



FY2021 ANNUAL RESULTS

Year ended 4 April 2021

Strengthening capabilities

NAT ROTHSCCHILD
Executive Chairman

JON BOADEN
Chief Financial Officer



Strongest profit performance for 20 years

- Group revenue up 13.3% year-on-year
- Underlying operating profit up 35.8% to \$42.9m
- Underlying operating profit margin now 9.7%
- Acquisition of DE-KA has created the only truly global power cord manufacturer
- Final dividend increased by 10% to 2.2 pence per share
- Net debt of \$7m at the year end (excluding leases)
- Strong start to FY2022 with encouraging signs of recovery in areas that have been impacted by Covid-19



Operational Highlights

- Excellent customer support during a demanding year
- Doubled the production space in our Batam, Indonesia facility to 13,200 sqm
- Invested in expanding our sales and marketing teams
- Focus on product development in growth areas - particularly Electric Vehicles
- Achieved revenue synergies and delivered cost savings
- Successfully navigating inflationary pressures and protecting margins



FINANCIAL REVIEW

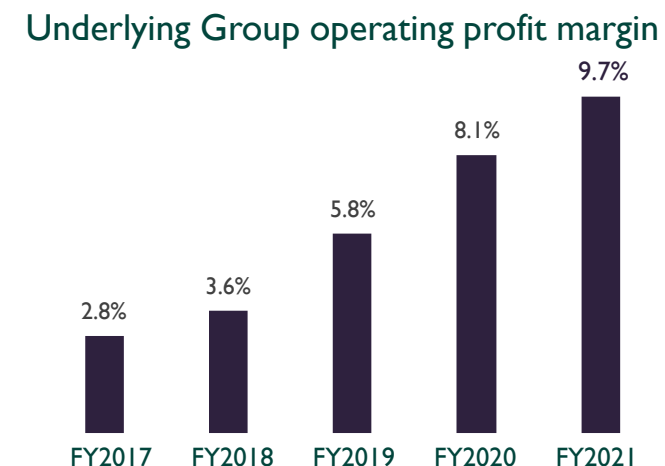
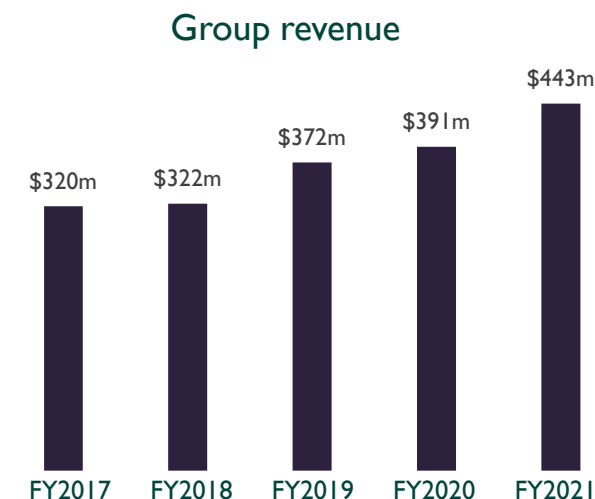


Financial Performance

\$m (except where stated)	FY21	FY20	Change
Revenue	443.3	391.4	13.3%
Underlying operating profit	42.9	31.6	35.8%
Underlying operating margin	9.7%	8.1%	160 bps
Profit before tax	29.4	15.9	84.9%
Underlying basic EPS	32.1 cents	18.2 cents	76.4%
Full year dividend per share	3.3 pence	3.0 pence	10.0%

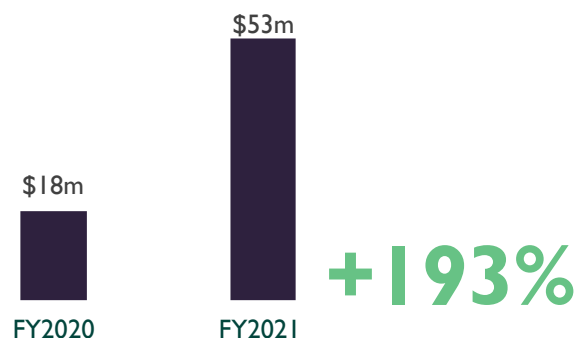
- Revenue significantly ahead of last year despite the pandemic creating variable demand
- Margin improvement driven by efficiency improvements and robust pricing
- Central overheads consistent with prior period with savings in travel costs
- Increased final dividend of 2.2p bringing full year dividend to 3.3p

A strong set of results from a diverse and resilient business



Revenue by customer sector

Electric Vehicles

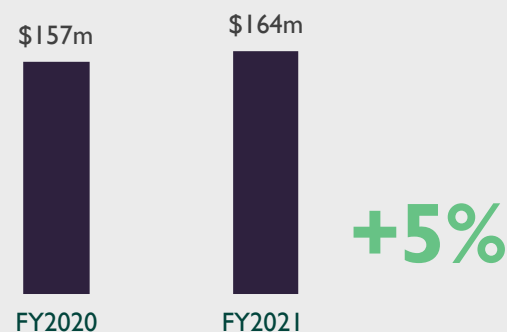


- We are delighted with the progress we are making in Electric Vehicles
- We are expanding our customer base and also offering a wider range of products
- Our go-to-market strategy has been very successful and we have excellent relationships
- As competition increases we continue to optimise our manufacturing capabilities and further lower our costs for these difficult to manufacture products
- We are investing in developing our range of products



We work with leading manufacturers in the Electric Vehicles space who value our significant technical expertise and experience in the sector.

Consumer Electricals



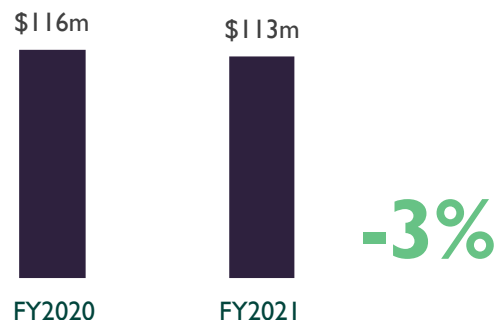
- Slow start to the year as customers' facilities were closed due to Covid-19
- Strong demand for home-office equipment and home entertainment equipment
- Domestic appliances have benefitted from a surge in home improvement spending
- Demand remained strong in Q4 which is traditionally a slower period
- Customer sentiment very positive in relation to H1 2022
- Acquisition of DE-KA brings significant additional capacity in this market



We are the partner of choice for premium electronics and domestic appliance manufacturers. We have the capacity to produce 170 million power cords per year.

Revenue by customer sector

Medical



- We worked very closely with our Medical customers where demand was variable
- Sales of smaller items and anything related to respiratory care were very strong
- Lower demand for complex assemblies used in large medical devices because our customers could not access hospitals to install equipment
- Encouraging signs of recovery emerging as the impact of Covid-19 declines in key markets



We deliver complex assemblies that are used to deliver critical power, control and data connectivity for medical devices.

Complex Industrial Technology

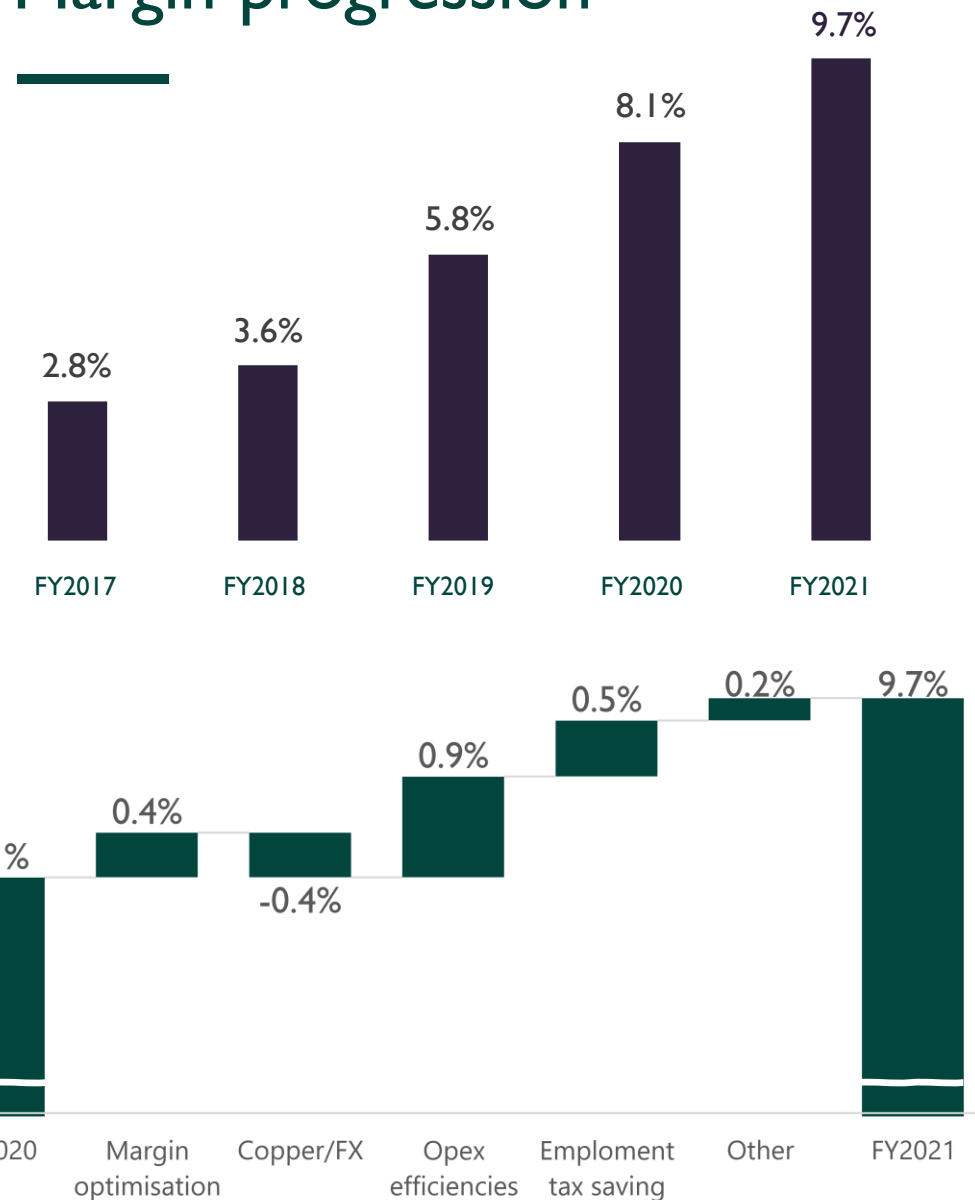


- We experienced strong demand in the first half for our high-speed data centre products as customers pulled inventory to reduce the risk of disruption to their supply chains
- We have significantly upgraded our engineering capability in in data-centre products and to expand our range of technical partnerships
- There was a deferral in demand for some technology such as industrial automation and building control systems caused by the pandemic but there are signs of recovery



Combines our leading high speed data centre products with complex harnesses and complete assemblies for sophisticated industrial technology customers in diverse markets.

Margin progression



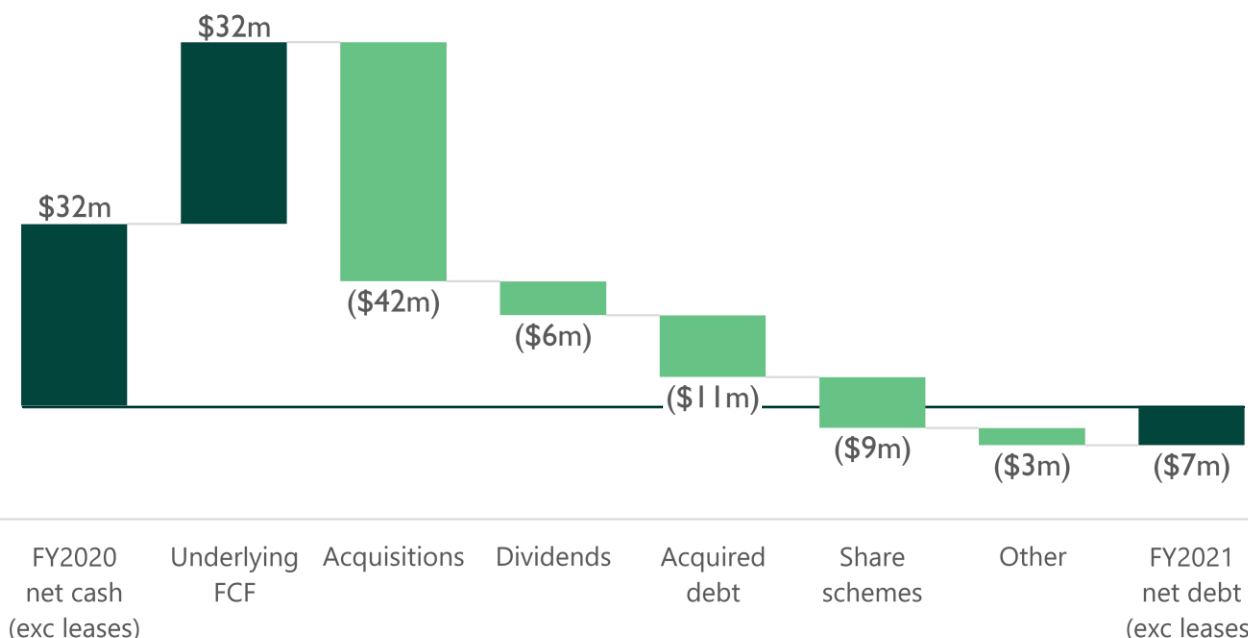
- Our year-on-year margin improvement reflects the activities we have undertaken in recent years to fix margins
 - Vertical integration for our power business
 - Higher proportion of complex products with a beneficial mix effect
 - Continuous improvement and targeted automation

- Margin benefits from automation and vertical integration programmes were partially offset by changes in product mix
- Copper and FX changes had a small adverse impact on margin
- Operating cost efficiencies during the year included lower travel costs
- In Asia, we benefited from temporary reductions in employer payroll taxes
- The contribution from DE-KA had a favourable impact on margin

Margins have improved significantly as we have optimised our performance

Group Cash Flow

\$m	FY21	FY20
Underlying EBITDA	50.8	38.1
Net capital expenditure	(7.4)	(4.4)
Underlying working capital	(7.6)	20.8
Net interest and tax	(3.7)	(5.6)
Other including pension	(0.4)	(0.1)
Underlying Free Cash Flow	31.7	48.8
Acquisitions	(42.2)	(25.6)
Adjusting items	(0.4)	(1.4)
Dividends	(6.0)	(2.0)
Repayment of debt/leases	(3.8)	(3.9)
Share based payments	(9.0)	(4.6)
Other	(1.1)	0.0
Net Cash Flow	(30.8)	11.3



- Underlying EBITDA improved by 33.3%
- Working capital movement includes higher goods-in-transit due to longer shipping times from Asia to North America
- We are investing more on capex to deliver growth
- Acquisition spend includes cash payment for DE-KA
- Debt facilities of \$70m with \$30m accordion feature

Healthy cash generation allowing for further investment in capabilities and facilities

STRATEGY AND OPERATIONS



Covid-19 impact



People

- Response to Covid-19 started in February 2020 following restrictions in China
- We have kept in place best practice measures to protect our people



Customers

- We have been involved in projects to accelerate the provision of ventilators
- Worked closely with customers during this challenging period
- Sophisticated supply chain planning to meet customer commitments



Planning

- Contingency plans in place for further disruption
- Local management are alert to changes in each facility



DELIVERING PROFITABLE GROWTH

Revenue up
13% year-
on-year

We are focused on growth areas where we can achieve attractive margins to customers who appreciate our high standards of service and quality.

OPERATIONAL EXCELLENCE

Margin up
160bps
year-on-year

We are committed to continuous improvement everywhere in our business to drive strong cash flows and to exceed customer expectations.

ACQUISITIONS

6 acquisitions
in 3 years

We have a strong balance sheet and an excellent track record of buying businesses in industries we understand well for attractive multiples.

How we add value

Design and engineering



- Our technical and product experts work closely with customers to create compelling products
- We create our own products and intellectual property in key growth areas

Manufacturing



- We are committed to delivering the highest quality products to suit the most demanding applications
- Our value engineering specialists are experts in improving costs and delivering vertical integration

Service



- We work closely with our customers to better understand their requirements
- Experienced customer facing teams who build trusting relationships

Culture



- Entrepreneurial managers who are empowered through a decentralised management structure
- Collaborative and hard-working approach to solve real world problems

Targeted investment in areas where we can achieve excellent growth

Customer projects Creating customer value by investing in value-add opportunities

Supporting our largest customers with specific capabilities to deliver their projects, often with commercial contracts to underwrite the value of the investment



Additional production capacity in Turkey to meet the demands from new customer wins

Product development Locking in growth by creating our own technology

Focus on high growth areas including electric vehicles, data centre products and technical cables where we see good opportunities in the future

Creating a centre of excellence in Suzhou for the development of high-speed data centre cables



Optimisation Delivering efficiency at our manufacturing sites to improve margin

Deploying our technical specialists to identify incremental improvements that offer benefits in costs, quality and cycle times



Targeted automation in Zhongshan to improve operating margins

Central spend Supporting growth, improving responsiveness and building a better business

Includes investment in sales and marketing, enhancing our leadership team and creating unified global processes through an ERP implementation

Investing in improvements around the group including central projects and the new ERP system



Acquisition strategy

- Complex customised harnesses with short lead times
- Revived key customer relationship



- Medical experts with excellent quality and margins
- Delivering cross sell opportunities



- Cable extrusion specialist
- Providing significant value add through vertical integration



FY2019.

FY2020.

FY2021.



- Experts in connectors and displays with great sales team
- Delivering synergies with other parts of the group

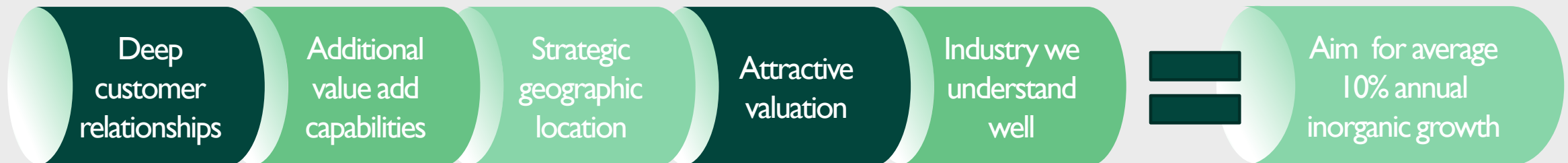


- PCB assembly and box builds
- Driving cross sell opportunities as we roll out PCBA capability



- Leading producer of power cords in Europe
- Expanding and identifying new customers

We have a strong acquisition pipeline with quality businesses that fit with our strategy



Update on DE-KA

- Business is trading strongly with production at full capacity
- We are investing in two additional automated production lines which will be operational in H2
- We have secured a significant new customer as a result of the acquisition which is expected to deliver incremental revenue
- Integration programme is underway and progressing well and the management team are an excellent fit with the Volex culture
- In FY2021 DE-KA contributed \$9.2m of revenue

Full year unaudited pro-forma financial results

for year ended 4 April 2021

\$60.7m

Revenue

for 12 months ended 4 April 2021

\$13.0m

EBITDA

for 12 months ended 4 April 2021

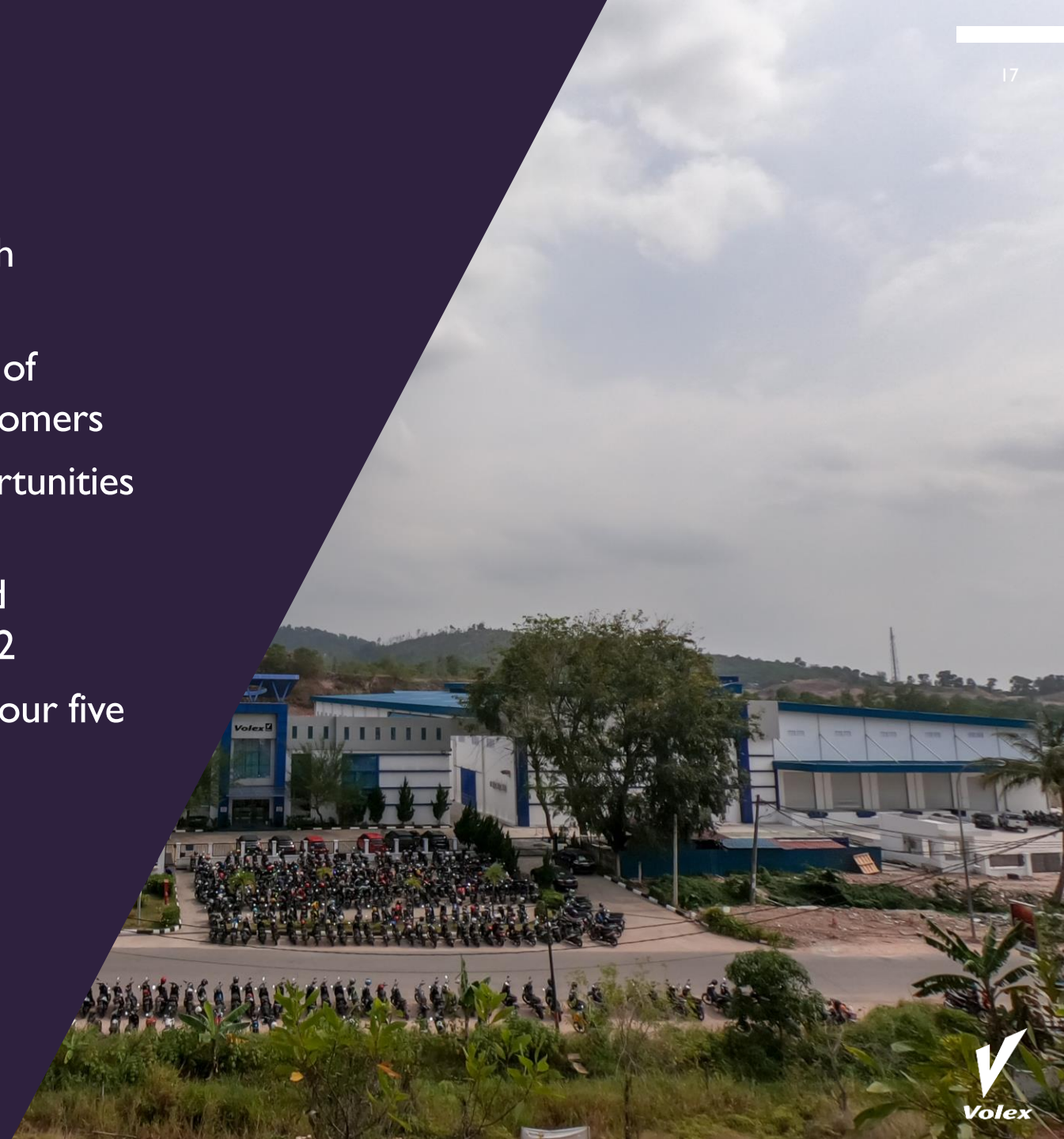
6.4x

EV/EBITDA

Acquisition multiple including earnout

Outlook

- We have delivered a strong start to the year with promising customer growth
- We remain confident but mindful of the impacts of component shortages and Covid-19 on our customers
- We have an exciting pipeline of acquisition opportunities and our strong balance sheet provides flexibility
- Our targeted investment in people, products and capabilities will deliver revenue growth in FY2022
- We expect to make excellent progress towards our five year strategic goals



QUESTIONS?



