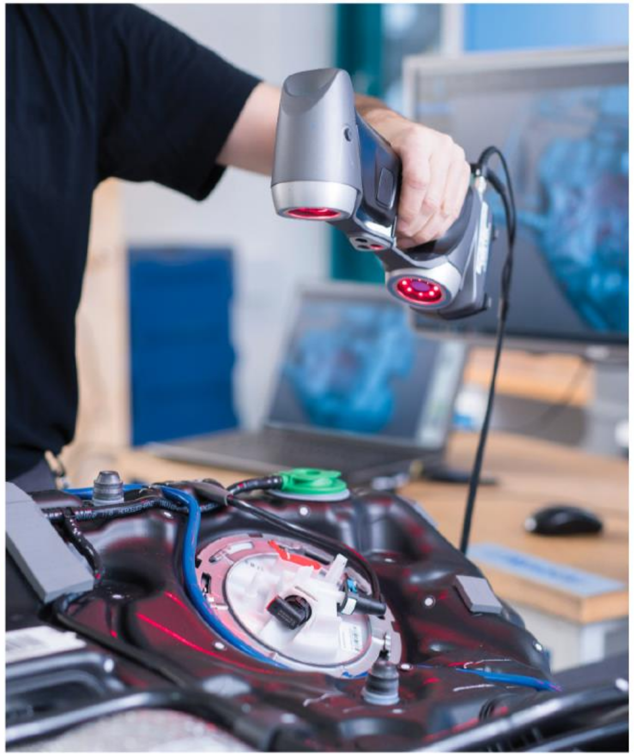
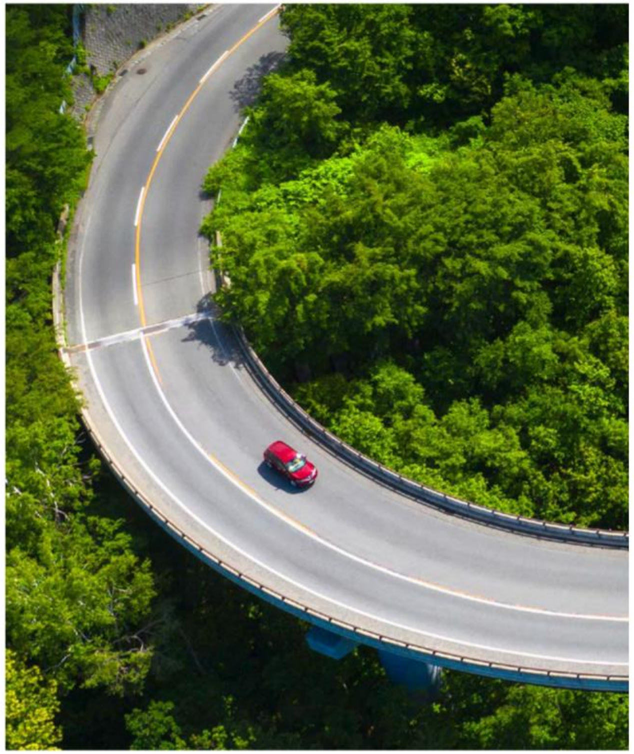
2019 Full Year Results Presentation
TI Fluid Systems plc

17 March 2020


Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of TI Fluid Systems plc (the “Company”). The words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “forecast”, “project”, “will”, “may”, “should” and similar expressions identify forward-looking statements. Others can be identified from the context in which they are made. By their nature, forward-looking statements involve risks and uncertainties, and such forward-looking statements are made only as of the date of this 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 presentation should be construed as a profit forecast.

The financial information in this presentation does not contain sufficient detail to allow a full understanding of the results of the Company. For more detailed information, please see the preliminary results announcement for the year ended 31 December 2019.

Agenda

1 Key Highlights for 2019 – Bill Kozyra

2 Financial Performance – Ronald Hundzinski

3 Q & A

Key Highlights – Bill Kozyra

Key Highlights - 2019 Full Year Results

- **Solid results despite challenging global automotive production market**
  - ✓ **Revenue continues to outperform global automotive production**
    - ~ 2.1% above global automotive volume change[(a)]
  - ✓ **Delivering robust margins and strong profitability**
    - ~ 10.0% Adj. EBIT margin[(b)]
  - ✓ **Strong Adj. Free Cash Flow**
    - €172 million in 2019 (2018: €146 million)[(c)]
- **Successfully executing organic growth strategy in fluid systems automotive market**
  - Strategic investment in our thermal products in multiple facilities to support supplying the HEV and BEV markets
  - Leading technology in fuel tanks resulting in new HEV business awards
  - Continuing to collaborate on thermal products and systems with key customers for BEVs, HEVs and some autonomous (AV) platforms

(a) February 2020 IHS Markit and company estimates
(b) Adj. EBIT defined as Adj. EBITDA less depreciation (including PP&E impairment) amortisation (including intangible impairment) arising on tangible and intangible assets before adjusting for any purchase price adjustments to fair values arising on acquisitions
(c) Adj. Free Cash Flow defined as cash generated from operating activities, less cash used by investing activities, adjusted for acquisitions, movements in financial assets at fair value through the profit or loss, cash payments related to IPO costs and cash received on settlement of derivatives

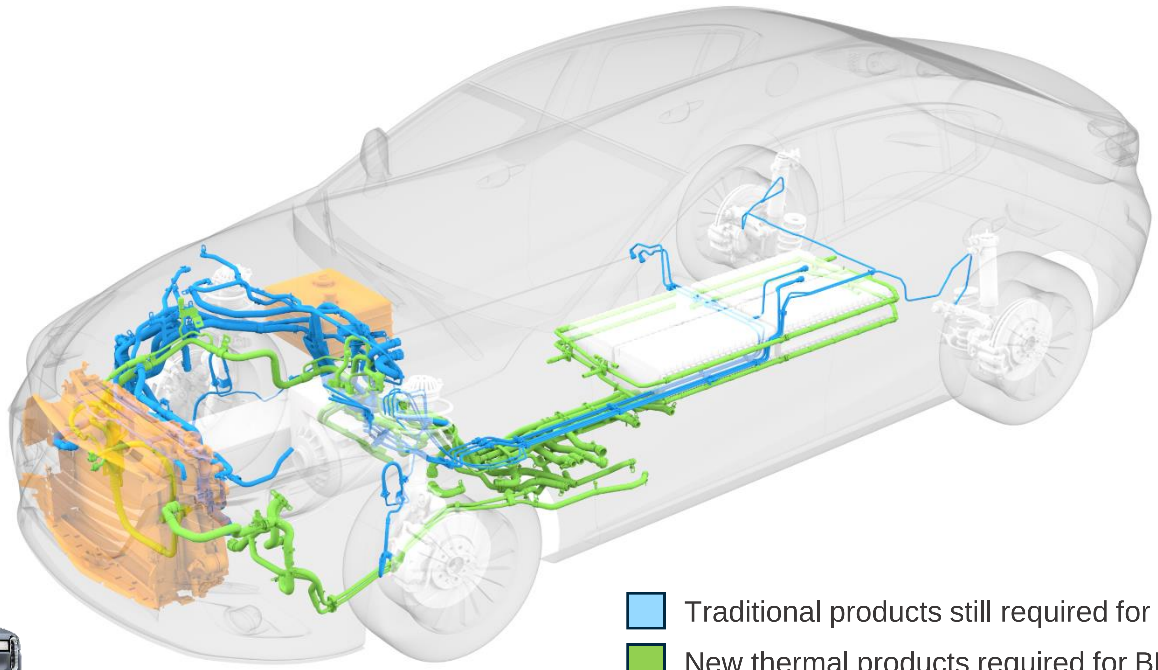
Presentation subject to rounding

BEV Update

Strategic investment in new thermal products facility in Morocco primarily supplying Battery Electric Vehicles ("BEVs")

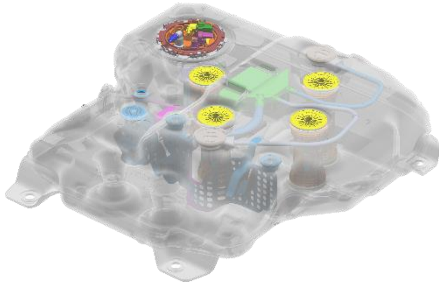
- New facility opened in Tangier, Morocco
- Support launch of high volume first generation BEV platforms for European OEMs announced in August 2018. Launches expected to begin in 2020
    - **Size of facility:** 7,700 sq m
    - **Products:** Thermal fluid lines for battery, climate control and power electronics
    - **Capabilities:** Expands the Group's extrusion capabilities, thermal expertise and capacity in the region
- Morocco provides excellent proximity to European OEMs, logistics savings, reduced complexities as well as a competitive cost structure
- **Group continues to collaborate on thermal product and systems with key customers for BEVs (including China)**
    - Validation of BEV strategy

Continued Success in the BEV Market



- Global and regional BEV platform awards
- European, North American and Asian OEMs
- Refrigerant, coolant, nylon lines, connectors and sub-systems

Continued Success in the HEV Market



- Continue to invest in fluid management portfolio to include advanced products required to reduce emissions and improve fuel economy in vehicles
- Launch of high volume tanks for Japanese OEM in North America in 2021
    - Lifetime volume of ~ 710k units[(a)] with a significant number of units for hybrid electric vehicles ("HEVs")
    - Integrated Transfer System ("ITS") process technology used to support robustness, reduce slosh and integrate components
- Continue to win HEV fuel tanks at ~20% -- greater than existing ICE share
- In addition, continue to win increased thermal products content on several HEV programmes
- Customer relationships, global footprint and reputation as a leading fluid systems provider contribute to securing new business awards and support continued organic growth

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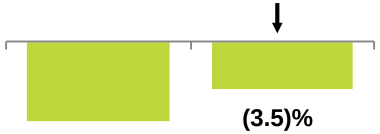
(a) Based on customer planning volumes

Global Vehicle Production 2018 – 2019

	Europe[a]	North America	Asia-Pacific	Global
Region				
2018 – 2019 [b]				

Europe
- Europe revenue (2.1)% lower (or +3.8% above vehicle production)
- Slowdown in European market
- New business and favourable programme ramp impacts

North America
- North America revenue (8.6)% lower (or 4.7% below vehicle production)
- Lower activity compared to 2018, vehicle mix and programme relocations
- Under-indexed on large trucks & SUVs

Asia-Pacific
- Asia Pacific revenue (1.5)% lower (or +4.7% above vehicle production)
- Continued weakness in Chinese market
- Positive trend in fuel tanks with new business

Global
- Group revenue 3.5% lower (or +2.1% above vehicle production)
- Business model continuing to demonstrate consistent outperformance

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(a) Europe vehicle production units include Africa and the Middle East
(b) Revenue at constant currency

Source: February 2020 IHS Markit and company estimates

COVID-19 (coronavirus)

- Initial outbreak in China has now expanded to become a global pandemic
- Impact to consumer demand and light vehicle production remains highly uncertain at this time
- We continue to take mitigating actions where demand is impacted – continue market responsiveness

Protecting the health and safety of our people is our highest priority

- Operations continue to uphold all health and safety measures
- Actions taken around the world including travel restrictions and flexible work programmes

Experienced management team engaged and processes in place to monitor daily

- Taking a number of mitigation actions but some negative impact in the short-term appears likely
- We will continue to manage through the difficult environment in 2020

Dynamic situation monitored daily – negative impact in the short term appears likely

Key Investment Propositions

Experienced management team with proven track record of strong growth and financial performance

Demonstrated above-market growth with leading technologies, strong market positions, global low cost footprint (including China strength) and diversification

Significant growth opportunities aligned with electrification and TI's strength in thermal management

Strong revenue growth, superior margins and free cash flow generation

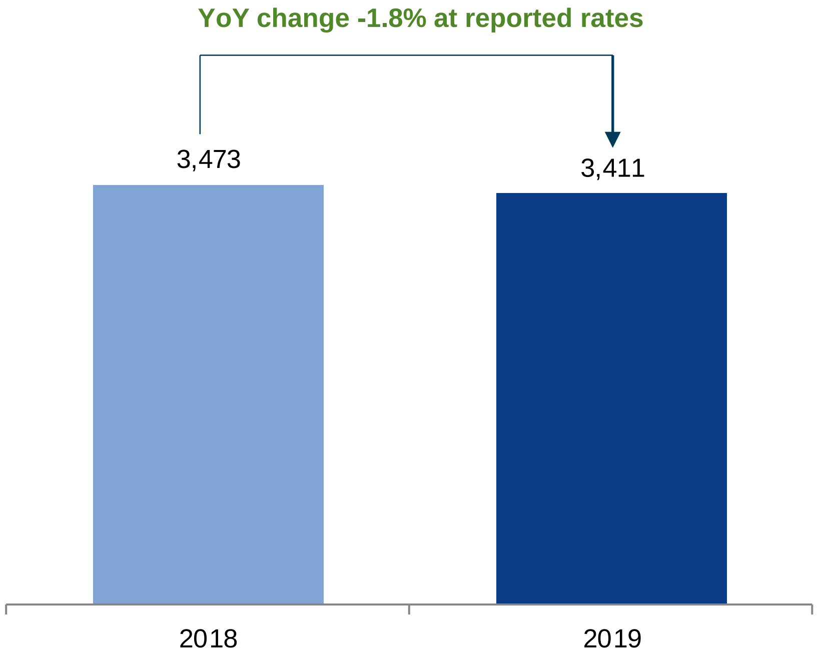
Sustainable business model – 'doing what we said we would do'

Financial Performance – Ronald Hundzinski

Revenue Outperformance Continues

Continued outperformance of global vehicle production in 2019

Group Revenue (€m)



Global Auto Production (YoY)	- 5.6%

Key Comments

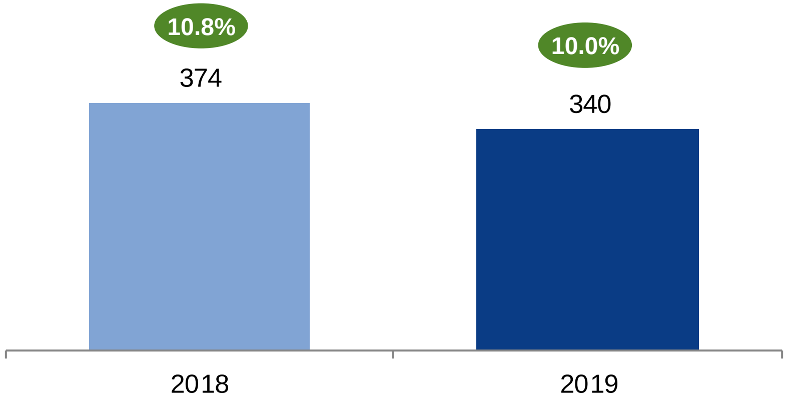
- Revenue declined by **3.5%** at constant currency (or – 1.8% at reported rates)
  - Global light vehicle production level of **– 5.6%**[(a)]
  - Revenue outperformance of + **2.1%**
- Europe and Asia Pacific revenue continued to outperform regional vehicle production offsetting the impact of North America
  - Europe – **40%** of the Group's revenue with European market weakness offset by launch activity
  - North America – **28%** of the Group's revenue impacted by vehicle mix and OEM programme relocations
  - Asia Pacific – **30%** of the Group's revenue benefiting from new business for FTDS in China

(a) February 2020 IHS Markit and company estimates
Note: Latin America represents 2% of the Group's revenue

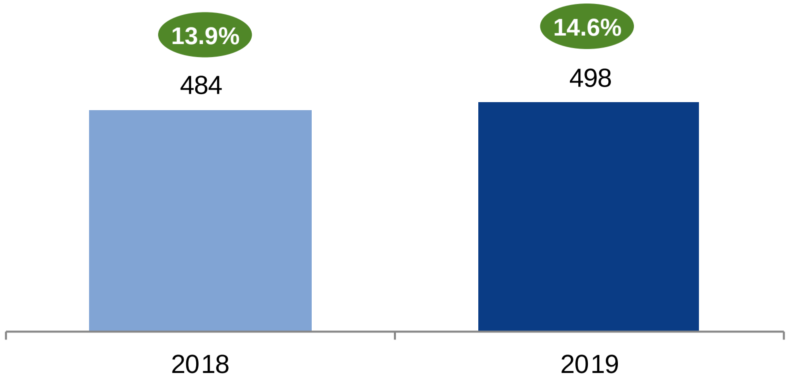
Adj. EBIT and Adj. EBITDA Margin Solid

Highly flexible cost structure leading to relatively stable margins

Adj. EBIT (€m) [b]



Adj. EBITDA (€m) [b]



Key Comments

- Adj. EBIT of €340m or **10.0%** margin
- Solid margin but slightly lower than prior year:
  - High operating leverage and flexible cost structure
  - Global vehicle production volumes remained challenging, especially in China
  - Margins impacted by volume and resin cost increases not offset
  - Adj. EBITDA[a] of €498m or **14.6%** margin
  - Stable and strong margins demonstrate strength of business model with ability to adjust costs in different volume environments
  - Adj. EBITDA includes a +1.1% impact from IFRS 16

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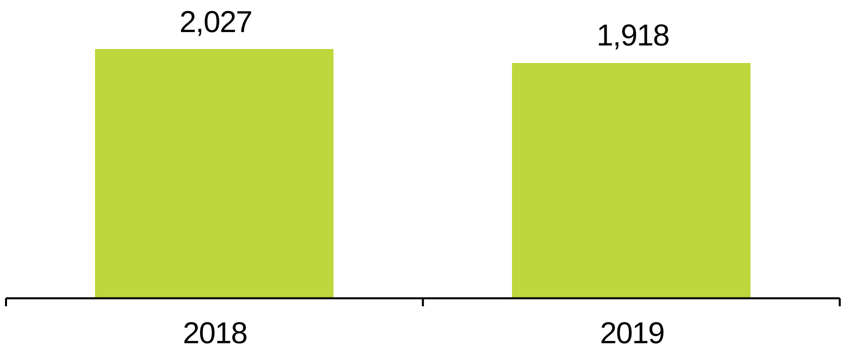
a) Adjusted EBITDA defined as profit for the period before income tax expense, net finance expense, depreciation, amortisation and impairment of PP&E and intangible assets, net foreign exchange gains/ losses, restructuring costs and adjustment for associate income

b) 2019 Adjusted EBIT includes a +€5.5m impact from IFRS 16 and Adjusted EBITDA includes a +€37.2m impact from IFRS 16

Segment Revenue and Adj. EBIT Margins

FCS impacted by market weakness with FTDS performing well

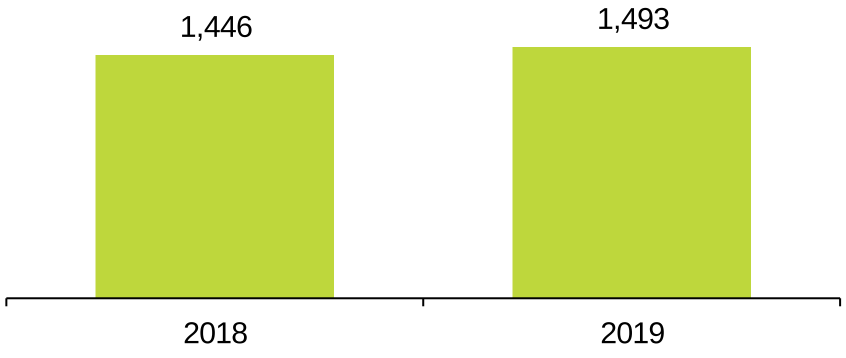
FCS Revenue (€m)



Adj. EBIT Margin	11.9%	10.4%

- Revenue decline of 7.2% at constant currency
  - At reported rates, YoY change of (5.4)%
- Continue to deliver solid Adj. EBIT margin at 10.4%
  - YoY margin reduction largely driven by the impact of market volume reductions particularly in China and resin cost increases

FTDS Revenue (€m)



Adj. EBIT Margin	9.2%	9.4%

- Revenue growth of +1.6% at constant currency
  - At reported rates, YoY growth of 3.3%
- Adj. EBIT margin increase of +20 bps
  - Strong operational performance and programme mix with increasing complexity in tanks

Adj. Net Income, Adj. Basic EPS and Dividend Per Share

Adj. Basic EPS of 28.9 € cents with final dividend of 5.94 € cents per share (at 2018 absolute level)

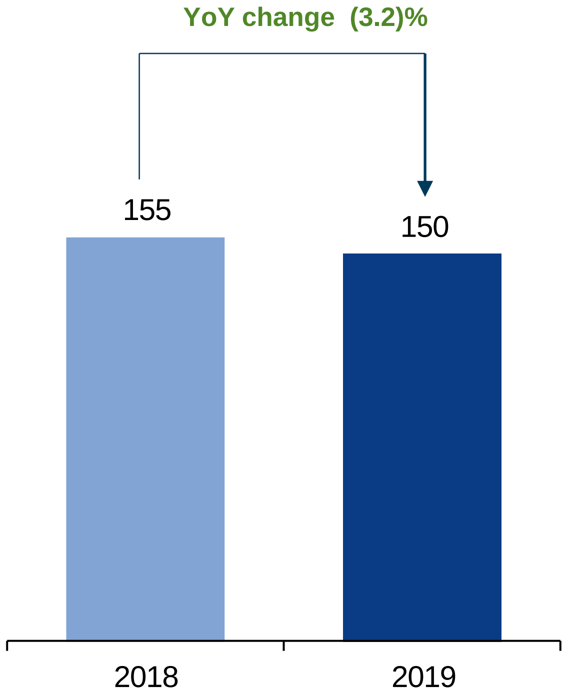
Adj. Net Income Reconciliation (€m)

	2018	2019
Profit for the period	**140**	**145**
Non Controlling Interests	(2)	(3)
Net FX gains	(1)	(1)
Exceptional items	12	-
Other reconciling items	6	9
Adj. Net Income[a]	**155**	**150**

Dividend

- 2019 final dividend of **5.94 euro cents** per share[c]
- Maintained at 2018 level which for the full year, represents a pay-out of 8.96 euro cents per share which is in excess of our 30% of Adjusted Net Income dividend policy
- Payout of **€46.6m** on **520m** shares outstanding

Adj. Net Income (€m)



	2018	2019
Adj. Basic[b] **EPS**	29.9 euro cents	28.9 euro cents

(a) Adjusted Net Income defined as Adjusted EBITDA less net finance expense before exceptional items, income tax expense before exceptional items, depreciation and amortisation (including PP&E and intangible impairments) and non-controlling interests share of profit
(b) Adjusted Basic EPS defined as Adjusted Net Income divided by the weighted average number of shares for the year
(c) Dividend exchange rate of EUR to GBP set at ex-dividend date. Dividend payment date of 29 May 2020

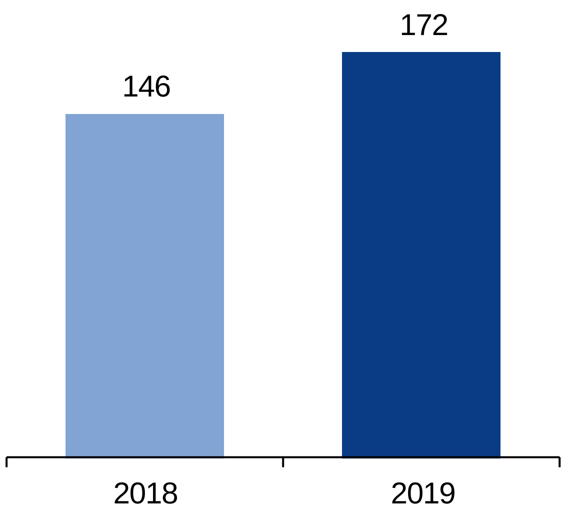
Adj. Free Cash Flow Growth – Solid Business Model

Strong Adj. Free Cash Flow generation

Adj. EBITDA to Adj. Free Cash Flow Reconciliation (€m)

	2018	2019
Adj. EBITDA[c]	**484**	**498**
Cash Interest	(63)	(62)
Cash Tax	(88)	(80)
Working Capital, Provisions and Other	(32)	(19)
PP&E and Intangibles	(152)	(159)
Cash Received on Settlement of Derivatives	(3)	(6)
Adj. Free Cash Flow[b]	**146**	**172**

Adj. Free Cash Flow (€m)[a]



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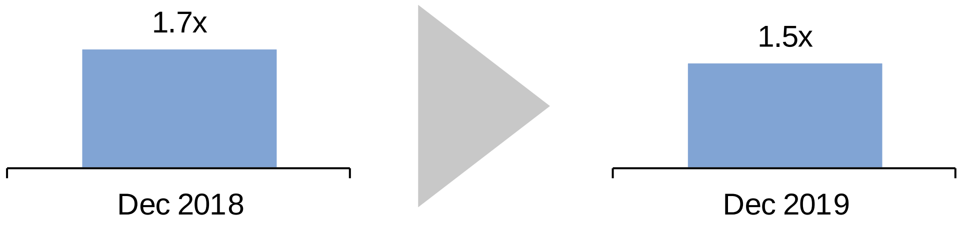
a) Adj. Free Cash Flow defined as cash generated from operating activities, less cash used by Investing activities, adjusted for acquisitions, movements in financial assets at fair value through the profit or loss, cash payments related to IPO costs and cash received on settlement of derivatives
b) Adj. Free Cash Flow includes a + €26.8m impact from IFRS 16
c) Adj. EBITDA includes a + €37.2m impact from IFRS 16

Strong Capital Structure – Continuing to De-lever

Capital Structure Evolution

€m	Interest rate	2018	2019
Financial liabilities			
Secured Term Loan	US LIBOR+ 2.5% Euribor + 2.75%	1,205	1,168
Finance Leases and Other		2	-
Unamortised Fees		(24)	(17)
Total borrowings		**1,183**	**1,151**
Cash and cash equivalents [(a)]		**(361)**	**(413)**
Net Debt		**822**	**738**
Net Debt / Adj. EBITDA LTM [(b)]		**1.7x**	**1.5x**

Leverage (Net Debt / Adj. EBITDA)



Key Comments

- Capital allocation priority remains on deleveraging through free cash flow generation in the medium term
  - Voluntary pay down of $57m (€50m) of USD Secured Term Loan in March 2019
  - Continue to deliver through free cash flow generation

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(a) Cash and cash equivalents includes financial assets at Fair Value Through Profit or Loss (“FVTPL”)
(b) With IFRS 16 lease liabilities, net debt would be €905 million and leverage 1.8 x Adj. EBITDA Last Twelve Months (LTM) as at 31 December 2019

Downturn Actions

Actions Taken During 2019

- Restructuring costs of €9.0 million in 2019 primarily related to operations in Europe and North America
- Continued to adjust labour resources to market volume and customer relocations accordingly
- 3 plants closed across Europe and North America (OEM production facility closure driven)

Additional Levers Available – Focus on Cash

- Control inventory / balance working capital to demand
- Leverage temporary labour and position of low fixed costs
- Manage headcount closely
- Strict discretionary spending control (travel, conferences)

Experienced Management Team and Playbook

2020 Outlook

€m	2018	2019	2020 Outlook
Revenue Outperformance	~ 3% above auto production (at constant currency)	2.1% above auto production (at constant currency)	Outperformance Continues
Adj. EBIT Margin	10.8%	10.0%	High Single Digit
Adj. Free Cash Flow	146	172	Conversion Similar to Prior Years
Net Leverage [(a)]	1.7 x LTM Adj. EBITDA	1.5 x LTM Adj. EBITDA	Continue to De-lever
Dividend Payout Ratio	30% of Adj. Net Income	~31% of Adj. Net Income	Minimum 30% of Adj. Net Income

2020 outlook does not include potential impact of Covid-19 (coronavirus) outbreak which is difficult to predict and could be material

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(a) Net Debt / Adj. EBITDA

Q & A

Appendix

High Level Income Statement

Adjustments to EBITDA and EBIT – non cash and non operational

Income Statement Summary

€m	2018	2019
Revenue	**3,473**	**3,411**
Adj. EBIT	**374**	**340**
Adj. EBIT %	*10.8%*	*10.0%*
PPA	(86)	(72)
D&A	197	230
Adj. EBITDA	**484**	**498**
Adj. EBITDA %	*13.9%*	*14.6%*
D&A	(197)	(230)
Net FX (Losses)/ Gains	1	1
Other Reconciling Items [(a)]	(7)	(10)
Operating Profit	**281**	**259**
Net finance expense	(65)	(58)
Tax	(77)	(57)
Profit for the Period	**140**	**145**

Key Comments

- Adjustments primarily relate to certain non cash and non operational expenses
- **Purchase Price Accounting ("PPA")** - depreciation and amortisation arising on the fair value uplifts related to the Bain Capital and Millennium acquisitions
- **Net FX gains / losses** - primarily FX impact from US to UK inter-company loans in USD

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(a) Other reconciling items include non-exceptional restructuring charges and adjustments for associate income

Adj. Effective Tax Rate

Adj. Effective Tax Rate ~ 32%

Effective Tax Rate Adjustments

€m	2018	2019
Profit before Income Tax	**217**	**202**
UK losses	63	35
Adj. Profit before Income Tax	**280**	**227**
Income tax before exceptional items	**(77)**	**(57)**
Prior year tax provisions / adjustments	(13)	(19)
Adj. Income Tax before exceptional items	**(90)**	**(76)**
Adj. Effective Tax Rate	***32%***	***32%***

Key Comments

- **Adjusted effective tax rate** - approximately 32%
- **Adjustments to reported profit before tax** – primarily relate to expenses in the UK that are either not deductible or not tax effected because of the UK loss position including interest, financing and operating costs
- **Adjustments to income tax** – relate to changes arising in the year affecting items originally provided for in prior periods

IFRS 16 Leases

€m	Pre IFRS 16	Post IFRS 16	Net Impact
Income Statement			
Depreciation	-	(31.5)	(31.5)
Uncapitalised lease costs	(45.7)	(8.5)	37.2
Net FX on IFRS 16 leases	-	(0.2)	(0.2)
Operating profit	(45.7)	(40.2)	5.5
Net finance expense	-	(10.5)	(10.5)
Profit before income tax	**(45.7)**	**(50.7)**	**(5.0)**
Balance Sheet			
Right-of-use-assets	-	161.4	161.4
PP&E	1.4	-	(1.4)
Borrowings	(1.8)	-	1.8
Lease liabilities	-	(166.7)	(166.7)
Balance Sheet Impact	**(0.4)**	**(5.3)**	**(4.9)**
Cash Flow Statement			
Operating Profit	(45.7)	(40.2)	5.5
Depreciation	-	31.5	31.5
Interest paid	-	(10.5)	(10.5)
Lease repayments	(0.3)	(27.1)	(26.8)
Total cash impact	**(46.0)**	**(46.0)**	**-**

€m	Pre IFRS 16	Post IFRS 16	Net Impact
Key Metrics			
Adjusted EBITDA	460.6	497.8	37.2
Adjusted EBIT	334.9	340.4	5.5
Adjusted Net Income	155.3	150.3	(5.0)
Adjusted Free Cash Flow	144.7	172.5	26.8

- IFRS 16 removes the distinction between “finance” and “operating” leases and requires right-of-use assets and liabilities to be created for leases on the balance sheet
- **Key impacts:**
- **Adjusted EBITDA** increased by 110 bps as operating lease payments replaced by depreciation
- **Adjusted Free Cash Flow** increased by €26.8m in 2019 as lease principal payments are outside of the definition (no impact on net cash).
- **Lease liabilities** of €167m excluded from net debt and leverage calculation[a]

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a) Net Debt amounted to €738m and Net Leverage 1.5 x Adj. EBITDA LTM as at 31 December 2019. If €162m of IFRS 16 lease liabilities were to be included, Net Debt would amount to €905 million and Net Leverage would be 1.8x Adj. EBITDA LTM