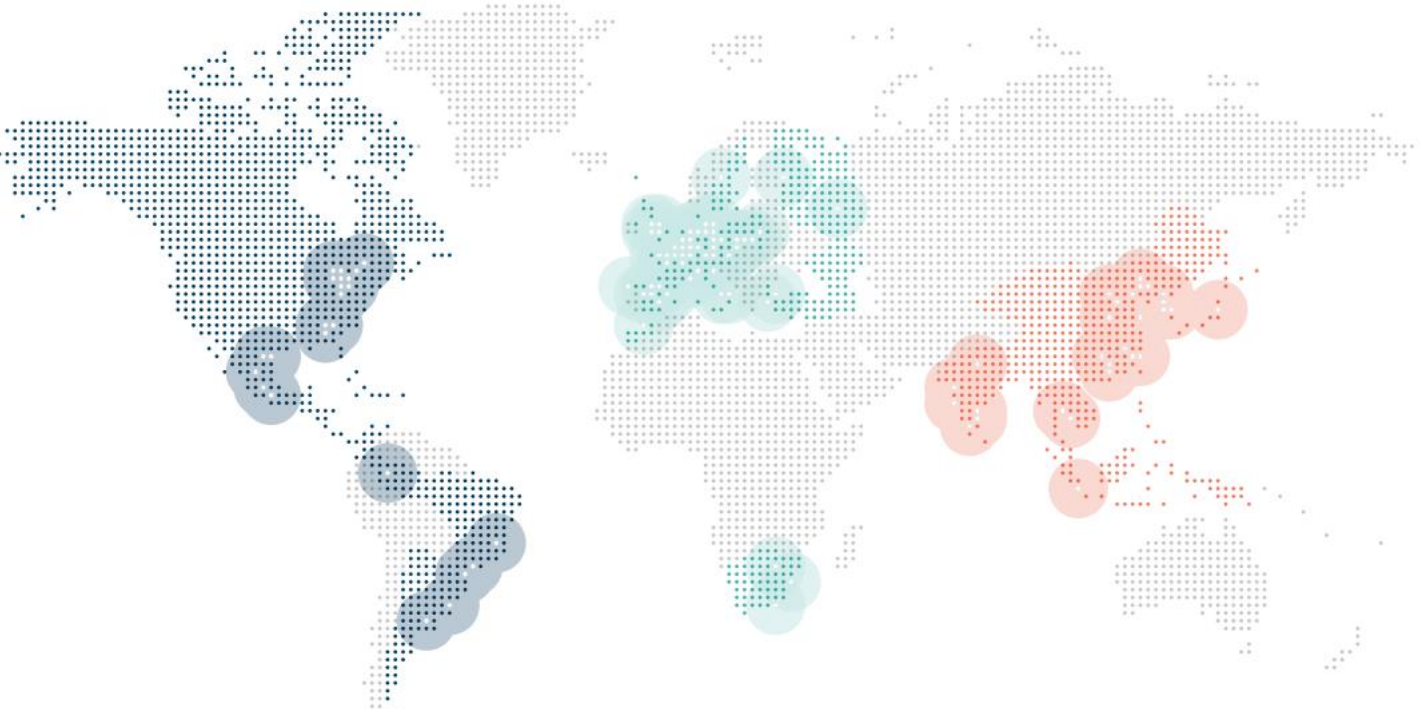
## Two segments



## Serving all global OEMs



# Global reach



- Competitive, flexible manufacturing footprint
- Facilities in every major automotive manufacturing market
- Footprint includes regional manufacturing centres and assembly locations close to customers providing competitive logistics and excellent customer service

**Americas (30%)**  
€1,053m revenue   8,600 people

**Europe & Africa (39%)**  
€1,365m revenue   10,600 people

**Asia Pacific (31%)**  
€1,088m revenue   7,800 people

# Product Portfolio catering to all propulsion types

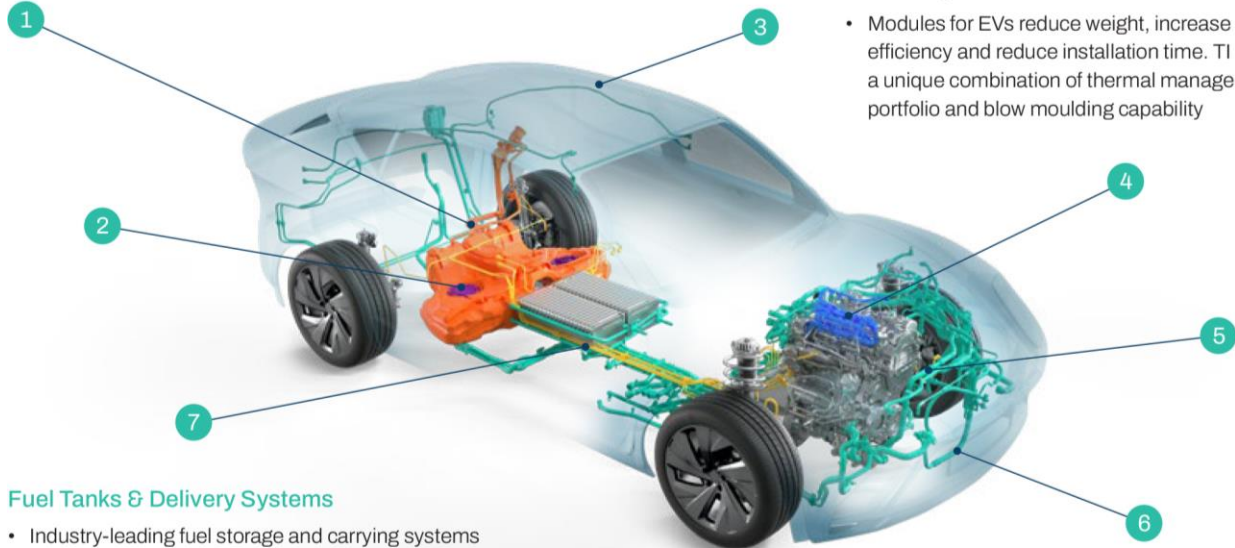
	Brake & Fuel Lines	Fuel Tanks	Thermal Management for cabin comfort and battery management	
			Refrigeration	Coolant
Safety critical	✓	✓	✓	✓
ICE	✓	✓	✓	
BEV	✓		✓	✓
HEV	✓	✓	✓	✓
Market position / Market share	Number 1	Number 3	Top 3	Top 5



# Product Portfolio catering to all propulsion types

**KEY**

1 Fuel Tank Products	(I) (H)	
2 Fuel Delivery Products	(I) (H)	
3 Autonomous Cooling/Cleaning	(I) (H) (E)	
4 Powertrain Products	(I) (H)	Vehicle Drivetrain Availability:
5 Thermal Coolant Products	(I) (H) (E)	(I) ICE
6 Thermal Refrigerant Products	(I) (H) (E)	(H) (P)HEV
7 Brake & Fuel Lines	(I) (H) (E)	(E) BEV



### Thermal Management

- Complete range of refrigerant for cabin comfort and coolant lines for battery performance, connectors and components
- Portfolio ranges from traditional to innovative lightweight multi-layer nylon lines, to increase efficiency
- Modules for EVs reduce weight, increase efficiency and reduce installation time. TI has a unique combination of thermal management portfolio and blow moulding capability

### Fuel Tanks & Delivery Systems

- Industry-leading fuel storage and carrying systems including: fuel tanks, filler pipes, pump modules
- Innovative/lightweight solutions reduce evaporative emissions and meet hybrid standards
- Only supplier with a fully integrated design, development, manufacturing and supply capability for fuel tank system to optimise ICE engine efficiency

### Brake & Fuel Lines

- A range of complete fluid carrying assemblies for brake and fuel lines, that optimise underbody space, cost and installation speed
- Market-leader offering durable, cost-effective solutions in plastic, rubber, aluminum, and steel to cover all systems and vehicle types

# Our Strategy

Sustainable and profitable growth

# Taking the Turn

Our strategy for sustainable and profitable growth

## Strategic objectives

## Targets

Capitalising on the **opportunities of electrification**

AND

Maximising the **strengths of our conventional portfolio**

### Revenue growth

- Fluid handling for EVs
- Modules & Systems
- China
- Capitalise on conventional portfolio

### Revenue\*

- By 2026: €3.8-4.2 billion\*
- By 2030: >€4.5 billion

### Return to double-digit adjusted EBIT margins

- Convert volume growth
- Productivity & commercial effectiveness
- Transform ICE business

### Adjusted EBIT margin

- Mid-term: double-digit

### Attractive shareholder value creation

- Strong cash generation
- Maintain strong balance sheet
- Attractive shareholder returns

- 30% cash conversion
- Leverage 1.5x
- Progressive dividend

### A more sustainable business

- Emission reduction technologies
- People strategy
- Improving our operational footprint

### 2030 emission reduction

- Scope 1 & 2: -50%
- Scope 3: -30%

\* Revenue target at constant currency, average 2022 foreign exchange rates

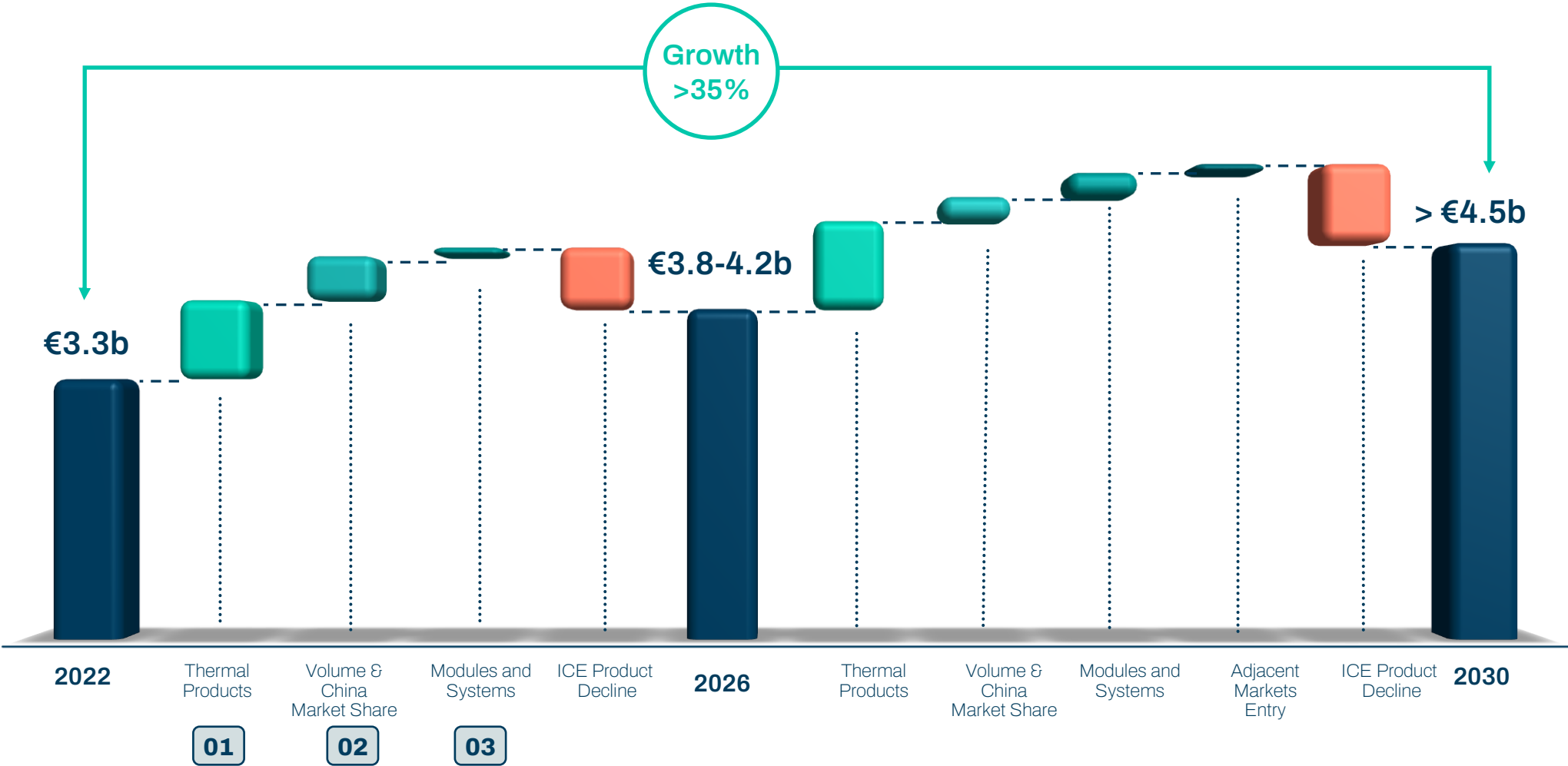




# Growth

Sustainable, long-term revenue growth

# Clear path to growth – strategic revenue drivers



01

# Expand Fluid Handling for EVs

	Base ICE		PHEV		BEV		Our Differentiators
	Refrigerant	Coolant	Refrigerant	Coolant	Refrigerant	Coolant	
Tube Length	~ 5m	~ 5m	~ 6m	~ 22m	~ 6m	12-20m	
Weight, including auxiliaries	~ 11kg	~ 4kg	~ 12kg	~ 12kg	~ 22kg	~ 7kg	
# Connectors		~15		~75		~65	

## Our Differentiators

-  Increasing content opportunity with limited additional investment
-  Proximity to customers
-  High degree of vertical integration

4x – 5x  
Connectors

2x – 4x  
Lines

**EVs require more connectors and longer lines**

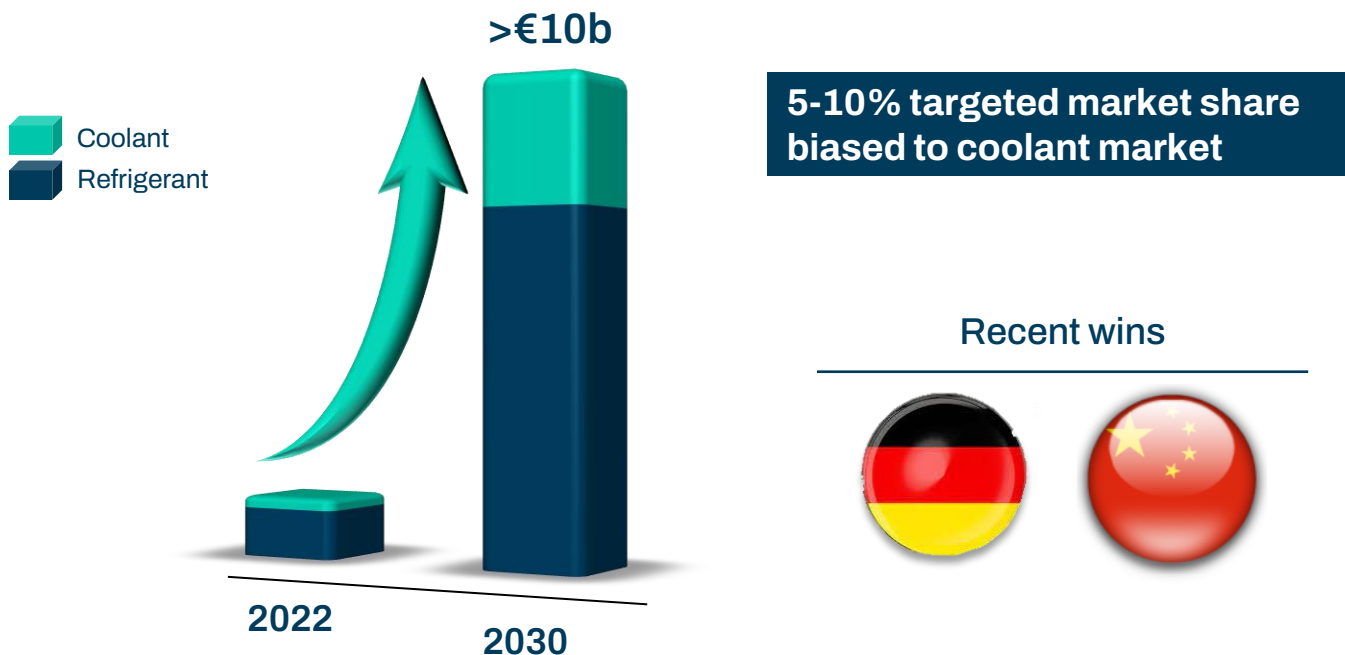
Source: TIFS analysis.

# Enhance position in China

- ① A dynamic, growing and distinctive market, leading the transition to electrification
- ② Market-leading Chinese business with strong foundations
- ③ Exciting opportunities for Thermal in BEVs, a key driver of current and future growth
- ④ Growth strategy focused on local Chinese OEMs and increasing BEV/PHEV penetration
- ⑤ Recent wins underpin our ambition

# EV Modules & Systems opportunity

## BEV Module Market Opportunity



- Modules directly address BEV efficiency challenges
- Developing our portfolio based on existing products and capabilities
- Full refrigerant and coolant portfolio from component to module
- eMICs accelerate our speed to market
- First bookings delivered in 2023:
  - ITMA 1.0 and ITMA 1.2 coolant module awards
  - With OEMs in Europe and China
  - Entering production in 2024/25

Well positioned to take share in a rapidly expanding market

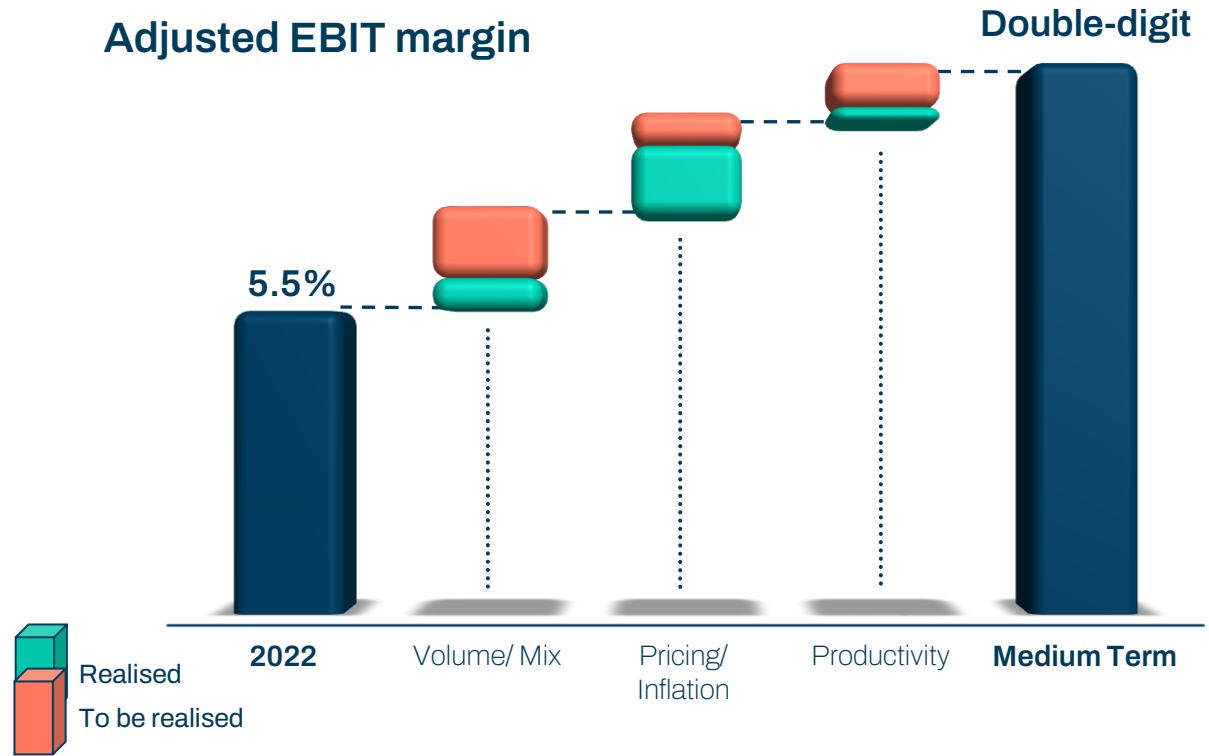
Source: Internal TIFS analysis, blended Coolant and Refrigerant aspirational market share.



# Profitability

Return to double-digit adjusted EBIT margins

# On track to return to double-digit margins



### VOLUME/ MIX

- Strong conversion on market rebound expected to continue
- New launches progressing to historic margin levels



### PRICING/ INFLATION

- Progressing well on materials cost recovery and pricing



### PRODUCTIVITY

- Footprint optimisation
- Operational and launch efficiencies
- SG&A transformation

On track with 7.4% achieved in 2023

# Driving productivity across the value chain

Target net 25 basis points Adjusted EBIT margin expansion annually



## Footprint optimisation

Flexing operations to customer demand

Right-sizing global footprint

Repurposing manufacturing assets and locations as part of EV transition



## Operational and Launch Efficiencies

Supplier negotiation savings

Best cost country sourcing

Redesign for cost

Labour efficiencies

Scrap reduction

Freight optimisation



## SG&A Transformation

Global business services & digitalisation

Regional structure providing synergy opportunities

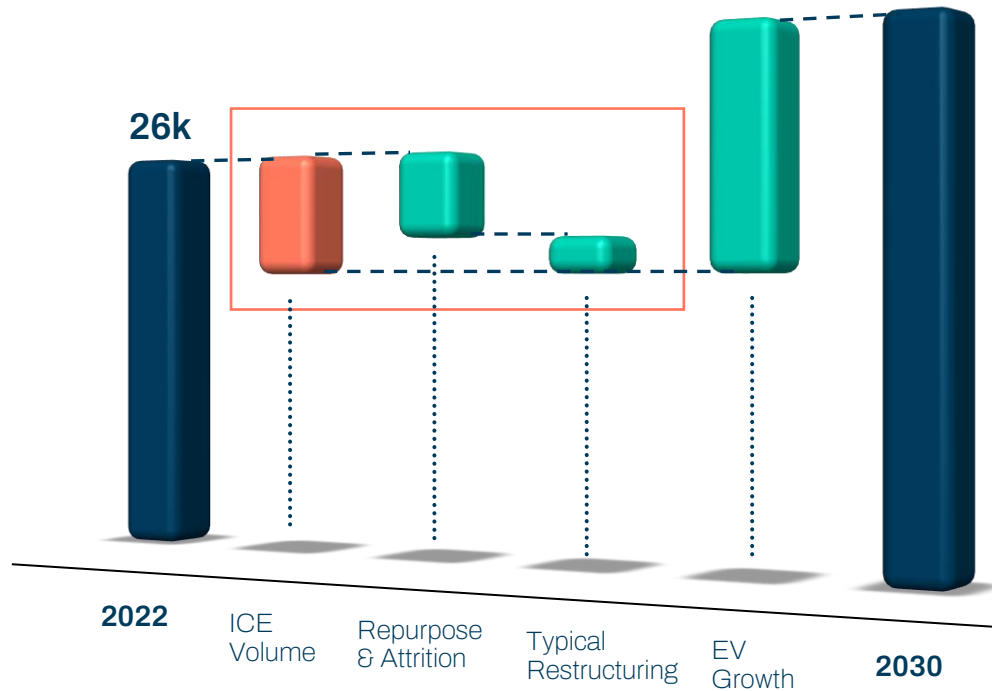




# Transform ICE business

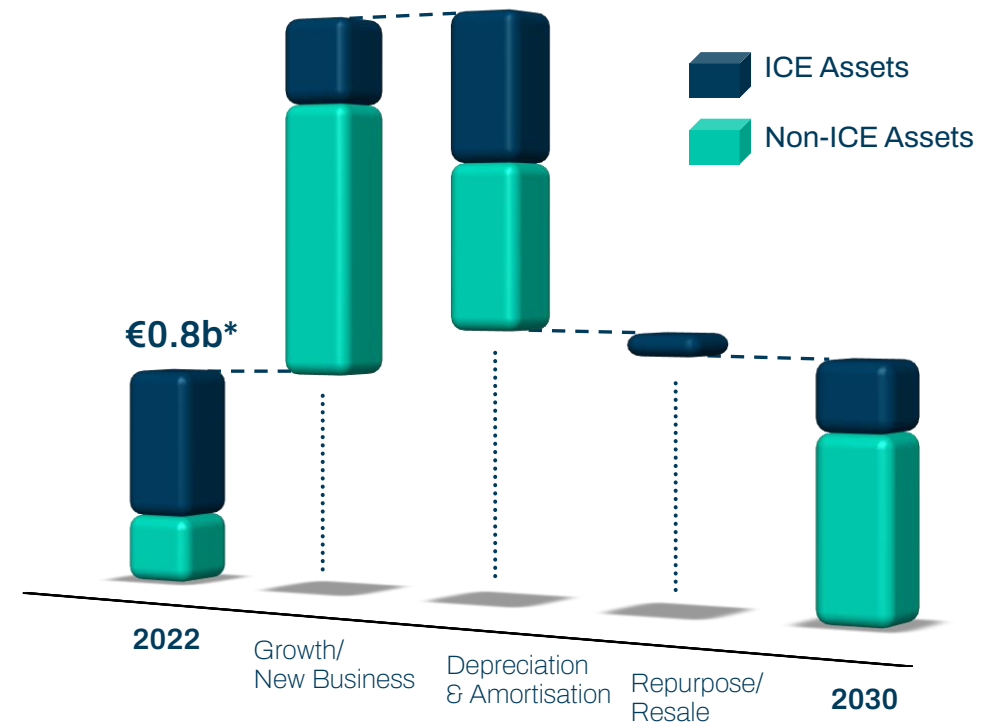
## Headcount

Repurposing and typical restructuring investments more than cover ICE headcount volume reduction



## Assets

Capital investment switches to non-ICE assets



Shifting resources and investments to electrification growth  
Transitioning within historic restructuring levels



# Sustainability

Increasing positive impact,  
reducing environmental footprint

# Making a positive impact

- 1 Support our customers' drive to eco-friendly vehicles
- 2 Improve the lives of our employees & community
- 3 Manufacture products in a sustainable way



# Financially disciplined

Balanced financial model and capital allocation  
with strong cash conversion

# Financially disciplined with strong cash conversion

**Revenue**  
 €3.8-4.2b 2026 target  
 €4.5b+ 2030 ambition



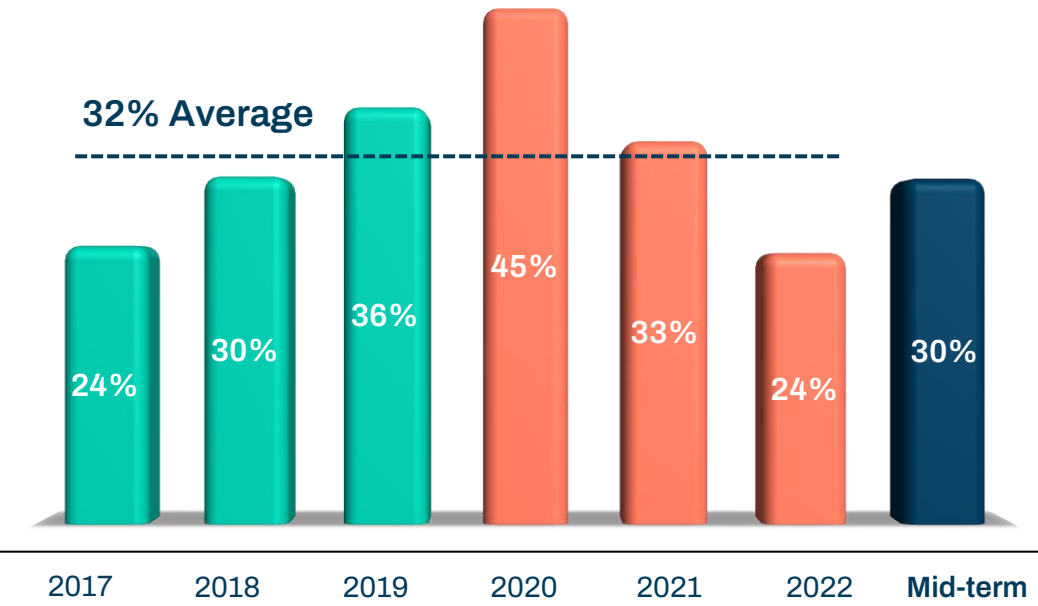
**Mid-term plan**  
 Double-digit  
 adjusted EBIT margin

**Short-term returns**  
 Progressive dividend  
 Deleveraging  
 Share buyback

**Long-term value creation**  
 Capex/R&D  
 – 4-5% Revenue  
 Inorganic growth

**Free Cash Flow conversion**  
 30% of adjusted EBITDA

**Cash Conversion % aFCF / aEBITDA**



Cash conversion has averaged 32% from 2017-2022, and has remained positive through COVID and resulting supply chain issues

**Disciplined execution a key opportunity for value creation**

# Capital allocation balancing growth and returns

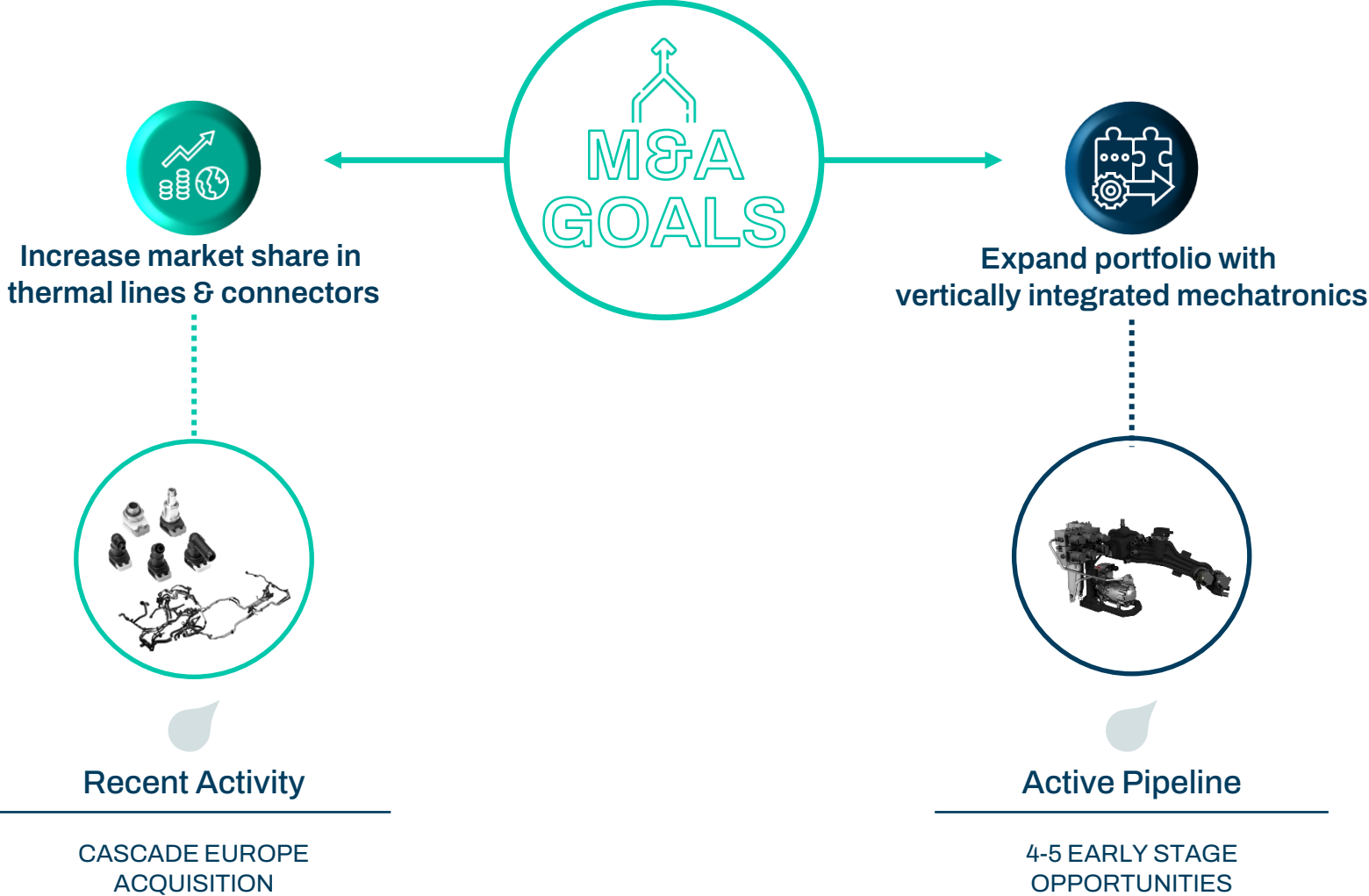
Capex / Capitalised R&D	Inorganic Growth	Dividends	Deleveraging	Share Buyback
Continue to invest 4-5% of revenue to support organic growth prioritising thermal	A key driver of value creation through technology and market share gains	Progressive growth Start at €35m for 2023	Term loan prepayment in H2 2023	Up to €40m starting in 2023
✓ 3.5% invested in 2023	✓ Cascade Engineering Europe	✓ Interim paid, final proposed	✓ Repaid €99.2m August 2023	✓ 6.3m shares repurchased*

Targeting net leverage of ~ 1.5 x Adjusted EBITDA, retaining a strong financial position

\* As at 8 March 2024



# M&A strategy





# 2023 Financials & 2024 Outlook



# 2023 highlights

Delivering on our commitments

1

## Strong financial performance

Double-digit revenue growth at constant currency  
**+11.1%**

Adjusted EBIT margin  
**7.4%**  
+190 bps

Adjusted Free Cash Flow  
**€140.7 million**

2

## Bookings underpin transition to EVs

BEV bookings  
**€1.3 billion**

HEV bookings  
**€0.8 billion**

3

## Enhancing our position in China

New launches  
**48**

BEV bookings  
**€0.4 billion**

4

## Capital allocation – investing in growth, increasing shareholder returns

Acquisition of Cascade Engineering Europe  
**€26 million**

Progressive dividend  
**€35 million**

**€40 million**  
share buyback in progress

5

## A more sustainable business

Scope 1 & 2 CO<sub>2</sub>e reduction  
**15%** versus 2021

2030 targets  
**SBTi approved**



# 2023 highlights

Strong performance across all key metrics

Revenue

**€3,516 million**

+11.1% at constant currency

Adjusted EBIT

**€259.6 million**

+44.2%

Adjusted EPS

**25.8 €cents**

+56.8%

Adjusted Free Cash Flow

**€140.7 million**

+79.5%

ROCE

**27.6%**

+930bps

Net debt / Adjusted EBITDA

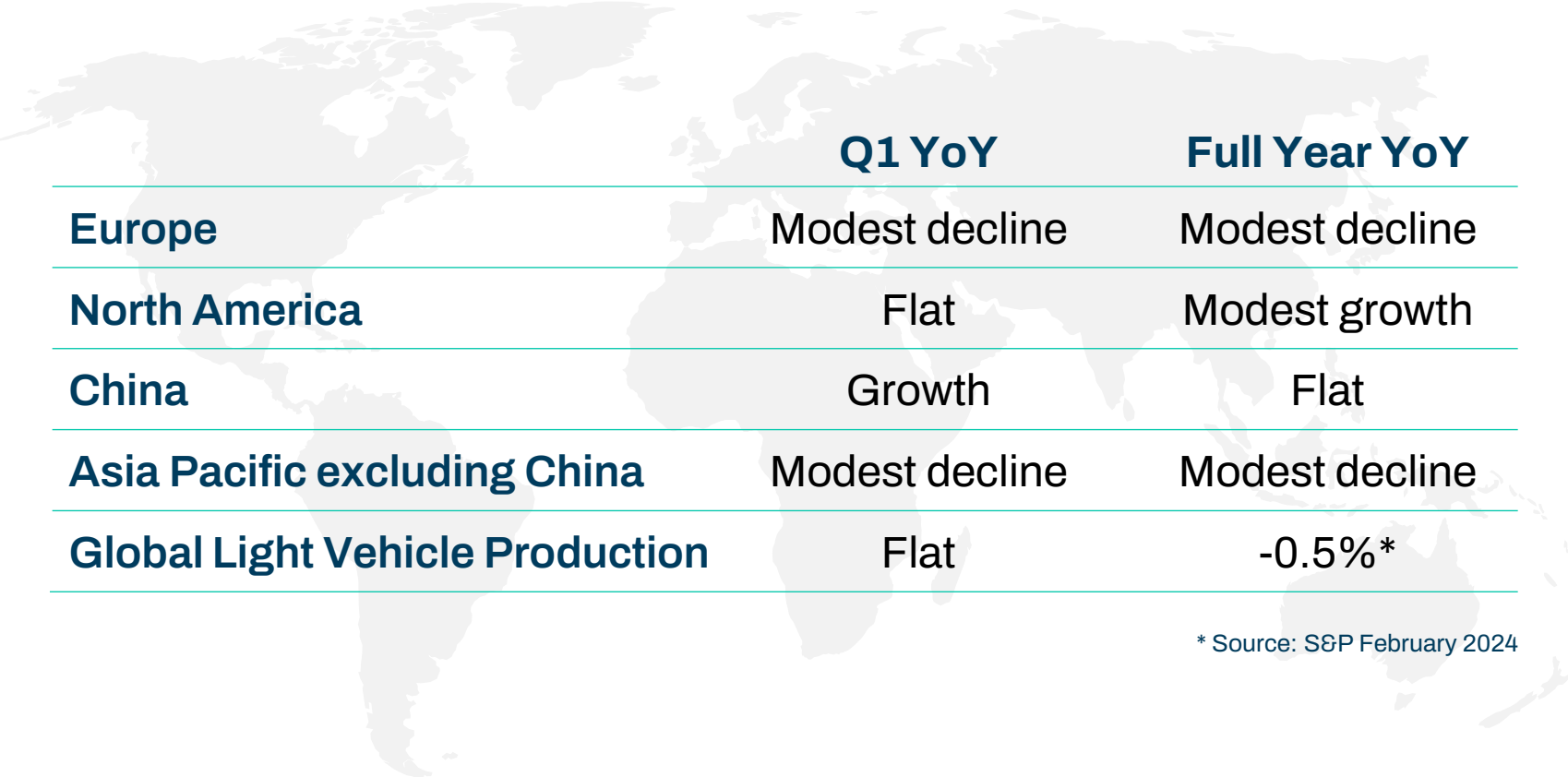
**1.5 x**

2022: 1.9 x



# 2024 market volume outlook

Modest year-on-year industry volume decline



	Q1 YoY	Full Year YoY
Europe	Modest decline	Modest decline
North America	Flat	Modest growth
China	Growth	Flat
Asia Pacific excluding China	Modest decline	Modest decline
Global Light Vehicle Production	Flat	-0.5%*

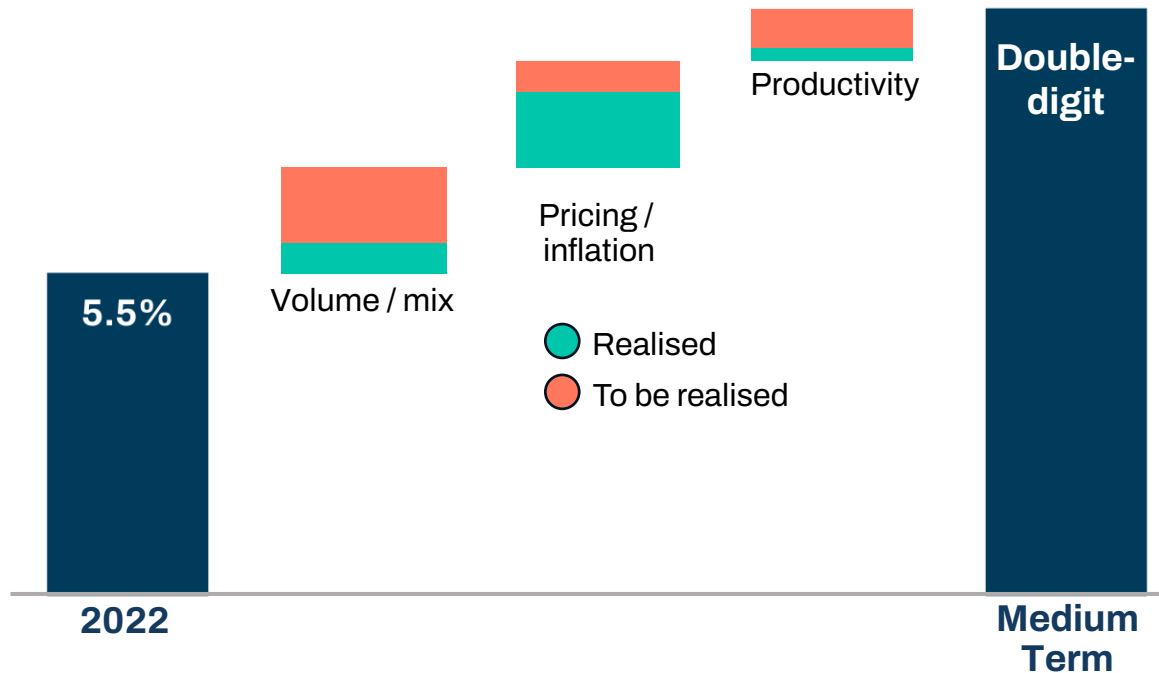
\* Source: S&P February 2024



# 2024 progress towards a double-digit margin

Productivity to more than offset inflation and market volumes to drive 2024 margin expansion

## Reconfirming CMD commitment



## 2024 focus on productivity

1

Continued footprint optimisation to adjust capacity and maintain cost competitiveness

- Benefits from 3 plants closed in 2023
- Plan to close 3 plants and downsize 5 in 2024

2

Operational efficiencies

- Recent launches in best cost countries
- Scrap reduction and labour efficiencies

3

Fixed cost optimisation

- Synergies and flexibility from regional structure
- ~4% fixed headcount reduction, ~70% implemented

4

Purchasing savings from localisation, supplier consolidation, economies of scale and lower inflation

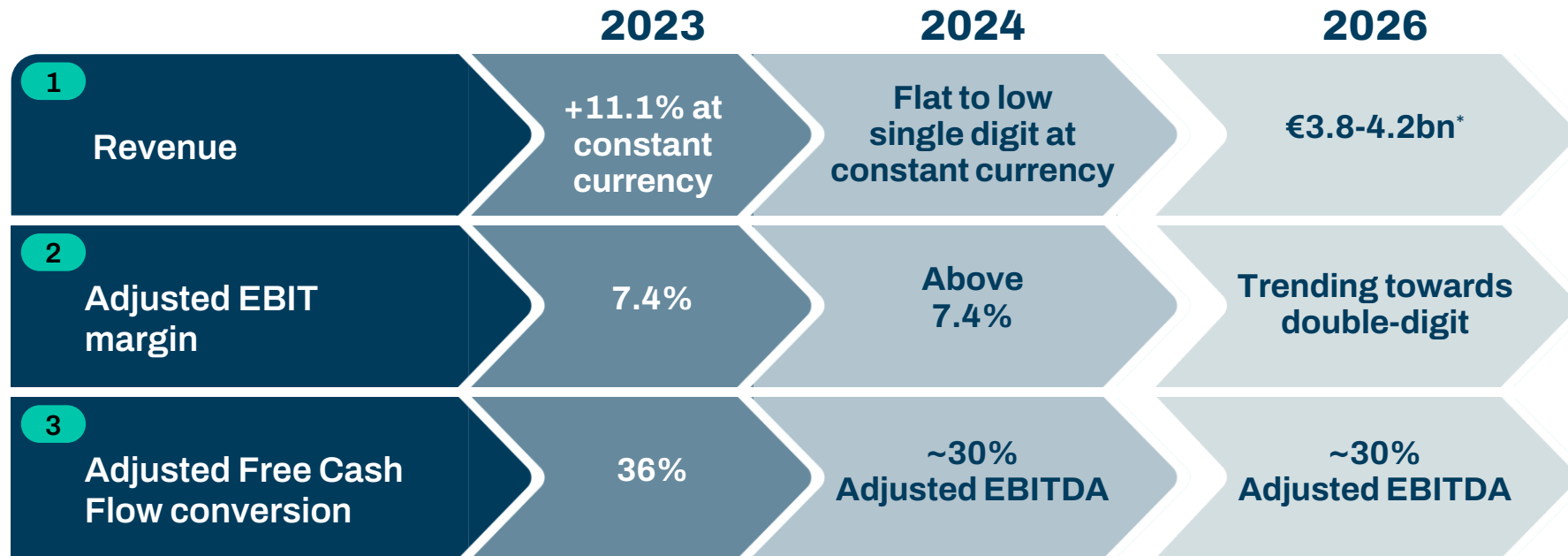
5

More stable operating environment



# 2024 outlook

Continued progress towards our mid-term targets



## Other assumptions

- Foreign exchange ~(1)% of revenue at current exchange rates
- Interest costs €60-65 million
- Effective tax rate low 30%
- Capex 3-5% of revenue

\* Revenue target at constant currency, average 2022 foreign exchange rates





# Investment Proposition

# Investment Proposition

- 1 **Leading market positions** rooted in innovation, diverse automotive customer base and global presence
- 2 **Clear strategy** to drive growth and capitalise on the electrification transition
- 3 On track to return to **double-digit margins** with strong cash conversion
- 4 **Capital allocation** focused on short- and long-term shareholder value creation while maintaining a strong balance sheet
- 5 **Clear ESG strategy** and implementation commitment with activities on track

