



Volex

H1 FY2025 RESULTS PRESENTATION

15 NOVEMBER 2024

Making critical
connections



AGENDA



HIGHLIGHTS

Nat Rothschild
Executive Chairman



FINANCIAL REVIEW

Jon Boaden
Chief Financial Officer



STRATEGIC UPDATE

Nat Rothschild



SUMMARY AND OUTLOOK

Nat Rothschild



Q & A

HIGHLIGHTS IN H1

Strong growth, maintaining margins and investing

Effective delivery of our strategy:

- Continued investment, focusing on critical connections in vital, high-value markets
- Essential and trusted partner to global technology companies
- Delivering critical, specialist manufacturing services

Making significant progress on the integration of Murat Ticaret

Investment is delivering growth in support of our five-year plan

\$518.2m

Revenue

+9.7%

Organic
revenue
growth

\$47.6m

Underlying
operating
profit

9.2%

Underlying
operating
margin

CRITICAL CONNECTIONS FOR GLOBAL TECHNOLOGY LEADERS

01

MARKET ALIGNMENT AND EXPERTISE

Selected markets that match our core strengths

Leveraging our global reach to grow our customer base

02

HIGH CUSTOMER LOCK-IN

Focus on specialist markets with high customer lock-in and limited competition

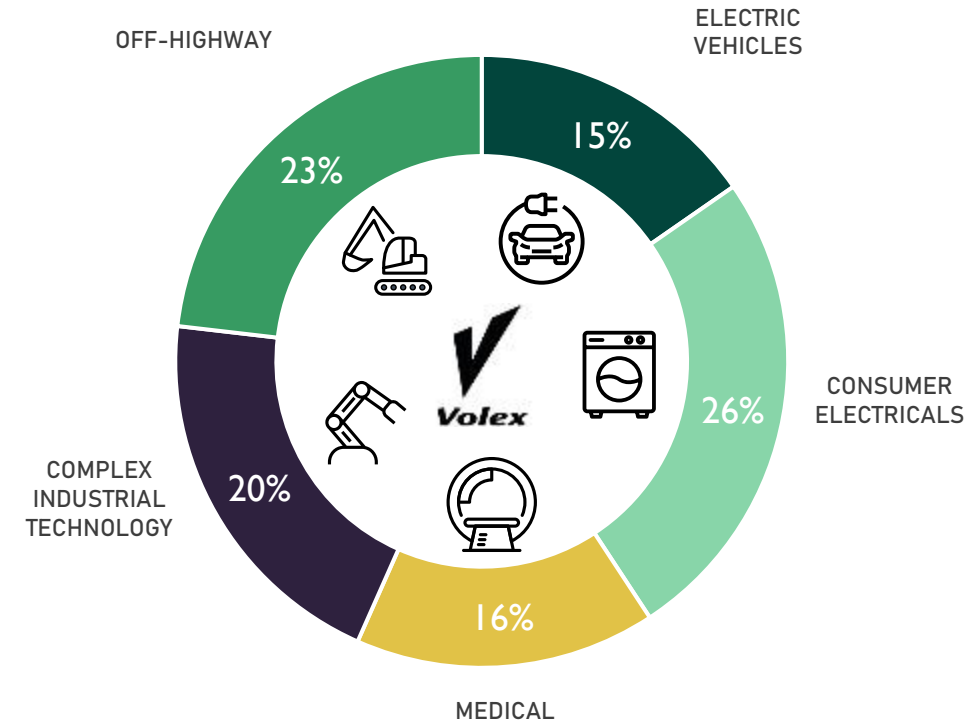
Embeds us with customers, diversifies our solutions and identifies adjacencies

03

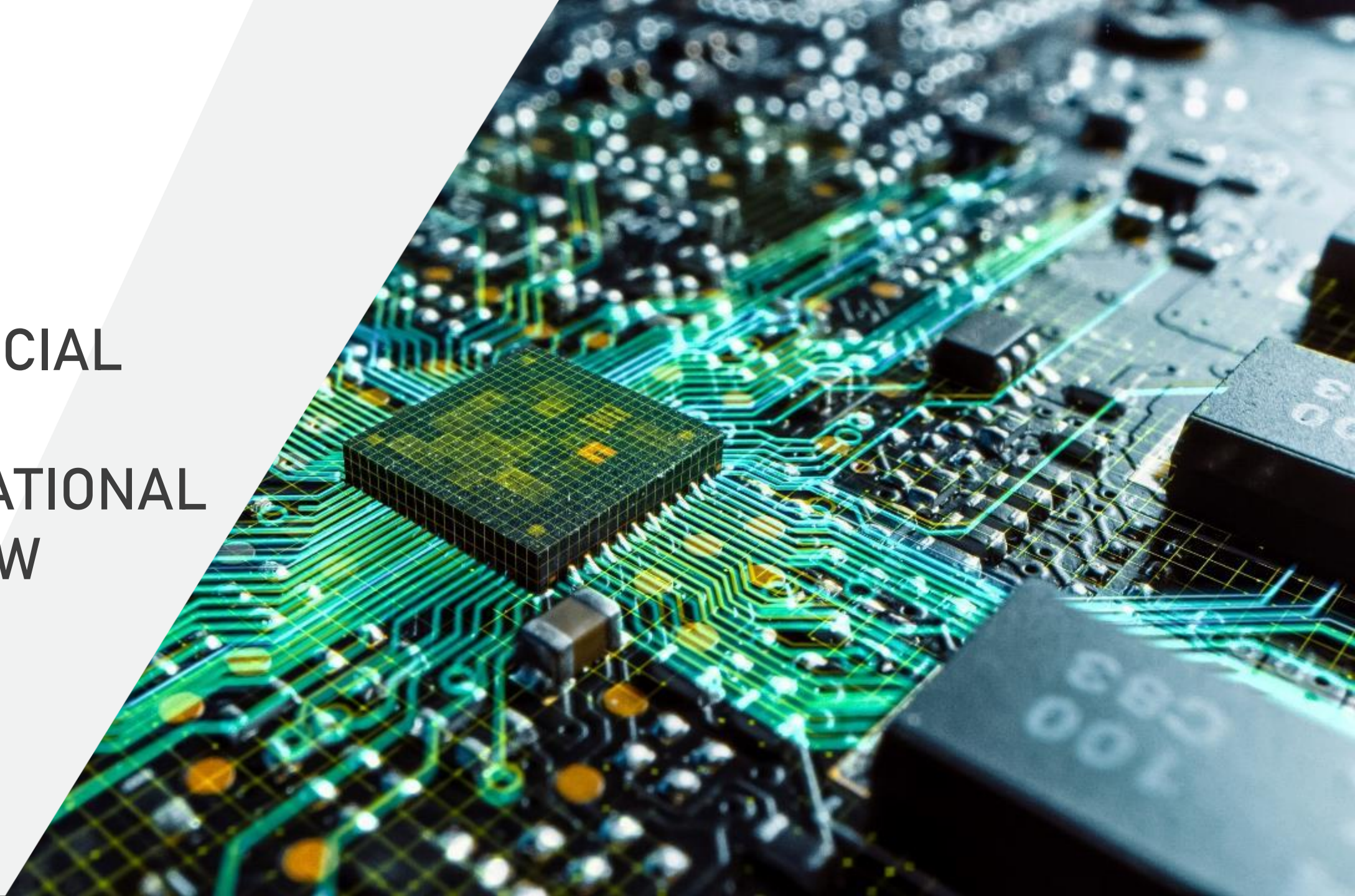
SUSTAINED GROWTH

Creating long-term partnerships for sustained growth

Structural factors and strong partnerships support our growth ambitions

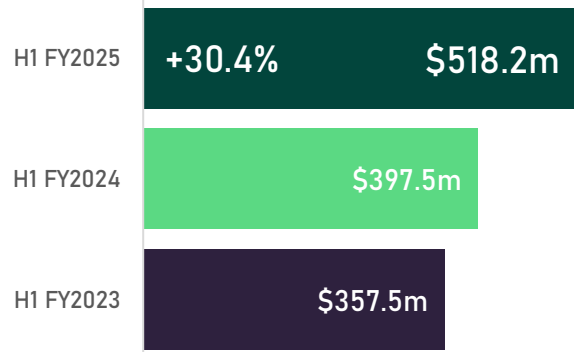


**FINANCIAL
AND
OPERATIONAL
REVIEW**

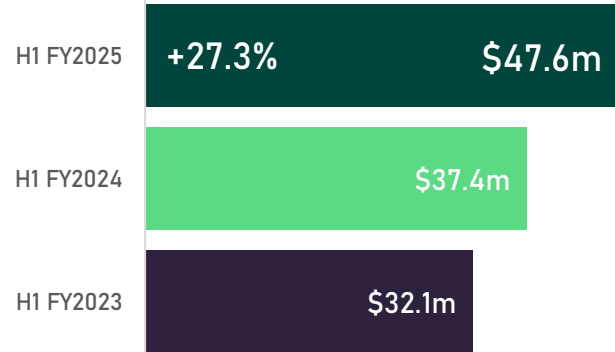


RECORD FINANCIAL PERFORMANCE

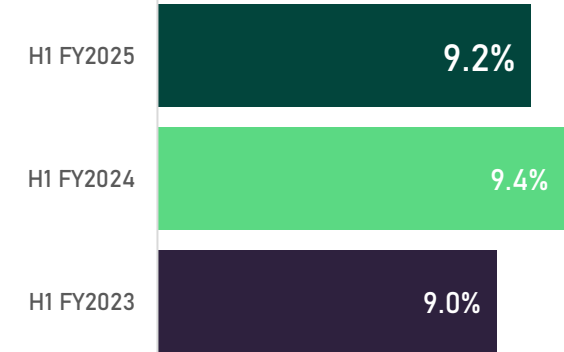
REVENUE



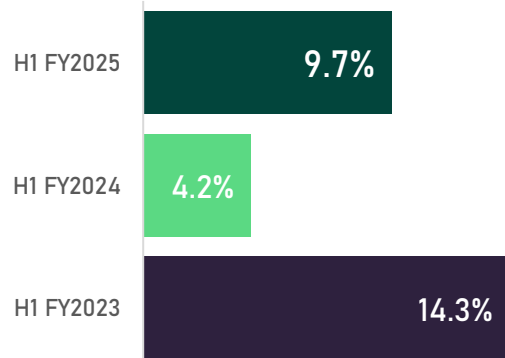
UNDERLYING OPERATING PROFIT



UNDERLYING OPERATING MARGIN



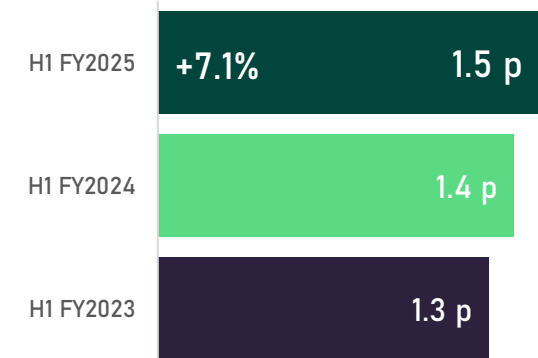
ORGANIC REVENUE GROWTH



RETURN ON CAPITAL EMPLOYED



TOTAL DIVIDEND PER SHARE





ELECTRIC VEHICLES

Strong return to growth

We have a leading position in this market with significant design expertise as well as a vertically integrated production capability. This creates cost and logistical advantages making us a competitive and reliable manufacturing partner for some of the largest automotive brands in the world.

WHAT THE WORLD DEMANDS

Rollout and rapid adoption of EV technology

Charging infrastructure to support at home and public charging demands

THE VALUE WE BRING

Comprehensive product portfolio of EV charging solutions

Approvals and certifications relevant for all regulatory requirements

OUR KEY PRODUCTS

Grid cords, faster charging, public infrastructure, specialised high-voltage connectors

CURRENT TRENDS

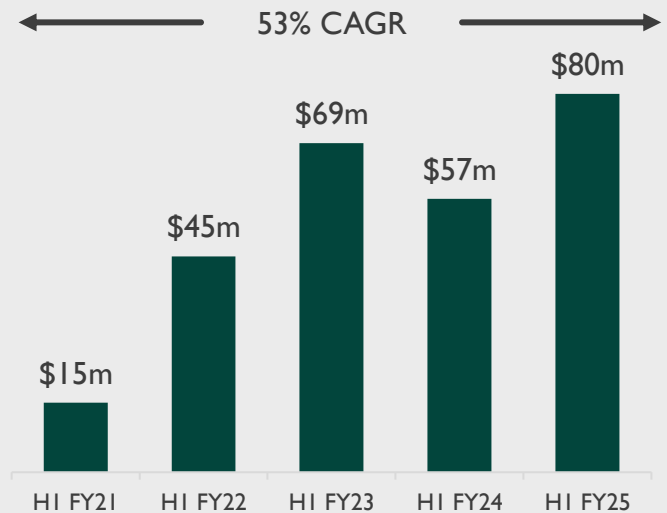
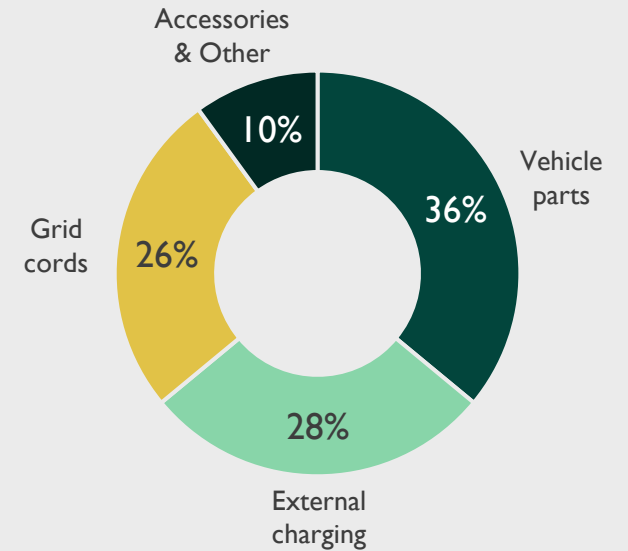
Organic growth of 39.5% in H1 evidencing that prior year destocking is over

Ramped up production of vehicle parts in our Tijuana plant

FORWARD TRENDS

Momentum expected to continue but against tougher comparatives

Expected market CAGR over five years of 10%¹



¹(Source: Statista research on global electric vehicles 2024-2028)



CONSUMER ELECTRICALS

Competitive production supporting volume growth

We are a world-class manufacturer of power cords, with global expertise in manufacturing wiring harnesses for domestic and commercial appliances. Volex supplies many of the biggest brands in the world. All our products are designed to meet specific customer requirements and safety approvals of major markets.

WHAT THE WORLD DEMANDS

Trend towards sustainable and eco-friendly appliances with longer lifespan

Consumers are prioritising energy-efficient appliances

THE VALUE WE BRING

Scale and global footprint to meet the growing demands of our customers

Cost competitive products enhanced by automation and vertical integration

OUR KEY PRODUCTS

Custom wiring and cable harnesses, power cords and power products which are used in a broad range of everyday electronic devices and appliances

CURRENT TRENDS

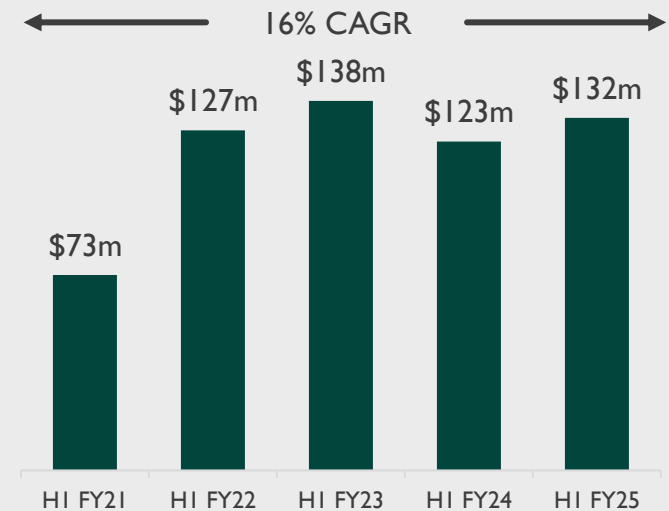
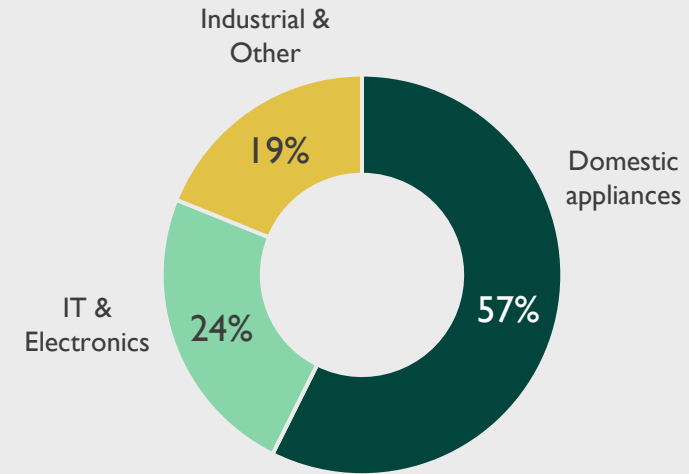
Strong recovery in H1 with organic growth of 7.5%

Indicates that destocking is largely over and consumer spend is normalising

FORWARD TRENDS

Trends expected to continue with first half weighting due to seasonality

Expected market CAGR over five years of 3%¹



¹(Source: Statista research on global consumer electronics 2024-2028)



MEDICAL

Normalisation with strong long-term prospects

We specialise in quick turnaround, integrated manufacturing services, for highly complex and advanced products. Our highly skilled and experienced engineering and manufacturing team are well versed in the latest technologies and processes to help our customers with complete solutions for all kinds of medical manufacturing and assembly requirements.

WHAT THE WORLD DEMANDS

An ageing population is putting pressure on medical and care facilities

Robotic-assisted surgeries are on the rise, improving precision and recovery

THE VALUE WE BRING

Highly skilled and experienced engineering teams across our global sites

Medical standard quality processes provide traceability and quality assurance

OUR KEY PRODUCTS

From printed circuit board assembly, to complete system integration and box build for highly complex products used in essential medical applications

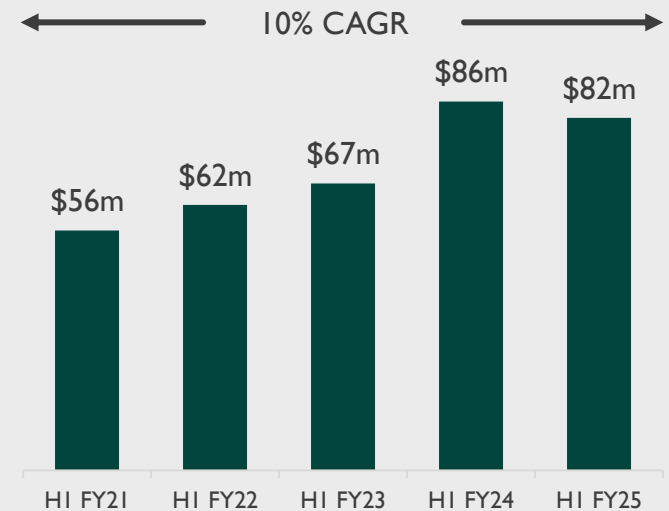
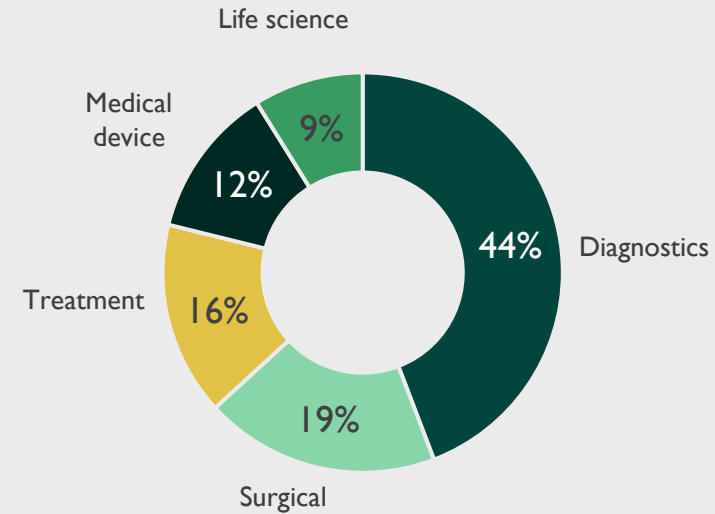
CURRENT TRENDS

Production has normalised as customers have caught up on backlogs exacerbated by the post-Covid supply chain resulting in an organic revenue decline of 4.2%

FORWARD TRENDS

Destocking continues in H2, structural factors drive mid-term growth

Expected market CAGR over five years of 6%¹



¹(Source: Statista research on global medical technology 2024-2028)



COMPLEX INDUSTRIAL TECHNOLOGY

Data centre volumes boosted by AI demand

Voex has the knowledge, experience, commitment, and service to ensure customers who use complex industrial technologies can benefit from the most profitable and efficient manufacturing processes. We provide solutions that can speed up the design and creation of new products or drive the most complex electronic systems.

WHAT THE WORLD DEMANDS

Cloud migration and development of AI

Growing adoption of air conditioning due to rising temperatures

THE VALUE WE BRING

Fast prototyping, flexible and agile manufacturing, and rigorous testing

Proven IP to deliver crucial solutions for cutting-edge data centre infrastructure

OUR KEY PRODUCTS

From custom cable harnesses for advanced fabrication technologies, to box build solutions for aerospace, to the latest generation of high-speed cables

CURRENT TRENDS

Overall organic growth of 4.1%

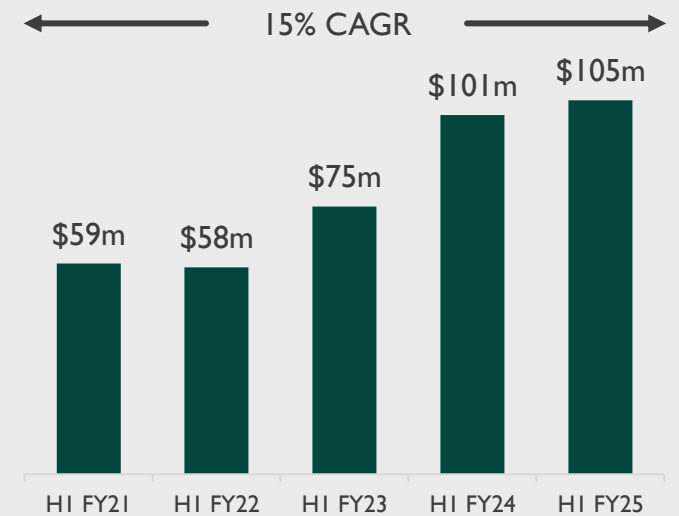
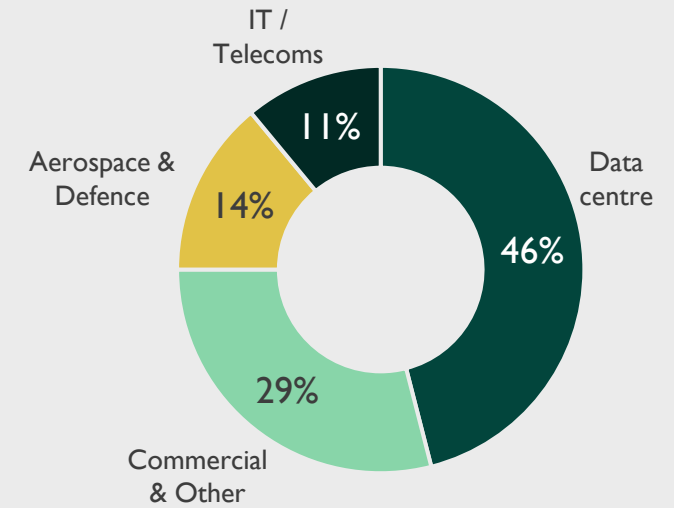
New projects commencing for data centre customers

Reduced revenue for Other CIT after relief of pent-up demand in prior year

FORWARD TRENDS

Demand cycle pickup for Industrial customers

Expected Data Centre market CAGR over five years of 7%¹



¹(Source: Statista research on data centres 2024-2028)



OFF-HIGHWAY

Diversification and scale in an attractive sector

With the acquisition of Murat Ticaret in August 2023, Volex has expanded its capabilities and presence in the sector. From specialist manufacturing facilities around the globe, Volex can support high-mix and low-volume manufacturing of complex wiring harnesses for off-road / off-highway transportation.

WHAT THE WORLD DEMANDS

Heightened focus on sustainability causing move toward electric vehicles

Stricter regulations regarding emissions and safety influencing vehicle design

THE VALUE WE BRING

Specialist expertise and the use of innovative technologies in the design of customised solutions that minimise complexity and cost

OUR KEY PRODUCTS

Custom ruggedised wiring harnesses and battery cables for every type of off-road and specialist vehicle

CURRENT TRENDS

Organic growth of 20.5% in total, with 6.8% from Murat Ticaret

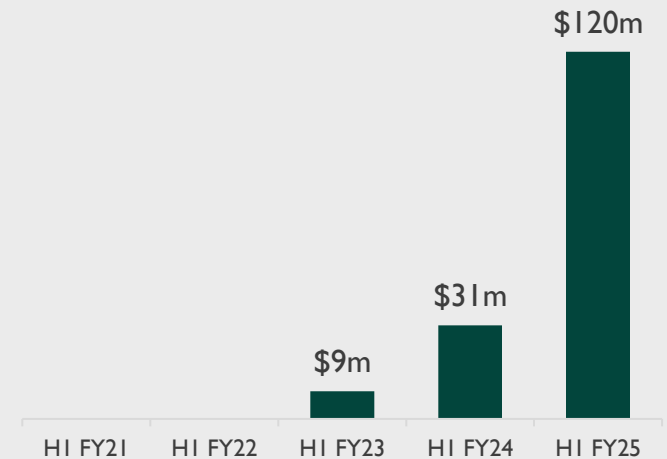
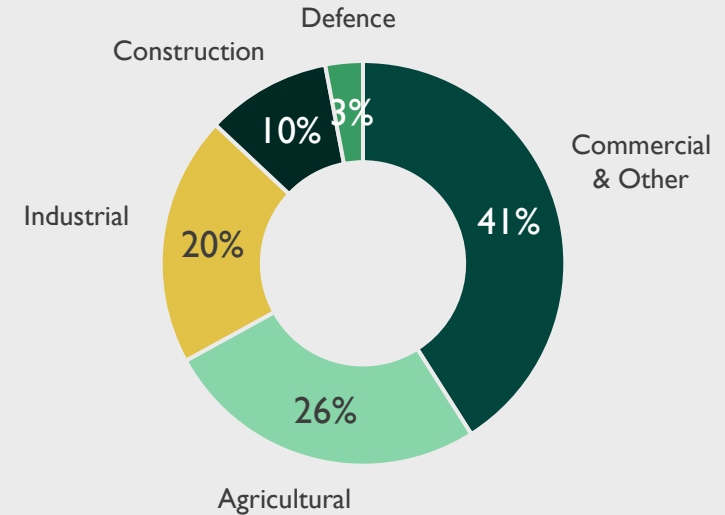
Softening in demand from agricultural customers

Increased sales to European bus and coach manufacturers

FORWARD TRENDS

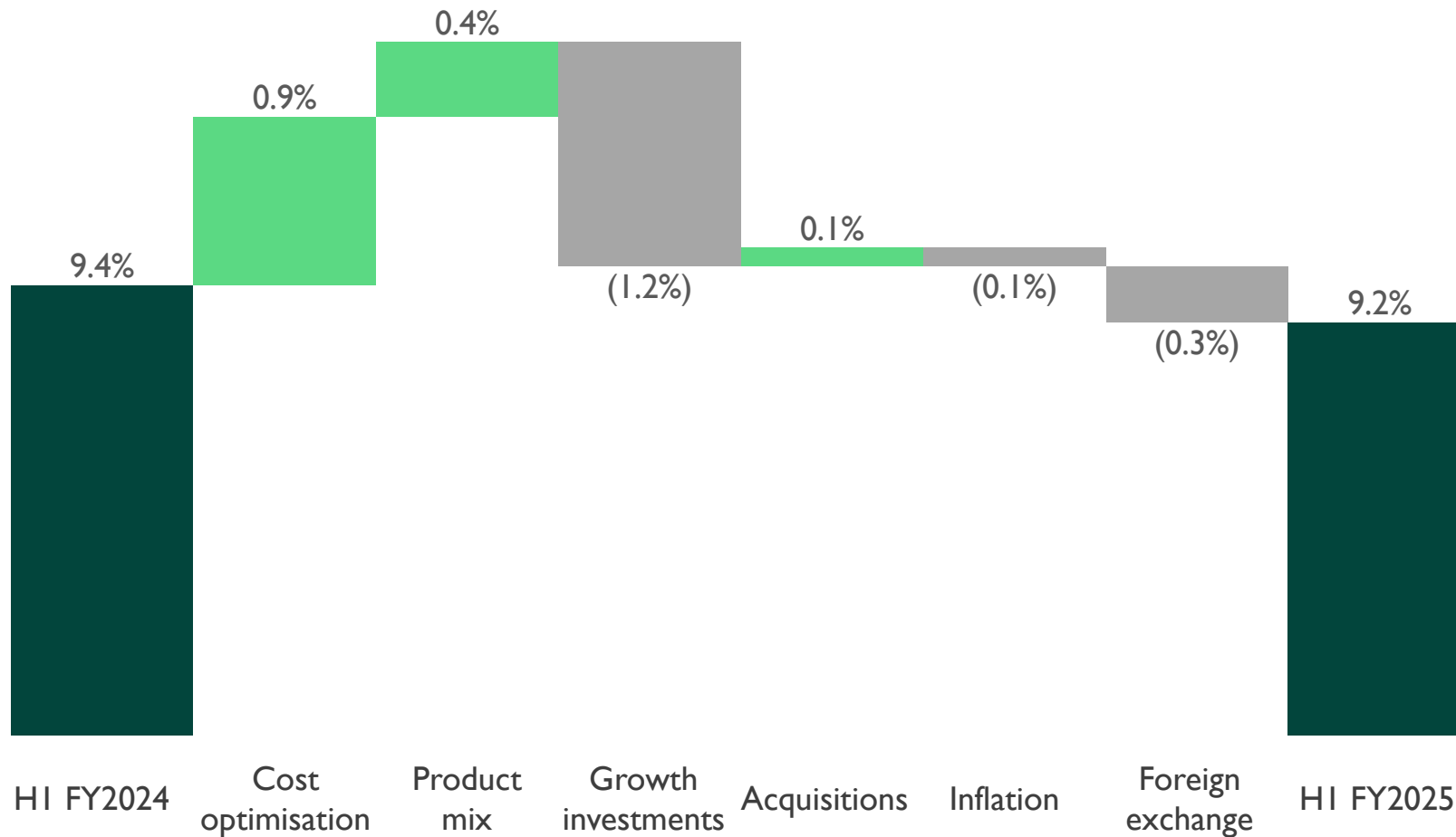
Focus on functionality and features across range of Off-Highway equipment

Expected commercial vehicle market CAGR over seven years of 7%¹



¹(Source: Fortune Business Insights commercial vehicles 2022-2029)

OPERATING MARGINS MAINTAINED WITHIN TARGET RANGE



- Continued targeted, customer-led investments to support long-term growth
- The acquisition of Murat Ticaret has been included net of the inflation in Türkiye
- Inflation has been well managed with increased costs offset through efficiency savings or through customer pass-through
- With sales in USD and operating costs in a mix of local currencies, there is small FX loss due to the weaker dollar

GROUP CASH FLOW

\$M	H1 FY25	H1 FY24
Underlying EBITDA	61.3	46.8
Net capital expenditure	(26.4)	(16.0)
Underlying working capital	(32.2)	(7.9)
Net interest and tax	(14.2)	(10.3)
Other including pension	-	(0.7)
Underlying Free Cash Flow	(11.5)	11.9
Acquisitions, net of issue of shares	(1.5)	(67.6)
Dividends	(6.3)	(4.3)
Repayment of leases	(5.5)	(3.7)
Purchase of shares	(4.6)	(1.2)
Other	(3.8)	0.7
Movement in net debt (before operating leases)	(33.2)	(64.2)
Covenant net debt : EBITDA ratio	1.3x	1.3x

- Underlying EBITDA improved by 31%
- Capex investment in line with guidance at 5% of revenue
- Working capital outflow:
 - \$7m from growth of business
 - \$7m to optimise Murat Ticaret supply chain
 - \$8m to support factory moves and new projects commencing in H2
- Interest and tax both increased year-on-year due to increased average debt and additional tax payment for Murat Ticaret compared to the prior year

CAPITAL ALLOCATION PRIORITIES TO DELIVER SUSTAINABLE GROWTH



ORGANIC GROWTH

- Capital investments key to strategic growth
- Usually between 3-4% of revenue, ~5% in FY25



ACQUISITIONS

- Enhance capabilities and grow customer base
- Acquire at attractive valuations



ORDINARY DIVIDENDS

- Sustainable through-cycle dividend
- Progressively increased



CAPITAL RETURNS

- If capital cannot be deployed elsewhere to create greater value

STRATEGIC UPDATE



OUR STRATEGIC PROGRESS

Maintained operating margins through challenging macro conditions

Producing our own copper wire, for use in power cords

Focused on five diverse end-markets, each with distinct growth drivers



Over \$1bn revenue in last 12 months, following Murat Ticaret acquisition

Strengthened leadership, operational and sales teams

Increased investments to support customer-led initiatives

INVESTMENT IN GROWTH

Programme of targeted investments, responding to customer demand, localisation and capability enhancement

28

Manufacturing sites

Expanding capacity and capability across the group

Total floor space

375,000m²

equivalent to the size of 53 football pitches

Capacity expansion driven by evolving customer requirements including localisation

20%

Additional production space this year

75,000m² being added this year with most of this already delivered

ADDITIONAL FY25 CAPACITY



H1 FY25 INVESTMENT

5%

capex as a % of revenue; with cash payback within 2 years for most investments

\$5m

operational investment, incl. headcount, depreciation and rent

INTEGRATION OF MURAT TICARET

PROFITABILITY ACTIONS

Productivity improvements

Site optimisation / relocation

Supply chain efficiency

INFLATION MANAGEMENT

High inflation in Türkiye

Profitability remains in line with Group's target range

Accelerating productivity actions

NORTH AMERICA EXPANSION

Hired dedicated sales team

Capacity and capability available

Optimising quotations process

SUCCESSFUL ACQUISITION STRATEGY

CONSIDERATIONS:



Since FY2019:

12

Businesses acquired

c.\$400m

Invested

Strong execution:

5.2x

Blended acquisition multiple

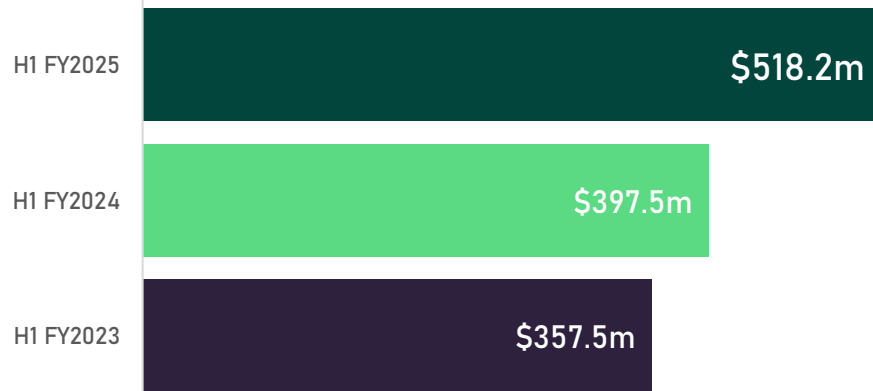
18.9%

Acquisition ROCE (excl.
goodwill)

CONFIDENT OF DELIVERING FIVE-YEAR PLAN

Five-year plan to FY2027

\$1,200m
Revenue



ON TRACK

9-10%
Underlying
operating margin



ON TRACK

DELIVERED REVENUE CAGR OF 20%, REQUIRE 6% FOR REMAINDER OF PLAN

SUMMARY AND OUTLOOK



SUMMARY AND OUTLOOK



Excellent results, strong revenue growth and margin maintained in target range



Return to growth in Electric Vehicles and Consumer Electricals end-markets



Continuing with operational and capital investments for long-term growth



Firmly on-track to deliver on expectations for FY2025



Continued confidence in delivering the five-year plan

FIRMLY ON TRACK TO DELIVER FULL YEAR EXPECTATIONS AND FIVE-YEAR PLAN TARGETS

APPENDICES



MANAGEMENT TEAM

Volex is led by a group of highly committed and experienced individuals that shape and drive the direction of the organisation



Nat Rothschild
Executive Chairman

- Nat joined Volex in 2015 and has extensive experience in principal investing and corporate finance
- Nat holds a degree in History from Oxford University and an MSc in Addiction Studies from King's College London



John Molloy
Chief Operating Officer

- John joined Volex in 2017
- He has previously worked with Tunstall Group, Baxall, Dage Electronics and TT Electronics
- John holds a postgraduate-level diploma in Management Studies from Huddersfield University



Jon Boaden
Chief Financial Officer

- Jon joined Volex in 2019 and was promoted to CFO in November 2020
- He previously worked in senior finance roles in tech companies including Williams FI and Vodafone
- Jon has a degree in Politics from Manchester University and is a qualified Chartered Accountant



Girish Gopinath
Chief Operating Officer – Asia

- Girish joined Volex in 2009. He previously held roles in Divisional Finance and Operations
- He worked for Motorola and Cognizant Technologies prior to Volex
- Girish also has responsibility over Power Products



Jessica Yu
Chief Operating Officer – China

- Jessica joined Volex in 2017 from Voith Paper China, having previously worked with John Molloy at TT Electronics
- Jessica holds a degree in Business English and an Executive MBA from Xi'an Jiatong University
- She also acts as Vice President of Procurement



Paul Bullock
Chief Operating Officer – Europe

- Paul joined Volex through the acquisition of Silcotec Europe in 2019, where he was Operations Manager
- Paul holds a degree in Engineering Management and an MBA from Ulster University



Mark Kray
Chief Operating Officer – North America

- Mark joined Volex in March 2021
- He previously spent over 20 years with TT Electronics where he was the Vice President and General Manager for the North American Global Manufacturing Solutions division



Fatih Köymen
Chief Operating Officer – Türkiye

- Fatih joined Volex in March 2023
- He has over 25 years' experience in the automotive and home appliance market
- Fatih holds a degree in Business Administration from Pforzheim University

BALANCE SHEET

\$M	H1 FY2025	H1 FY2024 (RESTATED) ¹
Goodwill and intangible assets	254.5	255.4
Property, plant and equipment	162.6	124.5
Investments	11.0	6.5
Inventories	209.4	182.5
Trade and other receivables	232.6	201.1
Trade and other payables	(283.1)	(247.5)
Pensions and provisions	(12.5)	(13.8)
Taxation (net)	(17.4)	(23.1)
Operating lease liabilities	(50.2)	(33.1)
Net debt (before operating lease liabilities)	(154.3)	(140.6)
Net assets	352.6	311.9

