

Capital Markets Event

TI Fluid Systems plc

24 September 2019



Today's Objectives

Product Overview	Providing detail around our products, competitive strengths and markets to enhance understanding of why we consistently generate strong profitability and cash flow
Outperform global light vehicle production	Background on TI Fluid Systems' confidence in our ability to continue to deliver revenue outperformance versus global light vehicle production
Electrification	Review of our Electrification Strategy , recent successes and our confidence that in the medium to long term, this will provide a higher level of revenue outperformance
Financial Performance	Continue emphasis on the resiliency of our business with strong margins and leading cash flow generation

Agenda

Timing	Event	Presenter	
2:00 PM	Welcome and Introduction	Bill Kozyra	Chief Executive Officer
2:05 PM – 2:20 PM	Group Overview	Bill Kozyra	
	Segment Overview		
2:20 PM – 2:35 PM	- Fluid Carrying Systems (“FCS”)	Stefan Rau	Executive VP, FCS
2:35 PM – 2:50 PM	- Fuel Tank & Delivery Systems (“FTDS”)	Hans Dieltjens	Executive VP, FTDS
2:50 PM – 3:05 PM	Financial Performance	Tim Knutson	Chief Financial Officer
3:05 PM	Summary	Bill Kozyra	
3:05 PM – 3:15 PM	Q&A		
3:15 PM – 4:00 PM	Product Tour		

Introductions – Today’s Presenters



Bill Kozyra
CEO and President

Bill was appointed as CEO and President of TI Fluid Systems in June 2008. Prior to joining the Group, Bill held a number of senior executive positions, including that of President and CEO of Continental AG North America and senior roles at ITT Automotive and Bosch Braking Systems.

Bill has 42 years of automotive experience.



Tim Knutson
Chief Financial Officer

Tim joined the Group in November 2008 and has served as Chief Financial Officer. Prior to joining TI Fluid Systems, Tim was CFO of Meridien Automotive Systems. Prior to this position, Tim held a number of senior finance positions at Delphi Corporation.

Tim has 30 years of automotive experience.



Stefan Rau
Executive VP, FCS

Stefan was appointed as Executive VP of FCS in January 2019. Stefan joined TI Fluid Systems in 2002. He progressed his career with various roles in operations and engineering. Prior to his appointment as Executive VP, Stefan was the Managing Director of FCS Europe.

Stefan has over 20 years of automotive experience.



Hans Dieltjens
Executive VP, FTDS

Hans has been the Executive VP of Fuel Tank & Delivery Systems since 2014. Previously, Hans held various senior level operational, technical and sales positions within the Group and at Hoogovens Aluminium Duffel.

Hans has 22 years of automotive experience.

Group Overview: Bill Kozyra

1. About TI Fluid Systems

2. Automotive Market Overview

3. Customers

4. Revenue Outperformance Drivers

a) Automotive Megatrends

b) Technology

c) Global Platforms

d) China

5. Electrification



1. About TI Fluid Systems

TI Fluid Systems plc has approximately **100 years** of automotive **fluid systems** expertise

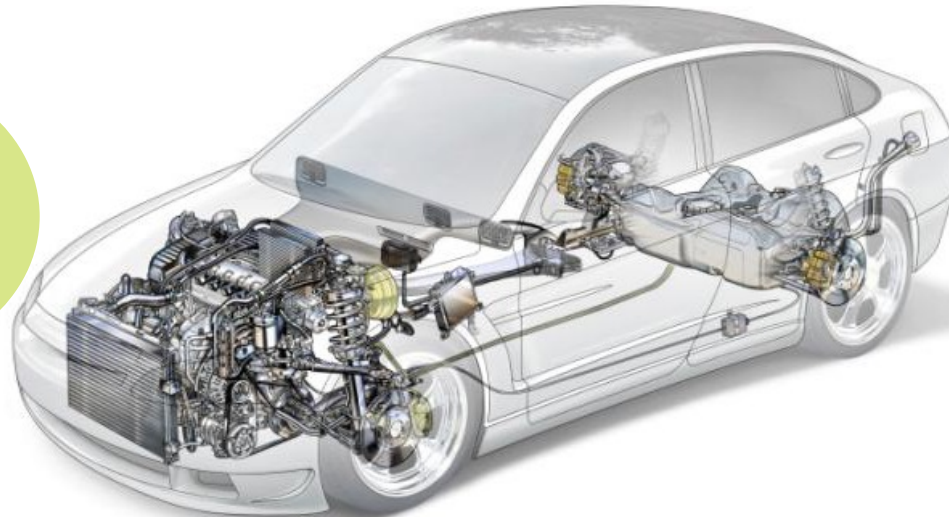
We have award-winning technologies and products aligned with automotive megatrends, including new product offerings designed for **hybrid electric vehicle (“HEV”)** and **electric vehicle (“EV”)** applications

We are a **leading global supplier** of automotive **fluid storage, carrying and delivery** systems for the light vehicle automotive market, with **strong market shares** across all key products

We believe our **market diversity** is unparalleled and leading **competitive flexible cost structure** demonstrates the resilience of our business

2018
Revenue
€3.5 B

2018
Adj. EBIT
margin
10.8%



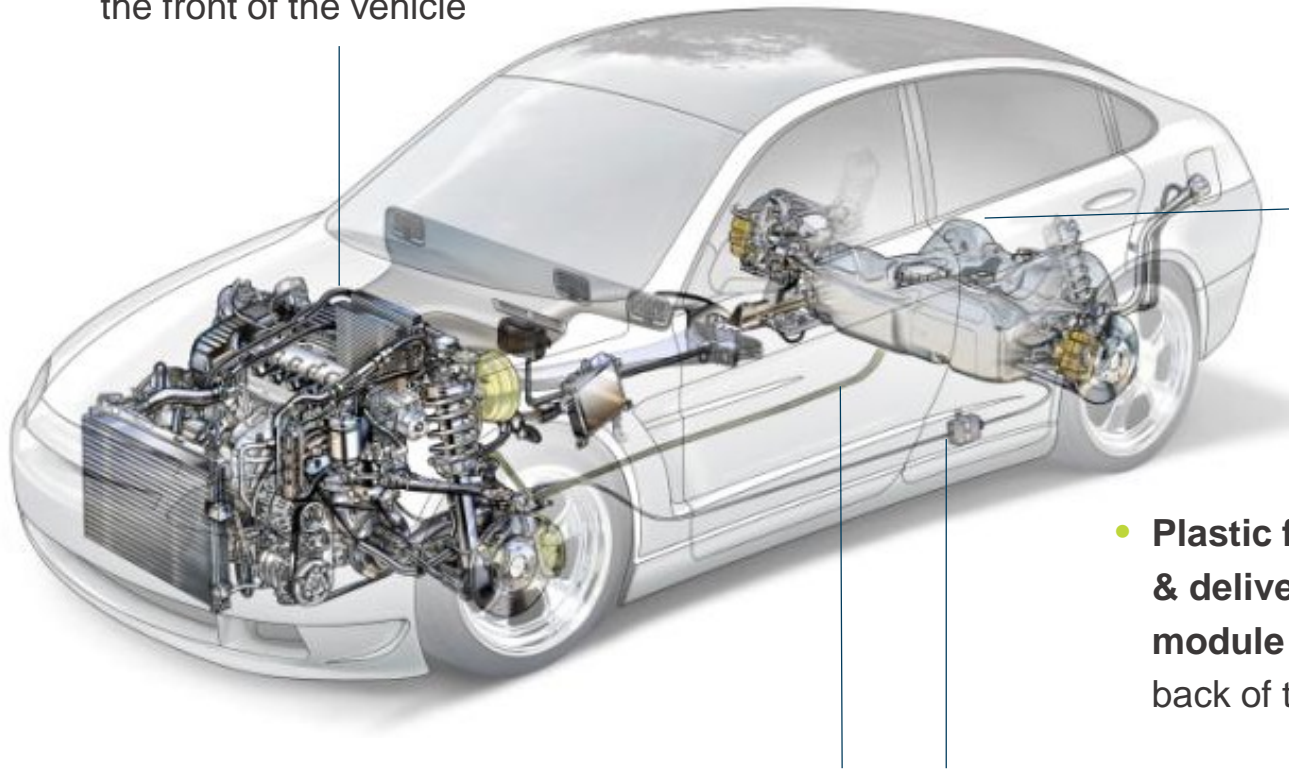
2018
Adj. FCF
€146 M

Current
Market
Cap.
~ €1 B

1. Performance-Critical Products

Performance-critical products that cannot be easily replaced

- **Engine lines and thermal products** in the front of the vehicle



- **Plastic fuel tank & delivery module** at the back of the vehicle

- **Brake and fuel lines** under the vehicle

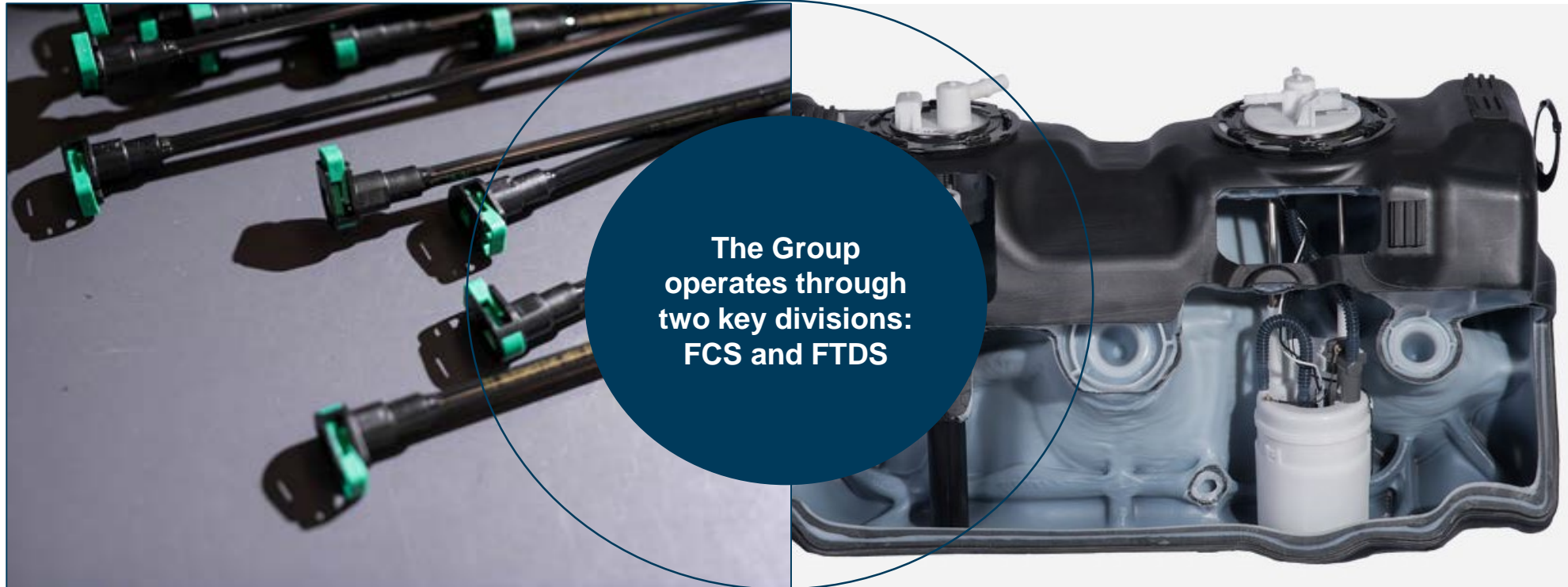
- **Design and engineered** specifically for each OEM using proven technology
- **High quality** products designed to last the life of the vehicle
- **Strong value add but relatively low cost** products compared to the price of a vehicle
- **Component size varies depending on the size of the vehicle** i.e. larger vehicles such as an SUV typically require longer lines and a larger fuel tank system
- Although, products are not visible in a vehicle, they are **performance-critical** and cannot be easily replaced

1. Global market and technology leader in automotive fluid systems

Focused on highly engineered fluid storage, carrying and delivery systems for light vehicles

Fluid Carrying Systems (“FCS”)
58% of 2018 Revenue

Fuel Tank and Delivery Systems (“FTDS”)
42% of 2018 Revenue



Designs, engineers and manufactures brake and fuel lines, engine lines as well as thermal fluid products for vehicles, primarily with a **EV strategic focus**

Designs, engineers and produces fuel tank systems and pump and module fuel delivery systems for vehicles, primarily with a **HEV strategic focus**

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2. Automotive Market Drivers

Global factors driving Long Term Growth



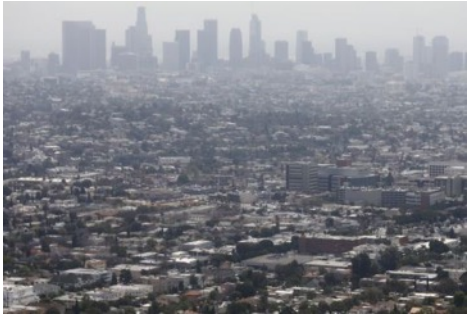
Long Term



Growth in Emerging Economies



Globalisation



Tighter Environmental Regulations



Electrification

Macro Economic Factors driving Short Term Headwinds

Short Term



China Economic Slowdown



Fear of Global Slowdown



Trade Tariff Uncertainty

✓ Business positioned well for both the short term and long term environment

2. Automotive Market Overview – Short Term

Short term global light vehicle production impacted by China and trade conflict

H1 2018 and
H2 2019

Overall global light vehicle production market remains challenging as evidenced in H2 2018 and H1 2019. **Macroeconomic headwinds** have impacted the market with short term regulatory changes, China slow down and trade conflict

2020 Global

Factors impacting 2019 global light vehicle production to potentially continue into 2020, although importantly, China direction not known

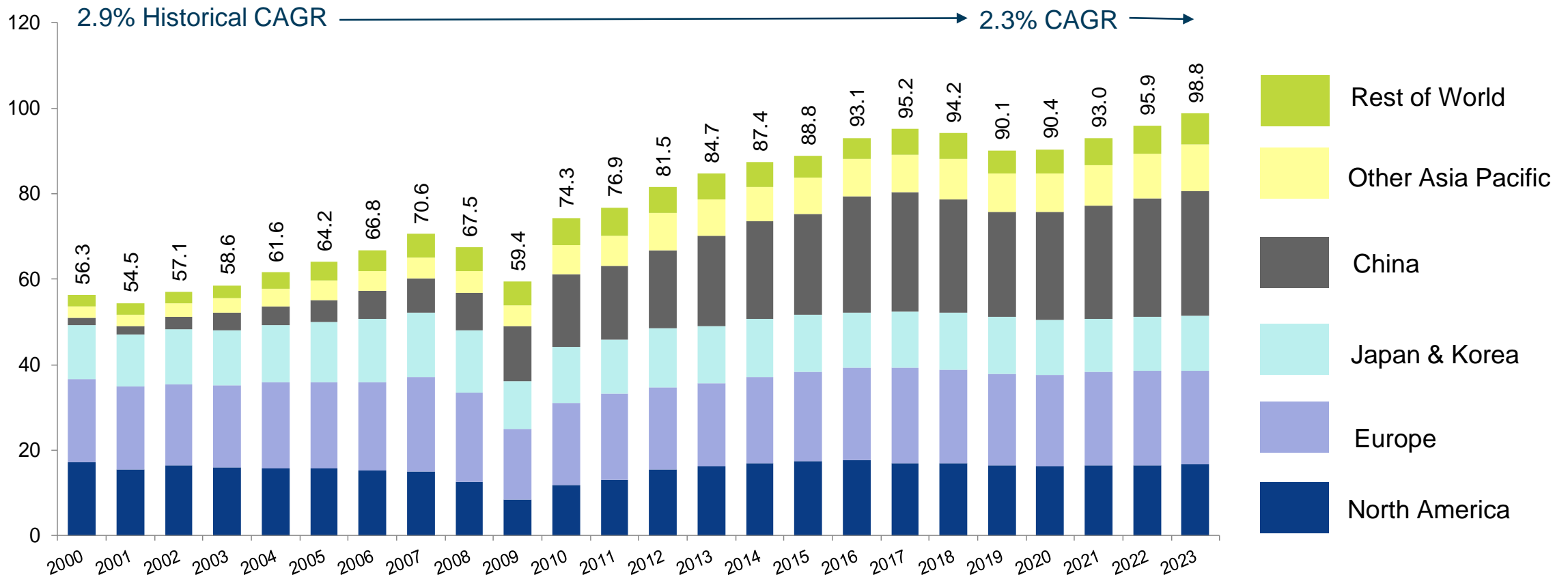
2020 Regions

1. **Europe** - potential market weakness from **exports (dependent on China)** as well as continuation of economic uncertainties
2. **China** - macroeconomic environment unsettled with potential escalation of **US-China trade conflict**. Although, new government incentives could provide favourable impact
3. **North America** - **continues to be generally flat** with demand weighted towards larger vehicles and pick up trucks

2. Automotive Market Overview – Long Term

Long-term automotive production expected to grow 2%+ and TI Fluid Systems expecting to outperform creating strong revenue growth business model

Global light vehicle production 2000-2023 millions of units



Group Overview: Bill Kozyra

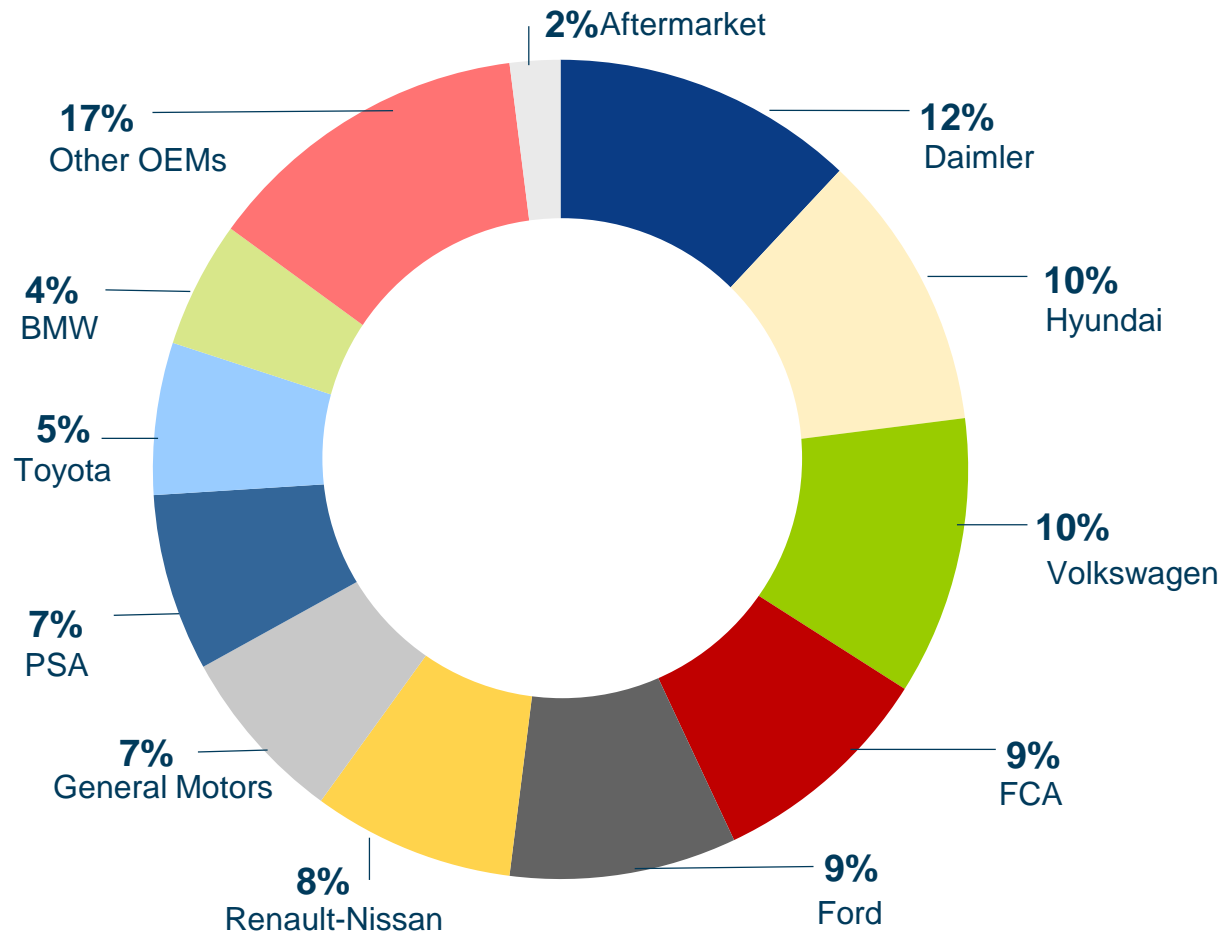
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3. Highly diversified customer base

Highly diversified customer base with no single customer making up > 12% of revenue

2018 Revenue by Customer



- **Highly diversified** customer base with no single customer making up > 12% of revenue facilitates revenue consistency
- OEM trend towards sourcing **global platforms**
- Multi-decade **trusted relationships**
- **Close engineering collaboration** early-on enables efficient design process and competitive advantages
- **Well established partner** to the OEMs for our products

3. Strong customer relationships globally

Supplying to almost every brand of vehicle produced around the globe



- Commercial and engineering **relationships** developed over many years
- Manufacturing facilities **located close to customers** provide a logistics advantage with strong barrier to entry and **cost competitiveness**
- Products typically sole-sourced for life of programme creating “**sticky business model**”
- Strict financial discipline in quoting customer programmes **supports margins and free cash flow**
- **Trusted “strategic supplier”** and partner to customers
- Creating **design and engineering** collaboration opportunities for new technologies (EV and HEVs)

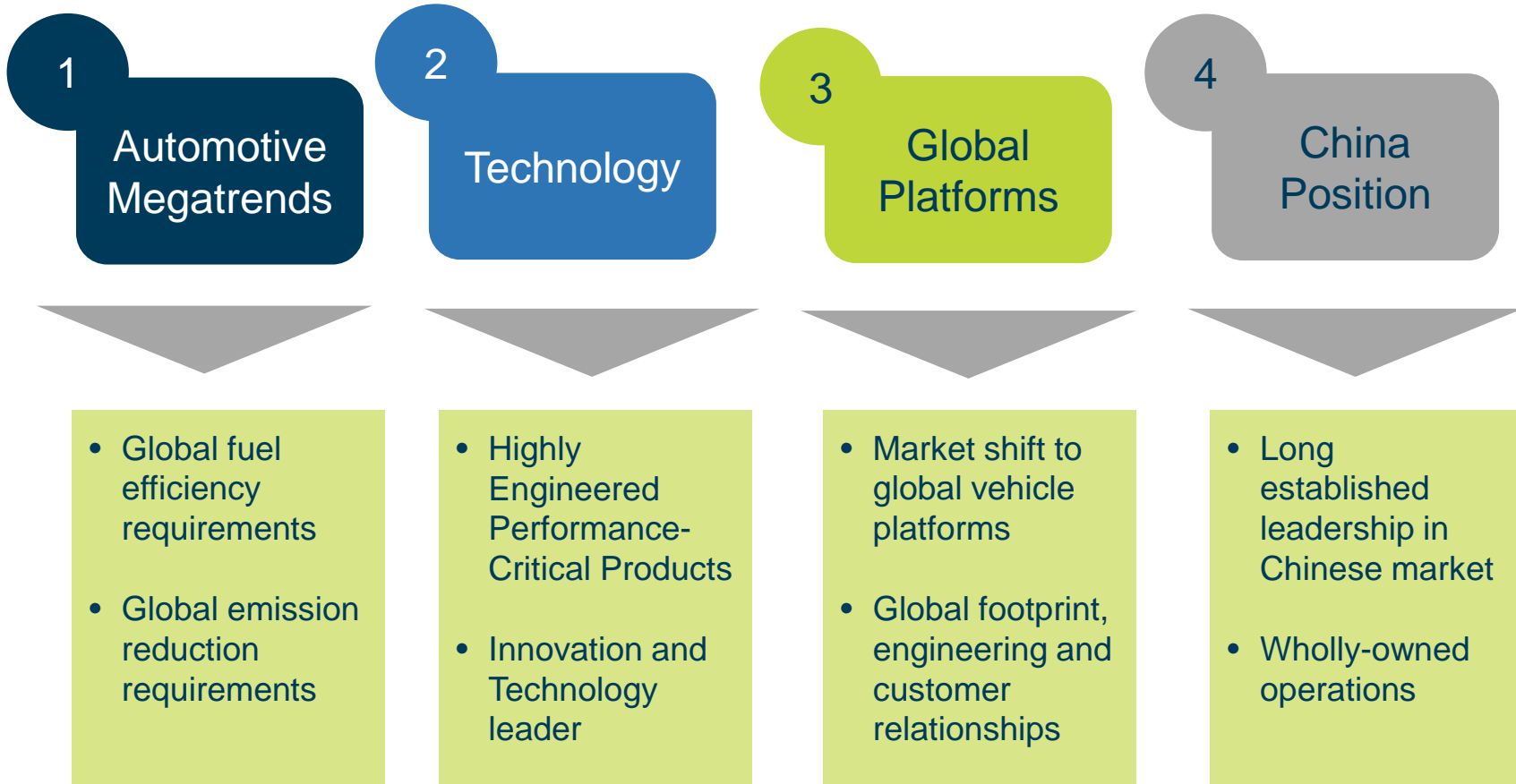
Group Overview: Bill Kozyra

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4. Revenue Outperformance Drivers

Consistent revenue outperformance versus global light vehicle production with megatrends, technology, global platforms and position in China



Medium to Long Term

- Positioning to be agnostic in ICE, HEV and EV
- Electrification providing addressable market growth opportunity



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4.a Automotive megatrends drive our business

Global emission reduction and fuel efficiency requirements continue to increase providing attractive growth opportunity



✓ Emission reduction

- Greenhouse gas emission standards continue to tighten globally

✓ Fuel efficiency

- Fuel efficiency standards are increasing across most countries

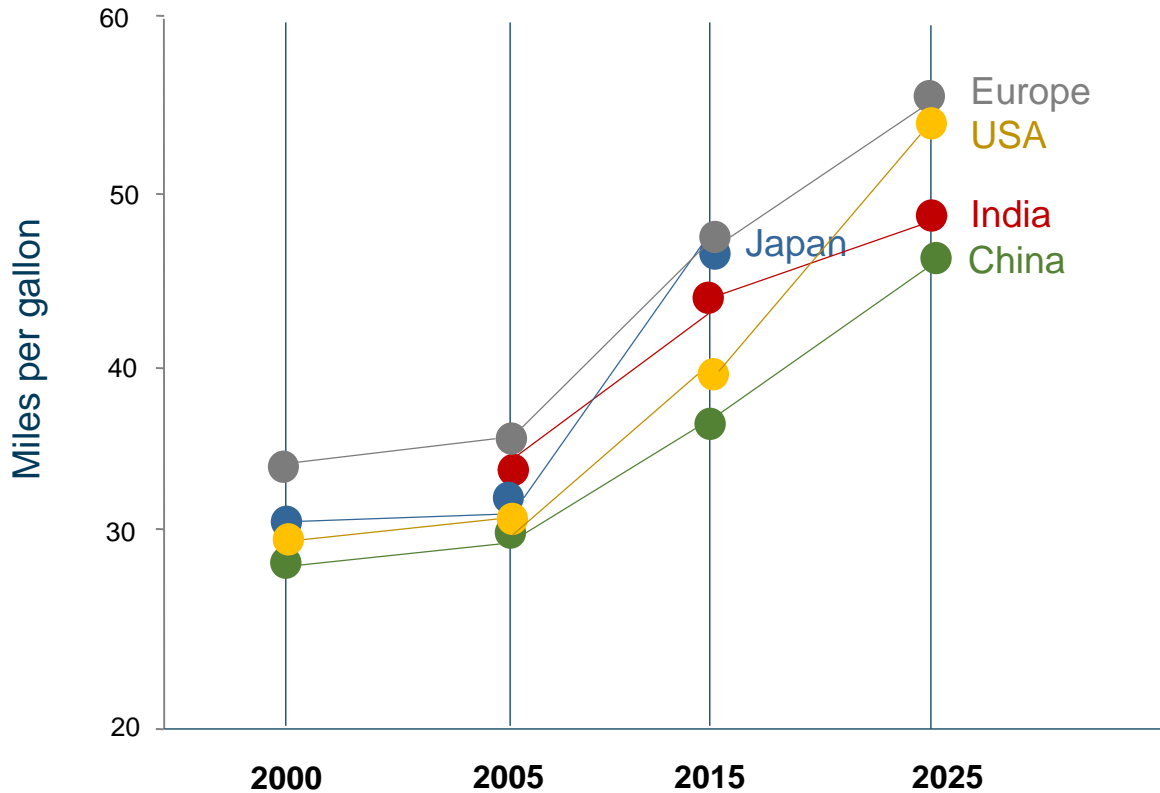


✓ Electrification

- Increased penetration of HEV and EV systems

4.a Automotive megatrends - fuel efficiency

Fuel efficiency standards continue to increase



✓ United States

- OEMs Corporate Average Fuel Economy (“CAFE”) standard increasing from 38 mpg today to 56 mpg by 2025

✓ Europe

- OEMs expected to reach a higher CAFE standard of 57 mpg by 2021

✓ China

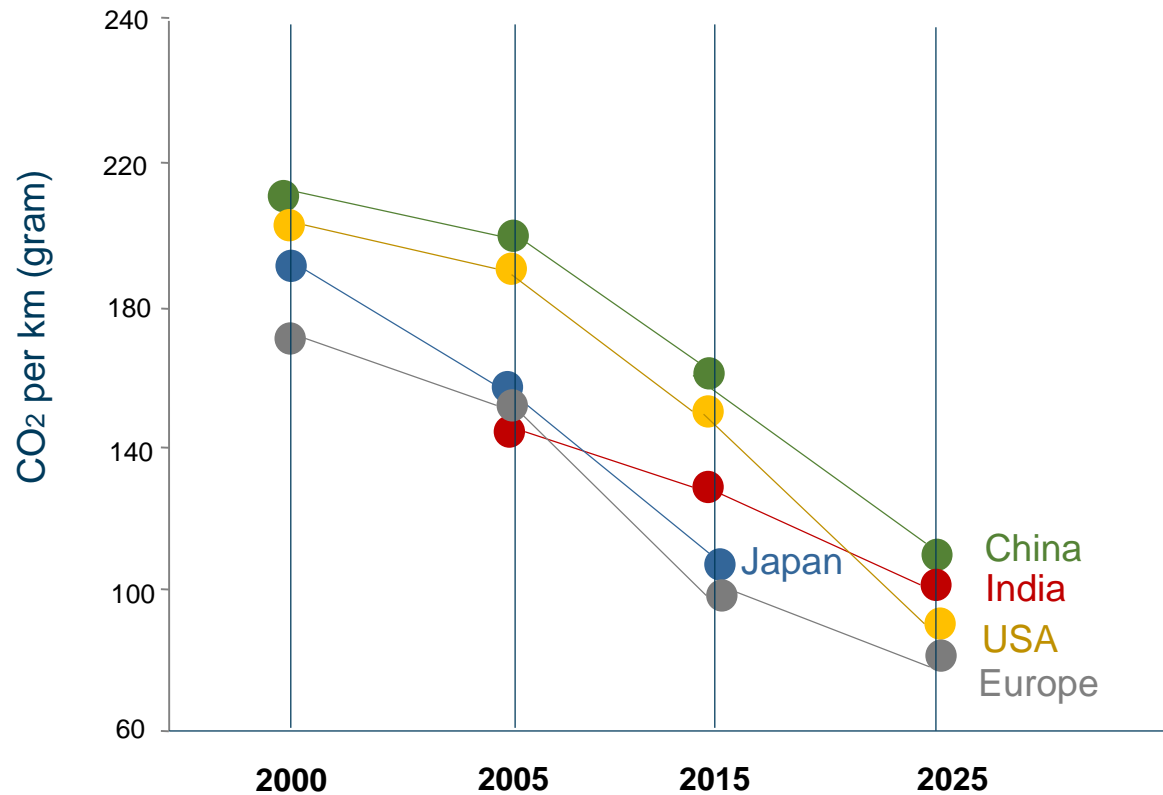
- OEMs expected to achieve 48 mpg by 2020



✓ **Higher content per vehicle for TI Fluid Systems**

4.a Automotive megatrends - emission reduction

Greenhouse gas emission standards (CO₂) continue to tighten



✓ Global emissions reduction requirements

- Greenhouse gas (CO₂) reduction levels vary by region with Europe and South Korea having the toughest standards
- Most regions establish European standards with a time lag



✓ Higher content per vehicle for TI Fluid Systems

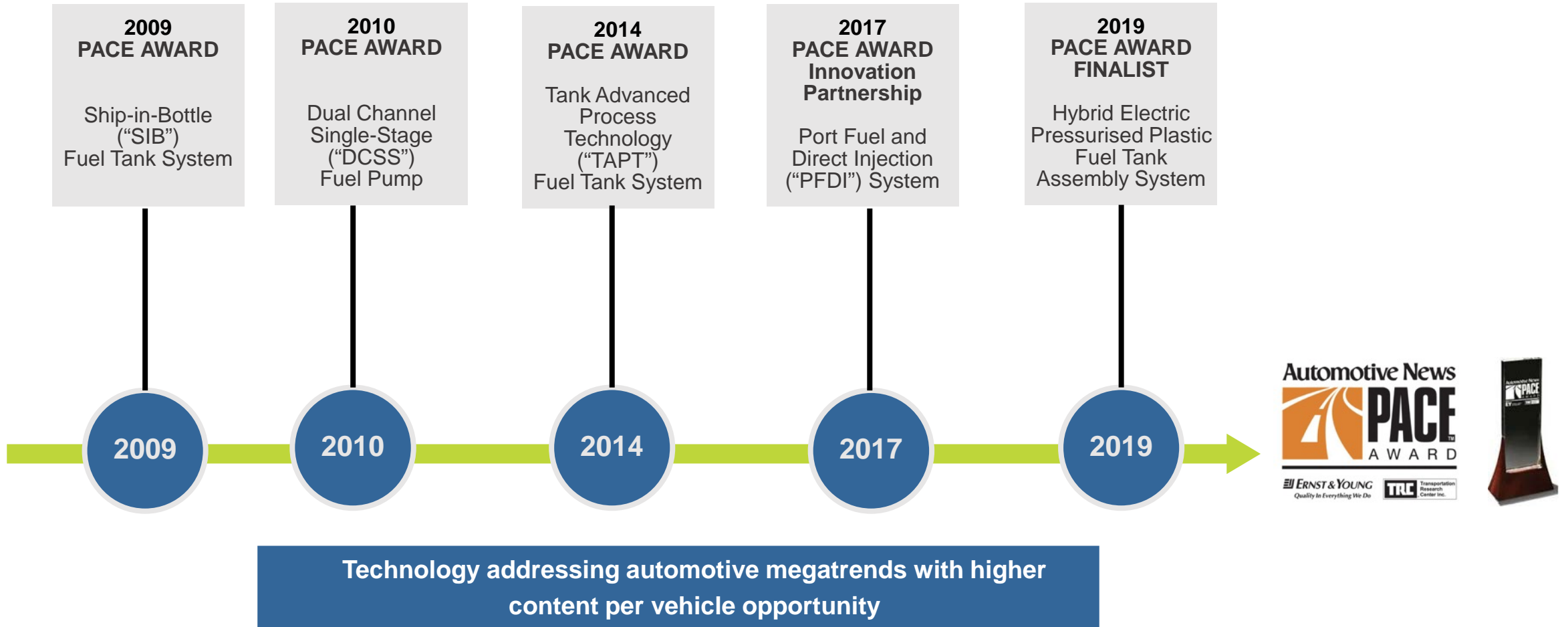
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4.b Technology Leadership

We are viewed as a technology leader in the industry with our award-winning innovations



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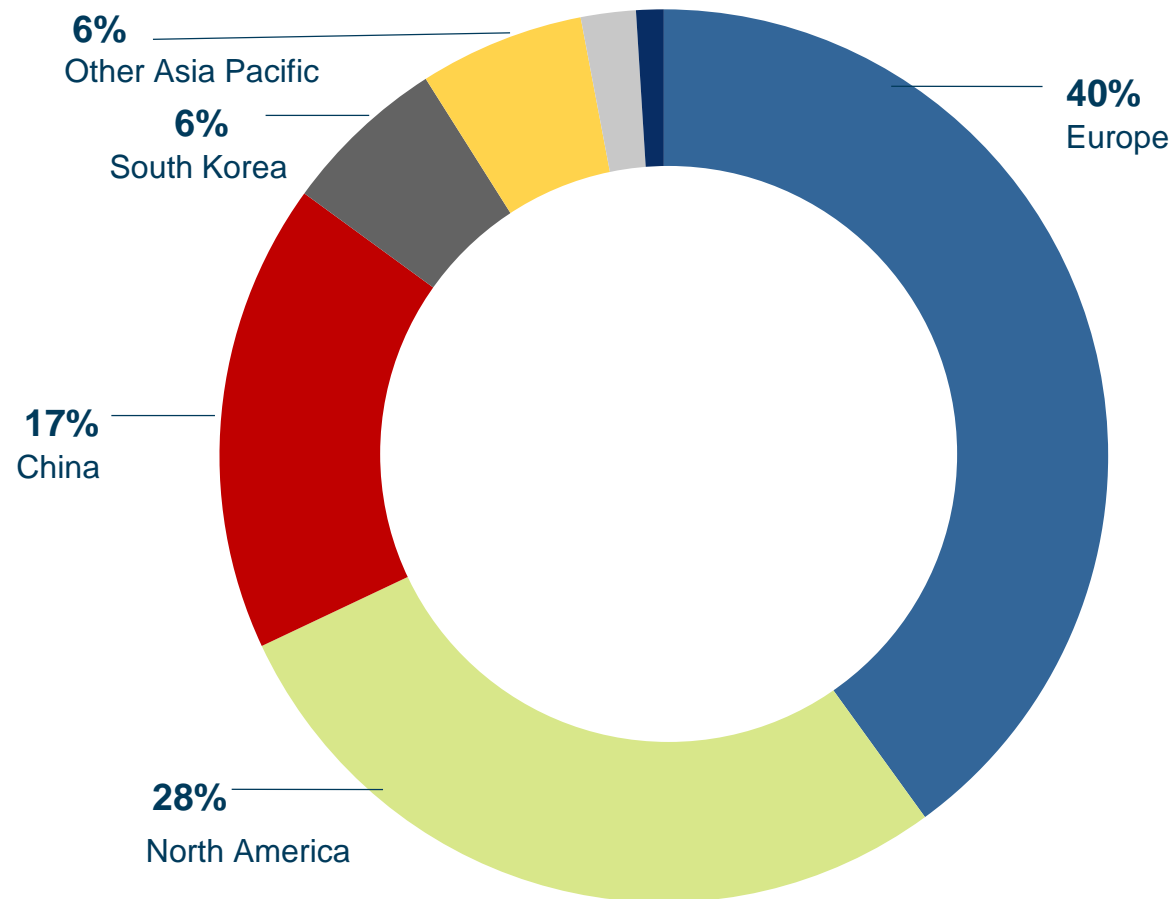
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4.c Geographical revenue diversity

Highly diversified revenue with no dependence on one geography

Revenue by Geography



- **Highly diversified revenue** with no dependence on one geography
- ~ 28,000 employees in **28 countries** across 5 continents
 - **Decentralised model** – primarily use local nationals with profit/ cash flow responsibility and strong regional/ global customer relationships
- **111 locations** across the globe
- **12 global technology centres**
- **100% wholly-owned China** operations

4.c Global low cost manufacturing footprint

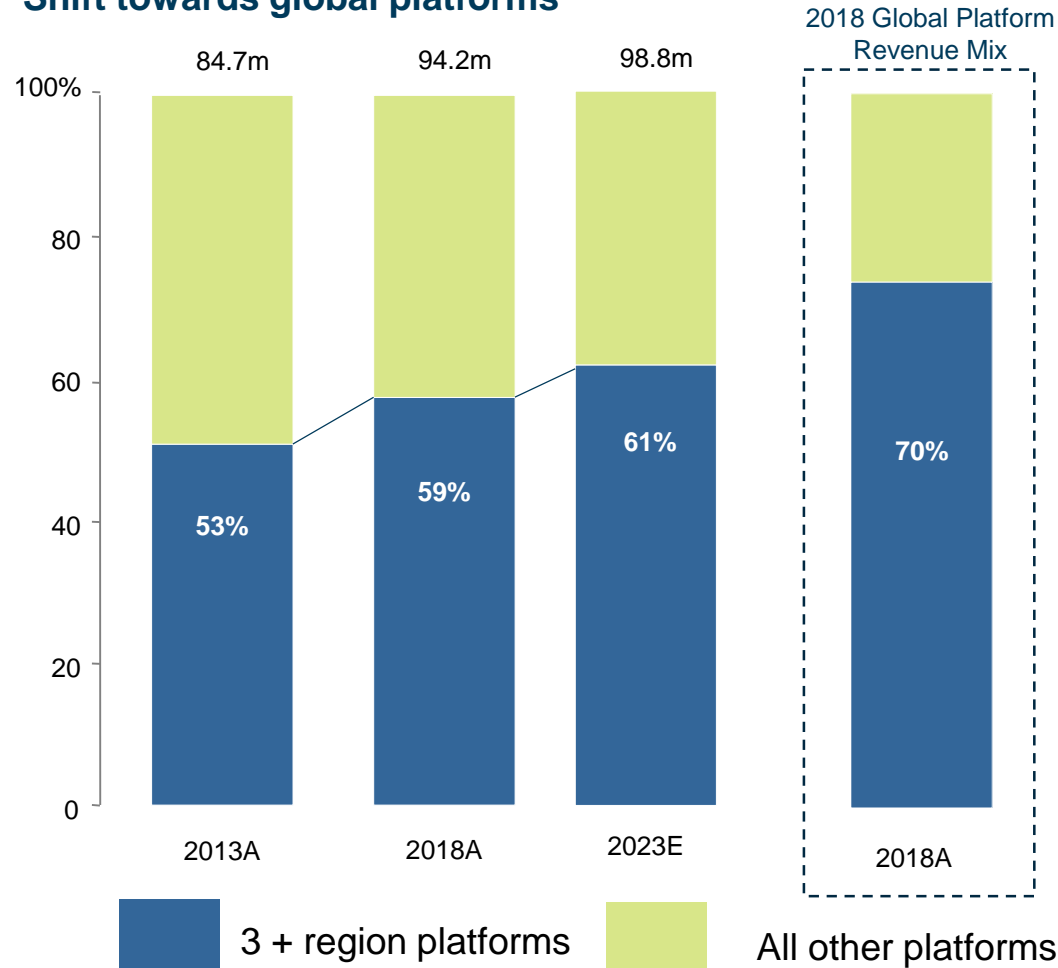
Optimised footprint with locations near customers for logistics advantage, due to large size of products



4.c Global vehicle platforms

Significant growth realised through winning global platforms. Further expansion opportunity

Shift towards global platforms



- Local footprint in all regions
- Technology and know-how
- Deep engineering customer relationships
- Proven ability to deliver globally



Few suppliers are capable of meeting customer requirements in all major regions

Group Overview: Bill Kozyra

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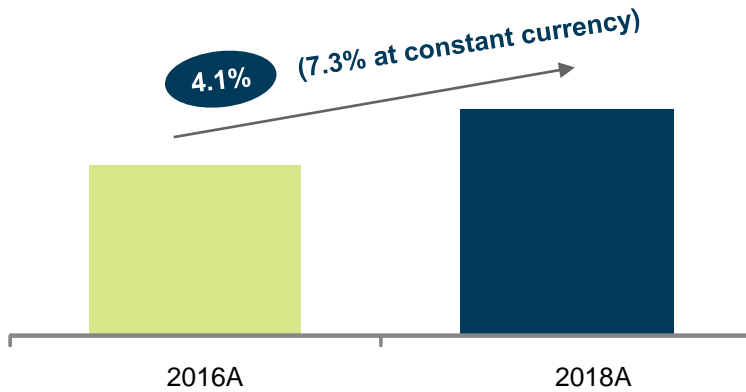


4.d Long established leadership in China

Our position in China provides long term growth opportunity in world's largest market

- Increasing **emission regulations** in China facilitating growth for TI Fluid Systems' technology

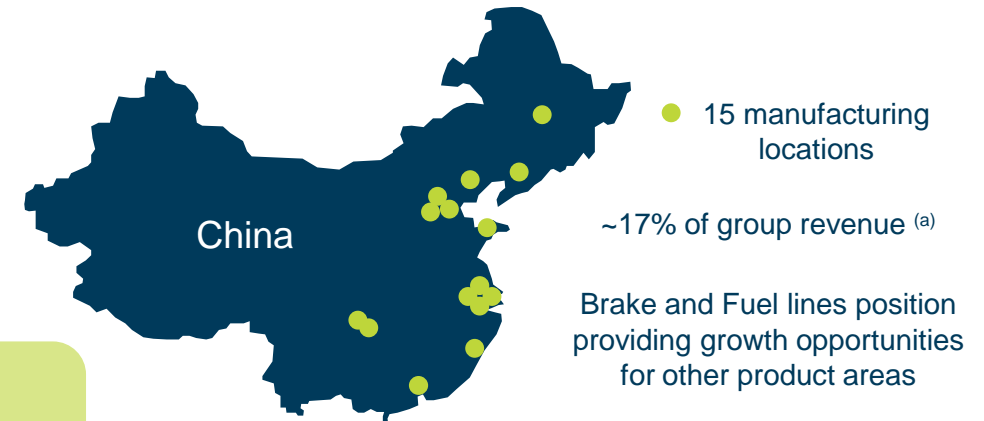
Revenue Growth 2016-2018 CAGR



- Supplying global and local OEMs



- Viewed as a **"local supplier"** within China but with global capabilities
- Local management team** with strong customer relationships



- World-class products, technology and manufacturing

Group Overview: Bill Kozyra

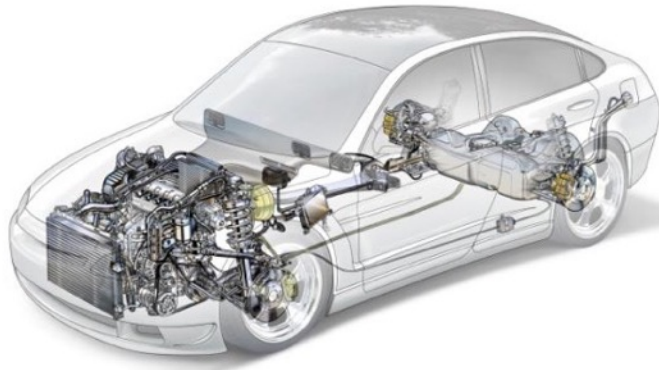
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5.TI Fluid System significant revenue opportunity with electrification transition

Electrification offers content growth opportunity



Internal Combustion Engine Vehicle (ICE)

Content Per Vehicle
€200

Brake and fuel lines	Integrated fuel tank system	Engine lines and other products	Climate Control Thermal Lines
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Optimised ICE and Full Plug-In Hybrid Electric Vehicle (HEV)

€250 - €700

Brake and fuel lines	Pressurised Fuel Tank System	Engine lines and other products	Climate Control Thermal Lines
Battery Thermal Lines	Power Electronics Thermal Lines		

Electric Vehicle (EV)

€200 + +

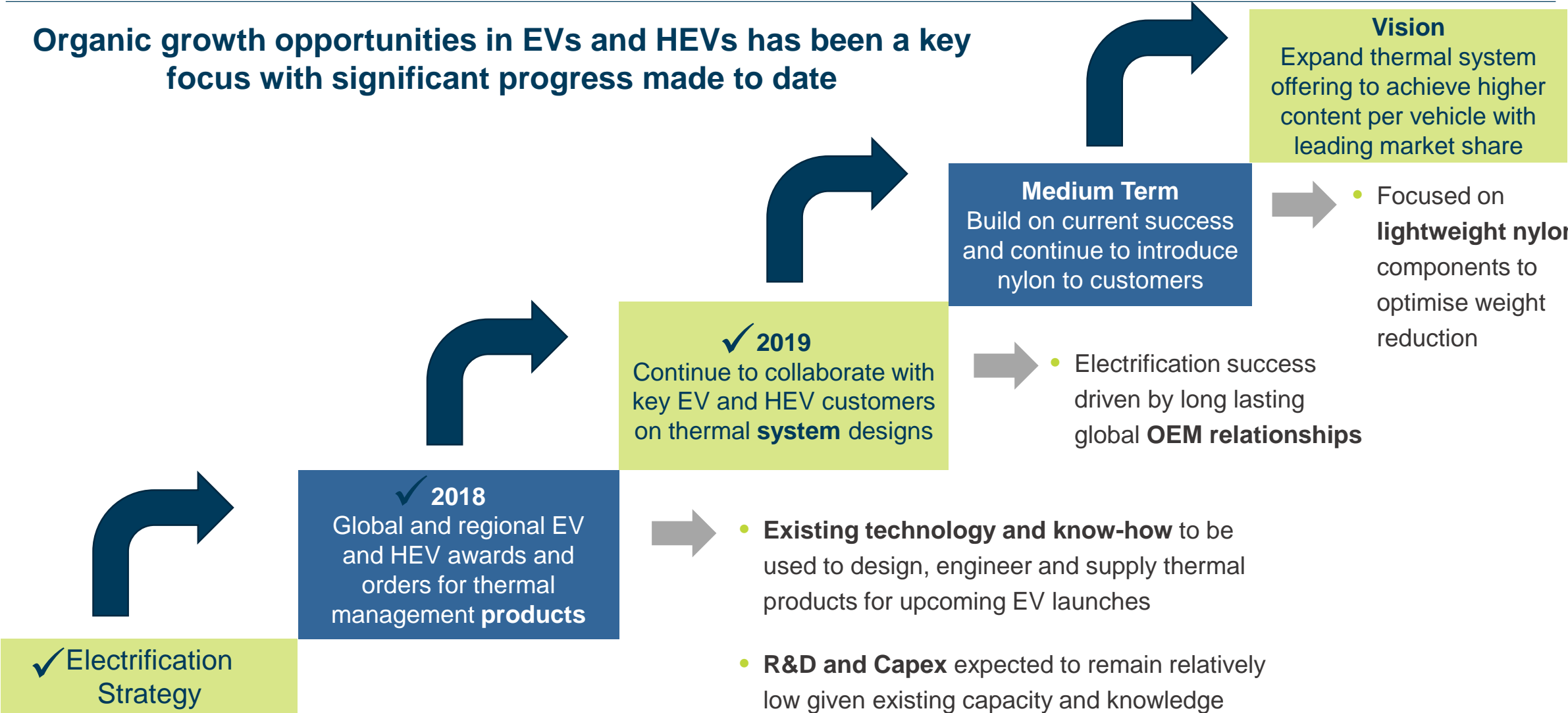
TI content today
€50 to €150

Brake lines	Climate Control Thermal Lines	Battery Thermal Lines	Power Electronics Thermal Lines
Other Thermal System Products	Autonomous Navigation Thermal Lines		

- Existing products
- Newer products
- Products launching/ due to launch
- Under development

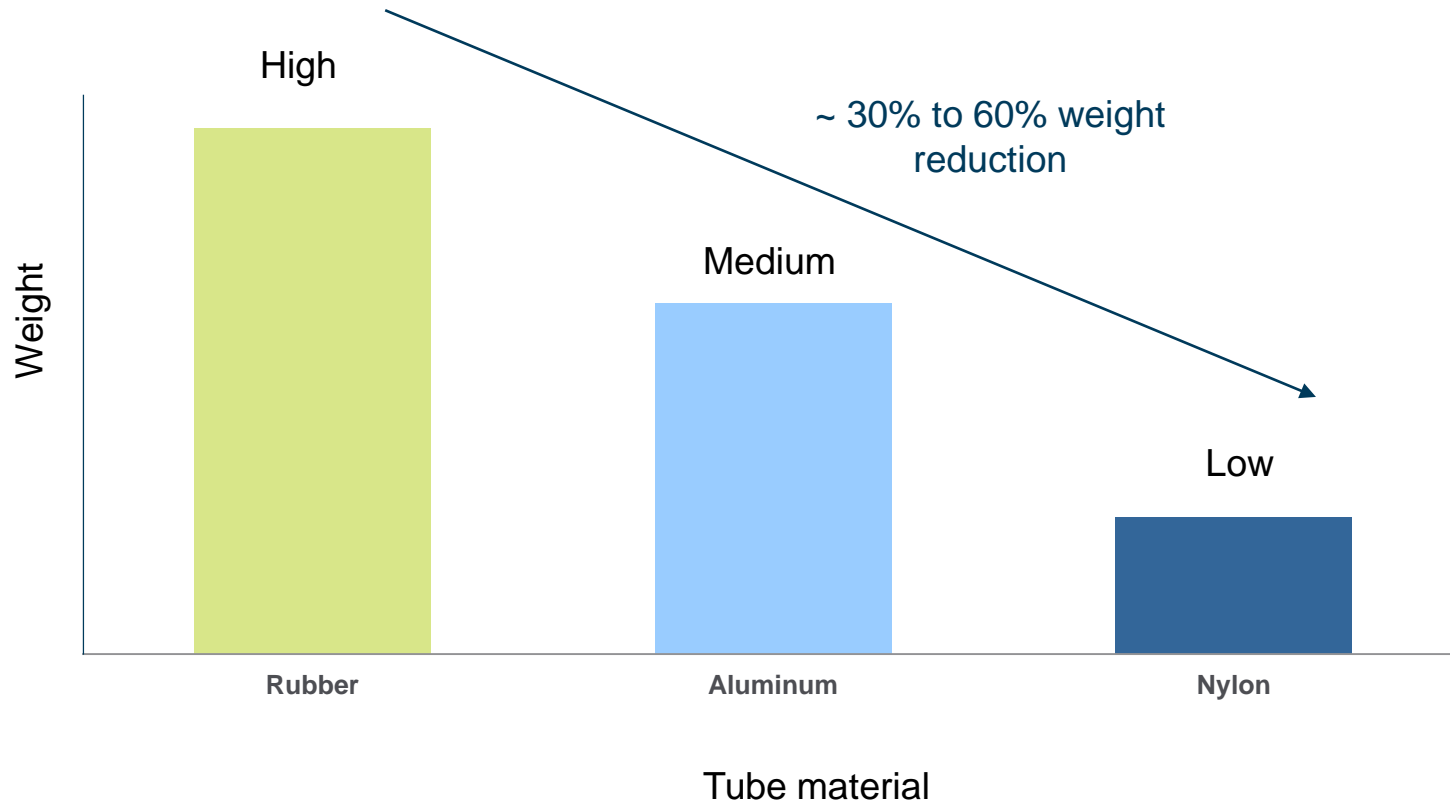
5. Electrification – Thermal Strategy Update

Organic growth opportunities in EVs and HEVs has been a key focus with significant progress made to date



5. Electrification – nylon for thermal products and systems

Nylon provides significant weight reduction and vertical integration opportunities



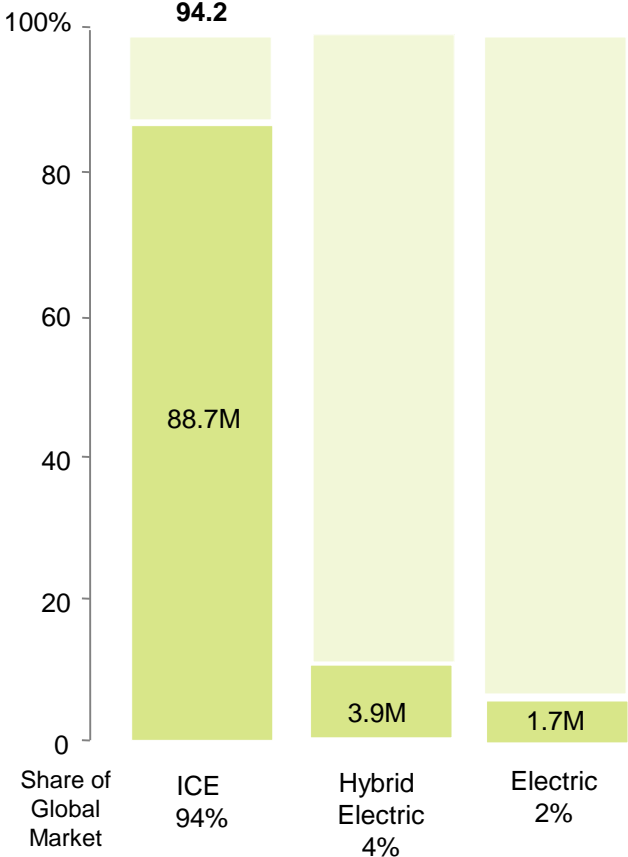
Nylon Development

- Existing material know-how and utilising existing industrialised capacity
- Development of light weight engineered nylon lines that **can operate at high temperatures** in order to eliminate aluminium and rubber
- Provides significant weight reduction **Estimated at 30% - 60%**
- **Vertical integration** opportunities over aluminium
- Tests indicate that the **weight saving** from nylon can equate to ~ 2.5 kg in a small vehicle and ~ 8.0 kg in a large vehicle

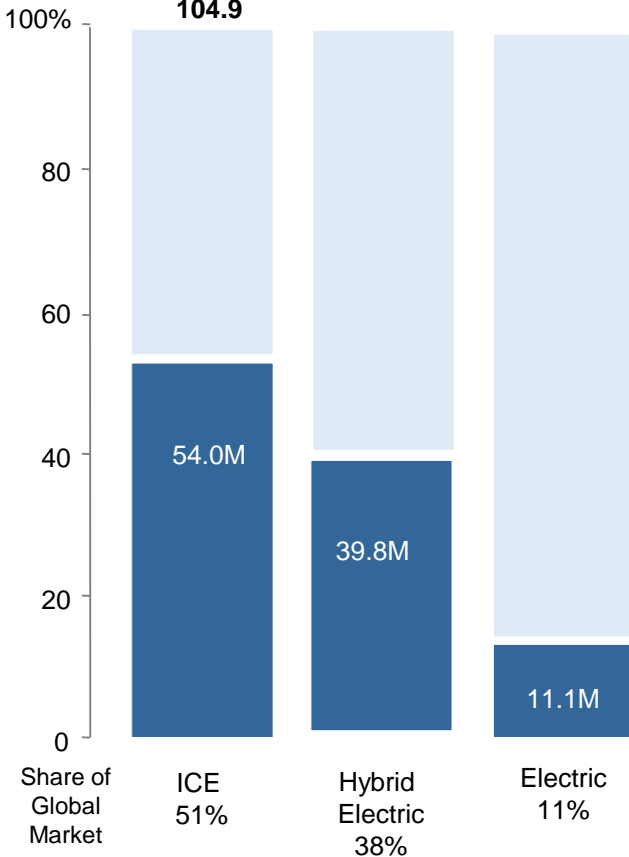
5. Electrification – increased penetration of HEV and EV

2018 to 2026 CAGR in HEV and EVs provides content growth opportunity

Global light vehicle production 2018
millions of units



Global light vehicle production 2026
millions of units

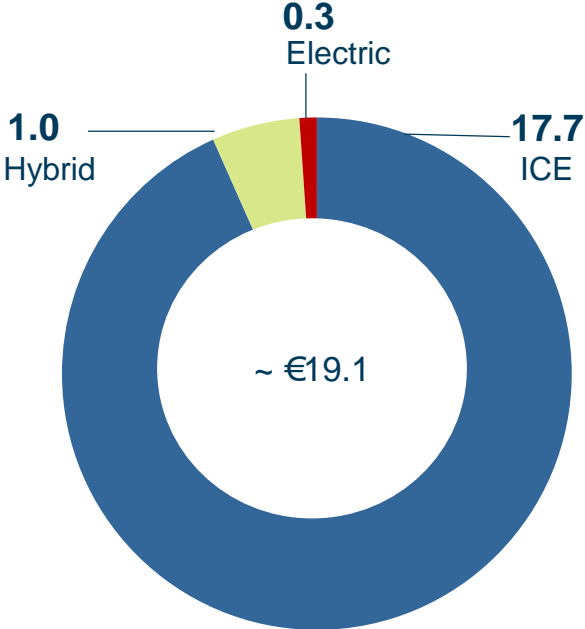


- Global light vehicle production expected to increase from 2018 to 2026 – CAGR 1.3%
- Hybrid electric vehicle CAGR 34%
- Electric vehicle CAGR 27%

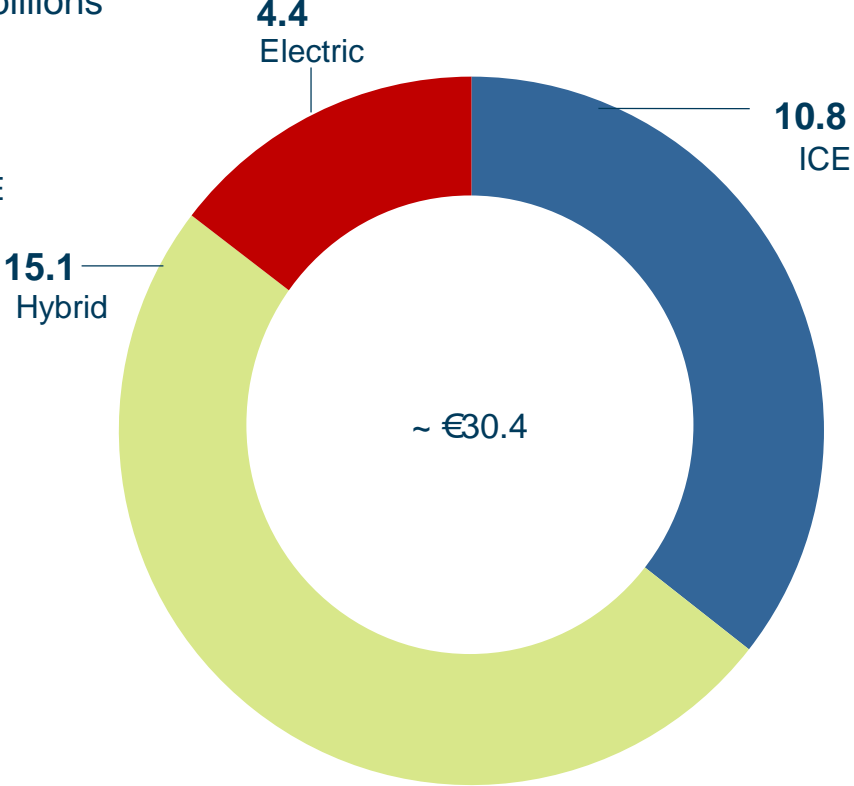
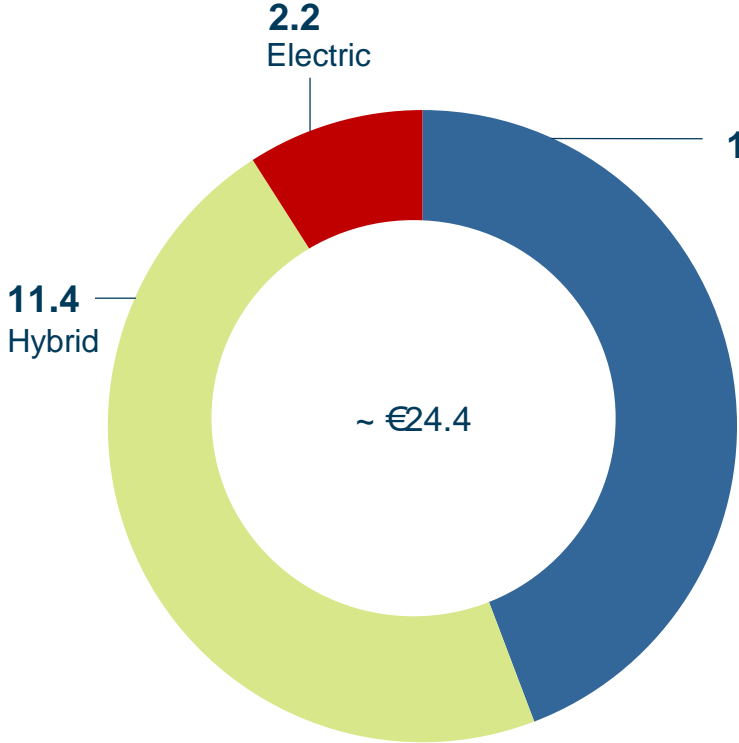
5. Addressable Market Growth 2018 - 2026

Potential addressable market growth from the penetration of HEV and EV

Addressable market scenario 2018
€ billions



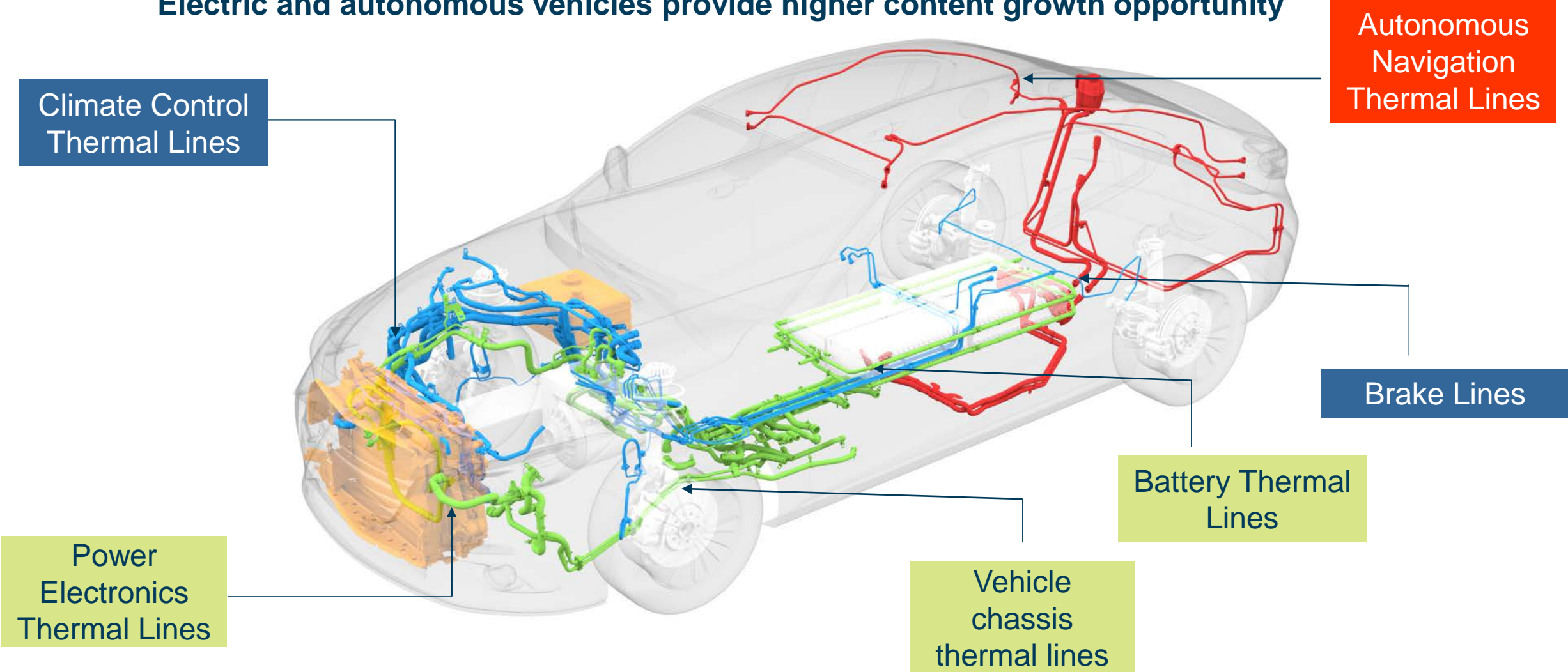
Addressable market range scenario 2026
€ billions



Potential scenarios expected for our ICE, HEV and EV strategy depending on additional content level with **CAGR of 3% to 6%**

5. Electric and Autonomous Vehicle

Electric and autonomous vehicles provide higher content growth opportunity



5. Electrification Summary

TI Fluid Systems well positioned to capture additional content opportunity

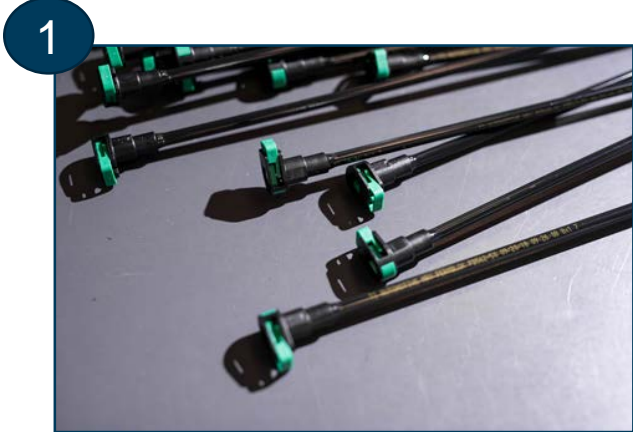
Global Footprint	Ability to produce from existing and efficient manufacturing locations close to our customers
Customer Relationships	Long standing customer relationships and viewed as a trusted and strategic partner to the OEMs
Technology	Expertise to design and engineer performance-critical components to meet customer specifications using existing know-how
Nylon Capability	Introduction of nylon as a light-weight solution to thermal requirements that can operate at high temperatures. Providing significant weight-saving advantage
Current Status	Focused on launch of high volume thermal contracts awarded in 2018. Launch beginning in 2020 Continue to collaborate with key customers on design and engineering for EVs

Stefan Rau

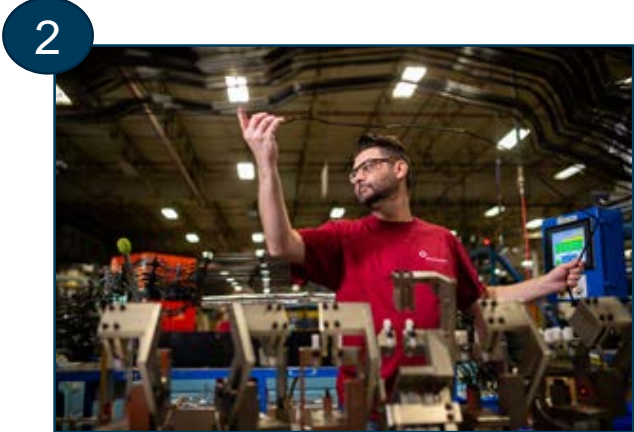
Fluid Carrying Systems



FCS Segment Highlights



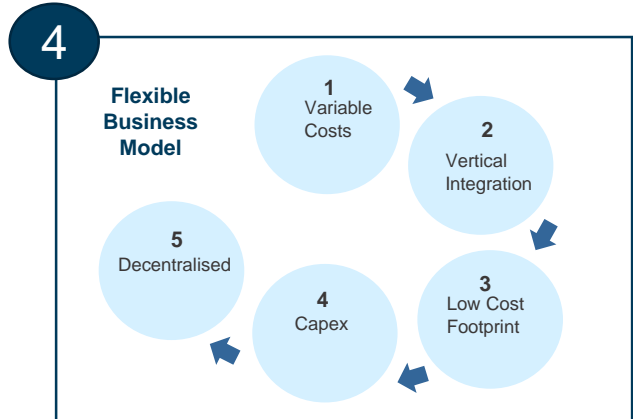
#1 Market Share in Brake & Fuel Lines



Vertical Integration



Chinese market leader



Flexible Cost Structure



Electrification



Global Presence

1. FCS- Design and Engineered Product Portfolio

FCS designs, engineers, manufactures and assembles fluid-carrying products and systems

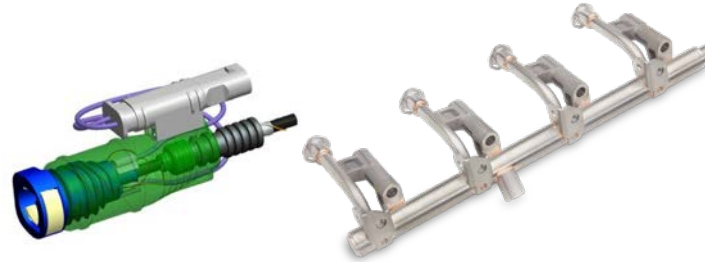
Brake & Fuel Lines



Brake and Fuel Lines



Quick Connectors



SCR Lines

Engine Lines

- ~ 600 FCS issued and pending patents worldwide

Thermal Lines and Systems



Climate Control Thermal



Battery Thermal



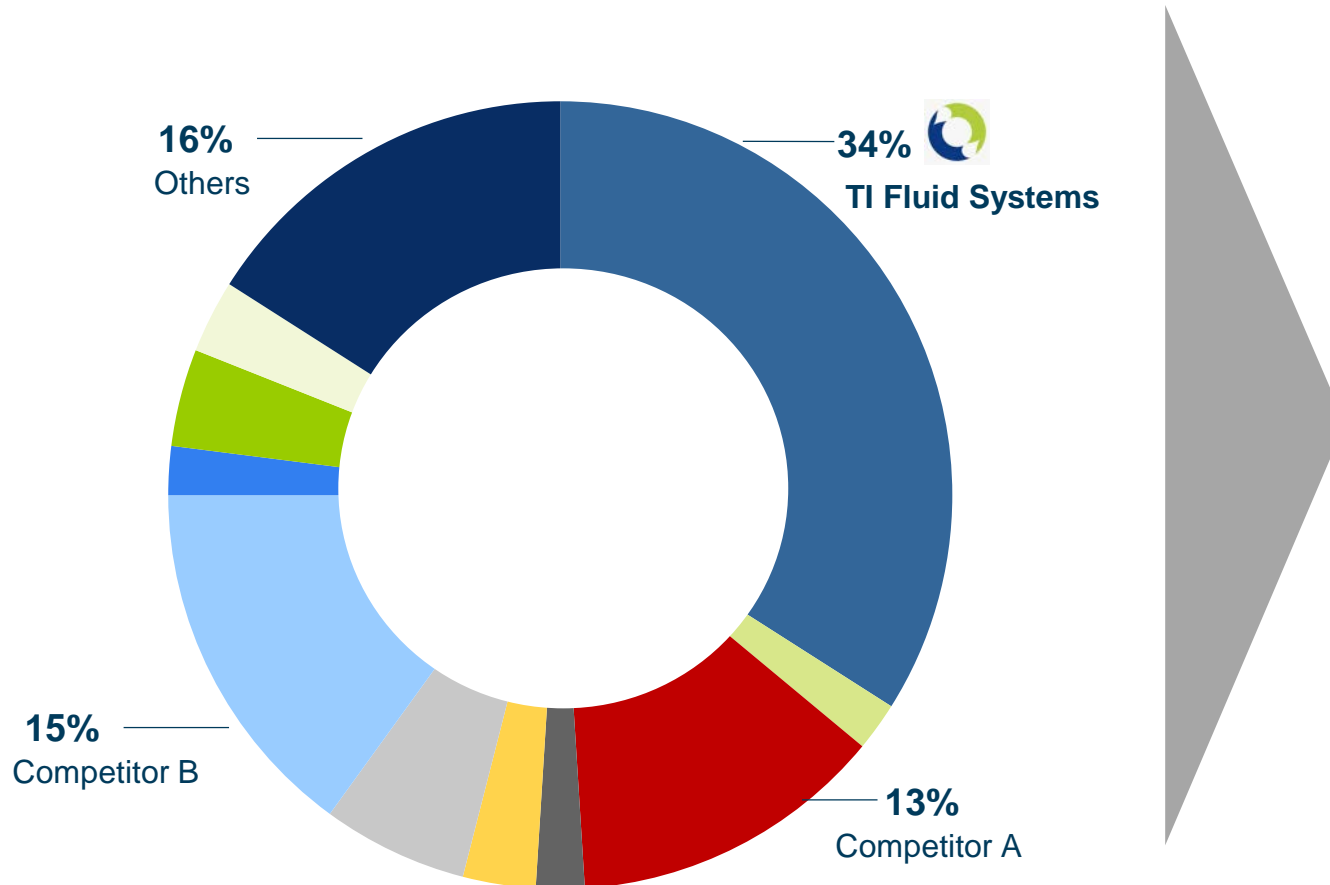
Power Electronic Thermal

- Customised and highly engineered complete fluid systems developed in close collaboration with customers

1. Brake and Fuel Lines – 2018 Market Share

TI Fluid Systems #1 global market position in brake and fuel lines

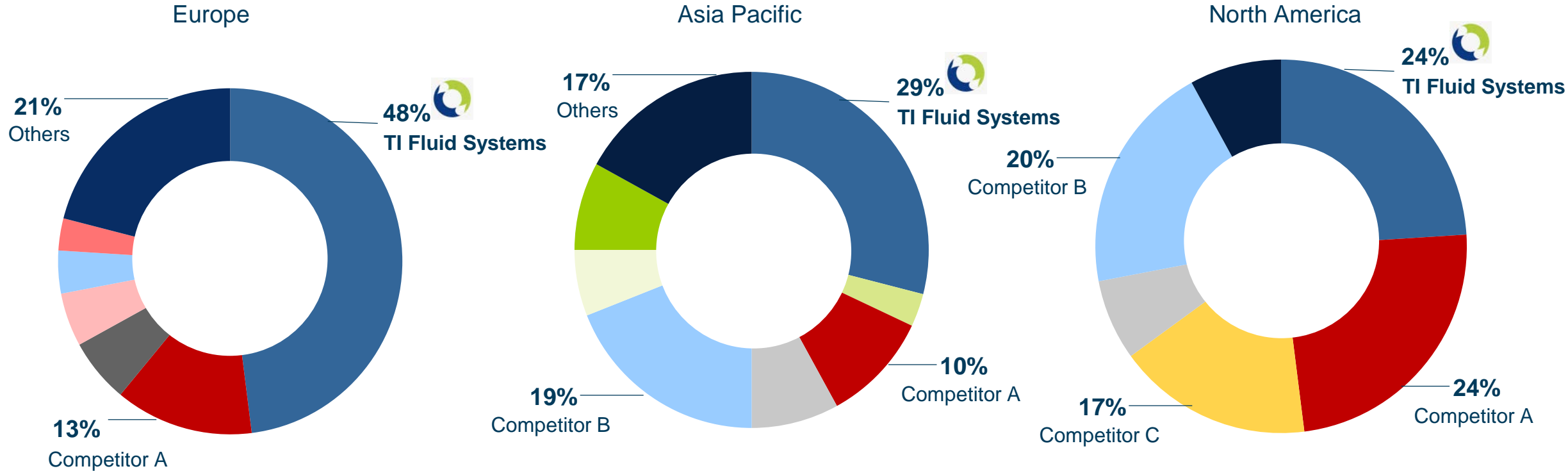
2018 Market Share – Brake and Fuel Lines



- #1 global market share position
- Strong market share maintained for over a decade
- Relationships with OEMs on all levels (global, regional and local) built over decades
- Global engineering and footprint are key advantages

1. Brake and Fuel Lines – 2018 Regional Market Share

Strong market share position across all regions



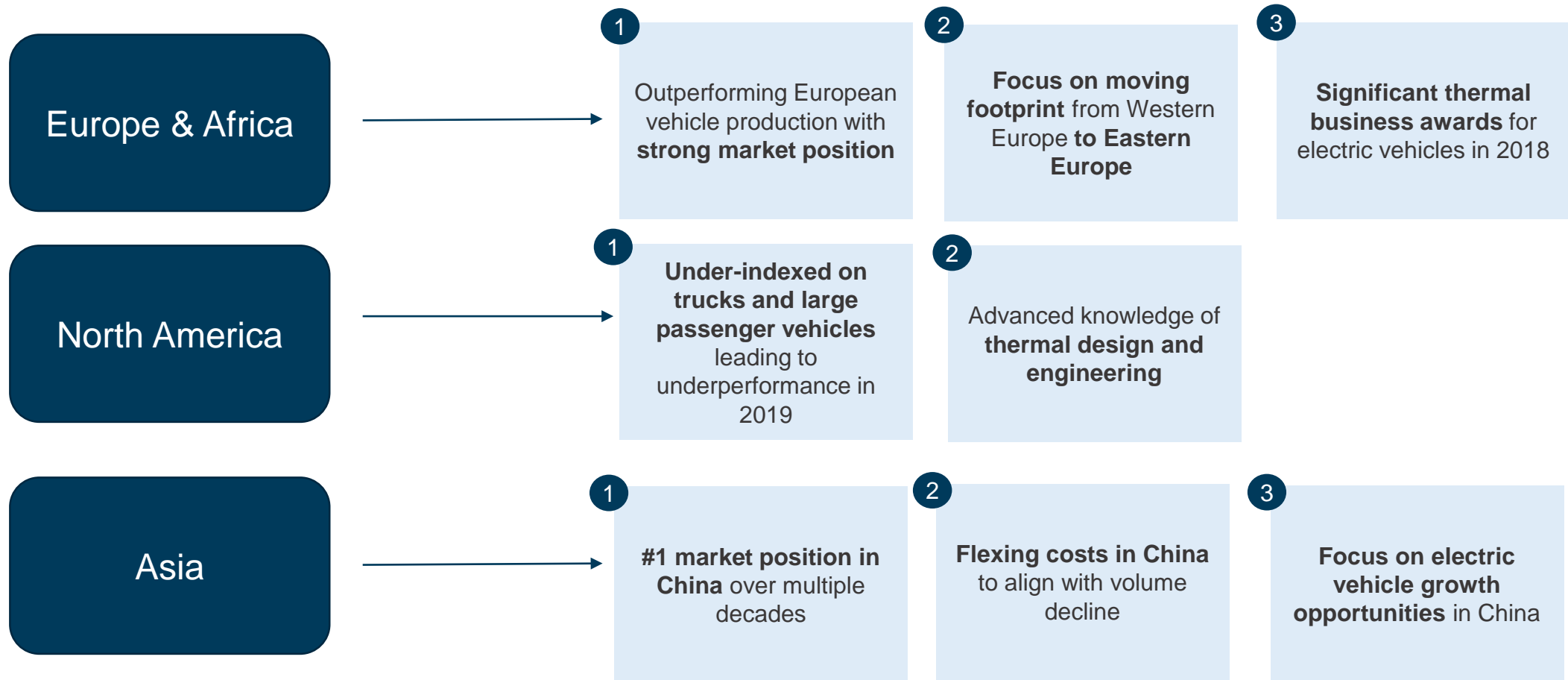
- Strong and stable market share position in Europe has been established over a long period

- Leading market share position in Asia including #1 position in China
- Focused on maintaining position

- Competitive environment in North America market
- Continue to consider conquest business opportunities (e.g. SUVs)

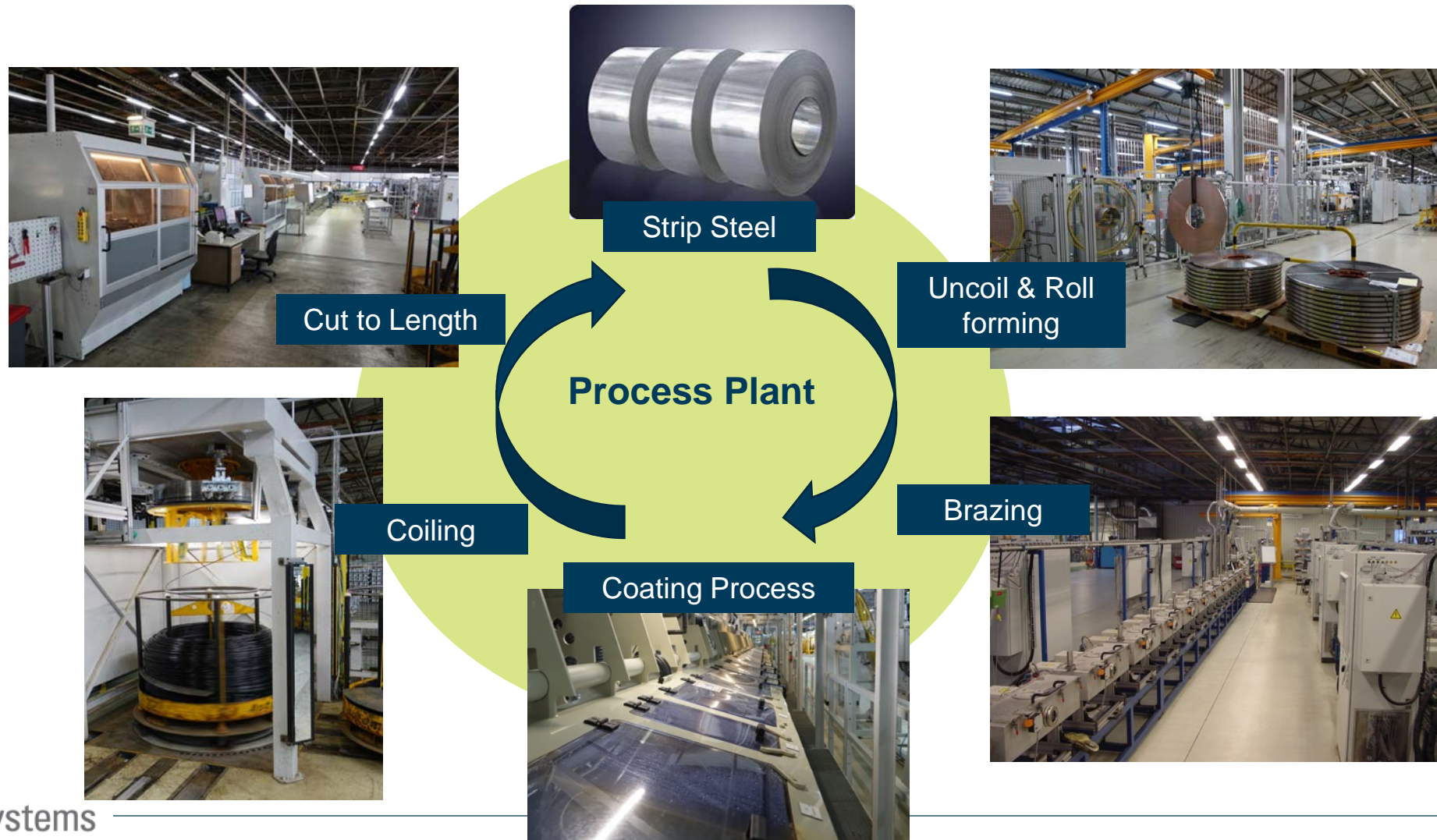
1. FCS – Regional Trends

Europe and Asia driving FCS revenue outperformance with focus on delivering thermal strategy



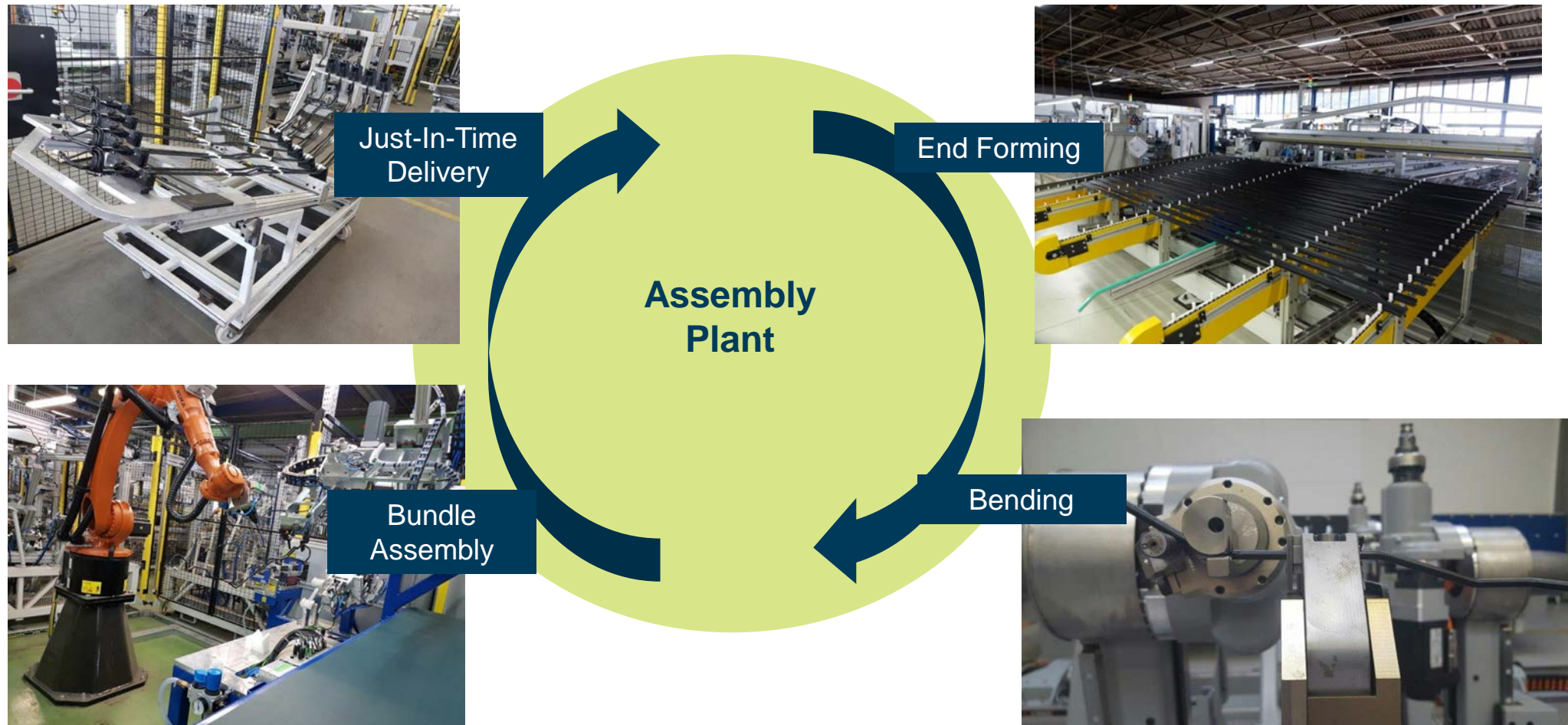
2. Vertical Integration – Process Plant

Vertical integration provides competitive advantages and drives profitability



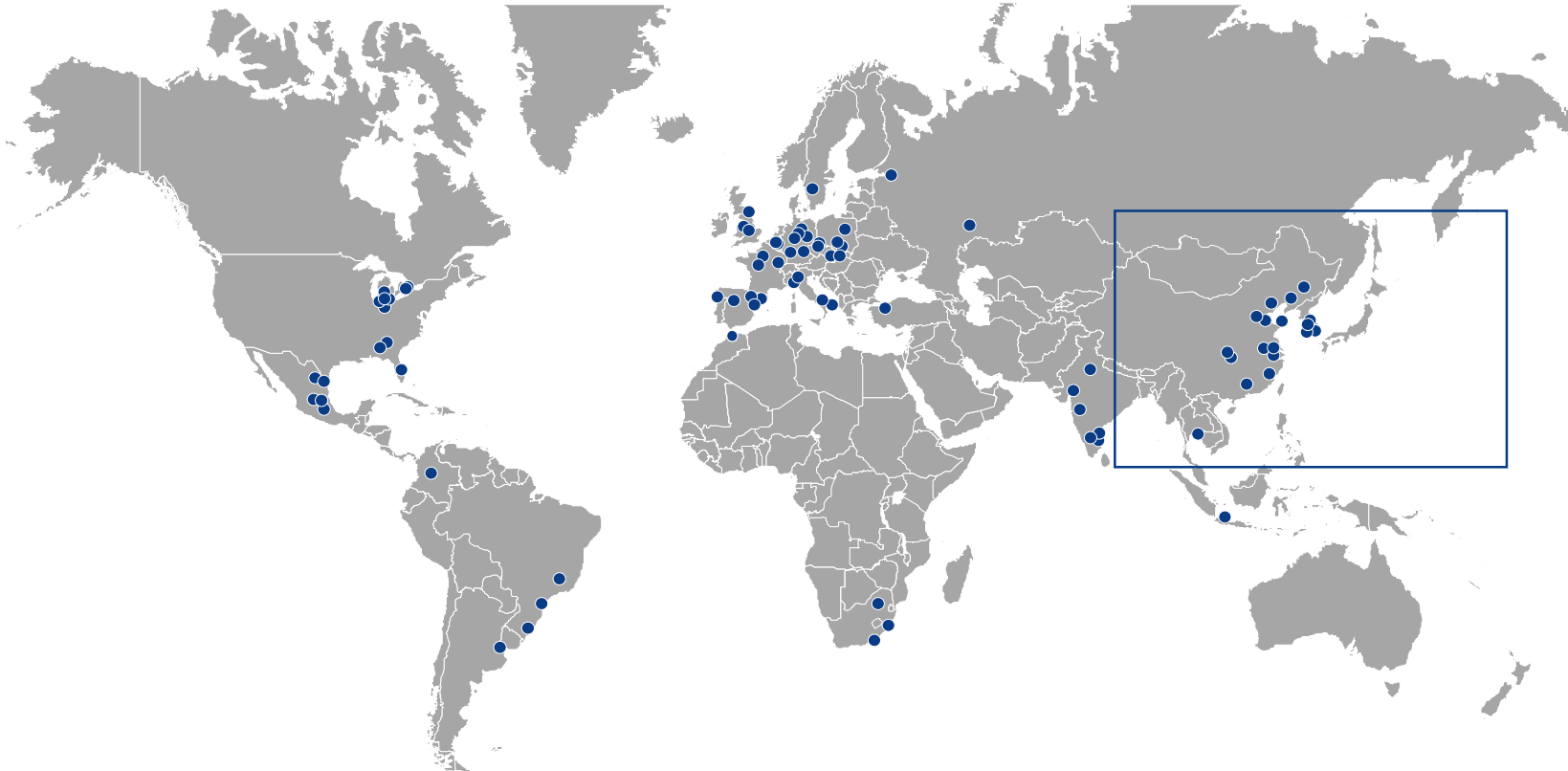
2. Vertical Integration – Assembly Plant

Vertically integrated manufacturing and assembly process followed by just-in-time delivery



3. Chinese market leader, viewed as “local supplier”

Strategically located in China for multiple decades with a #1 market position



100% wholly-owned China operations providing investment and return flexibility

Leading brake and fuel lines market position in China

Supplying global and local Chinese OEMs

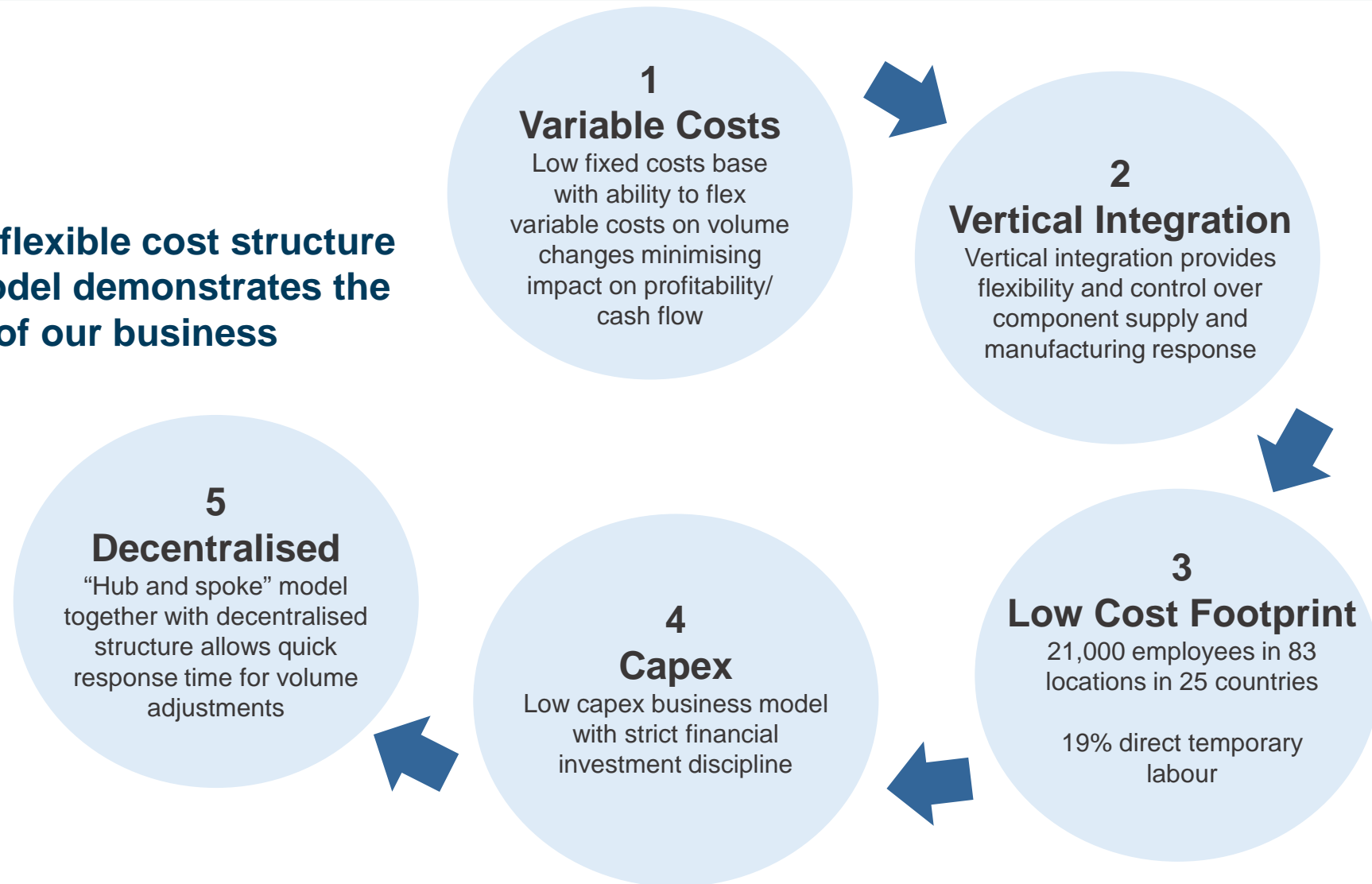
Local management team with extensive customer relationships

World-class products, technology and manufacturing

Leveraging existing infrastructure and relationships to benefit from the growing electric vehicle market in China

4. FCS Flexible Cost Structure

FCS competitive flexible cost structure and business model demonstrates the resilience of our business



5. EV Strategy Execution – Key Wins to date

Thermal awards^(a) and expected orders with leading high volume OEMs for global EV platforms

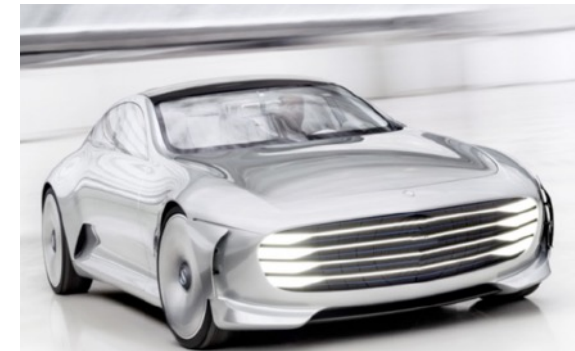
Successfully executing Thermal EV strategy with two key OEM wins

- Awards:** Anticipate approximately 50% share of the design, engineering and supply of EV thermal management products
- Lifetime Revenue Potential:** ~ €700 million (based on customer planning volumes)
- Material and Content:** Combination of traditional and lightweight material, including nylon
- Products:** First generation EV designs and variant values continuing to change

Approximately €700M lifetime revenue potential with these key two platforms



SOP: 2019 – 2021 | 10 year life^(b)



SOP: 2020 – 2022 | 8 year life^(b)

5. EV Strategy – Morocco Plant

Strategic investment in thermal products facility in Morocco primarily supplying Electric Vehicles

- New facility opened in Tangier, Morocco
- Investment within the Group's capex of 3-4% of revenue
 - Continually adding and closing plants each year
- Support launch of high volume first generation EV 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 proximity to European OEMs and competitive cost structure with low labour costs



Group continues to collaborate on thermal product and systems with key customers for EVs

5. EV Strategy – Thermal System Development

Content growth opportunity with development of thermal products into thermal systems

↑
Tomorrow

Thermal “Systems” development

- Lines and connector sub systems
- Moving from rubber and aluminium to nylon
- Increase use and development of adjacent products e.g. quick connectors



↑
Today

Thermal “Products”

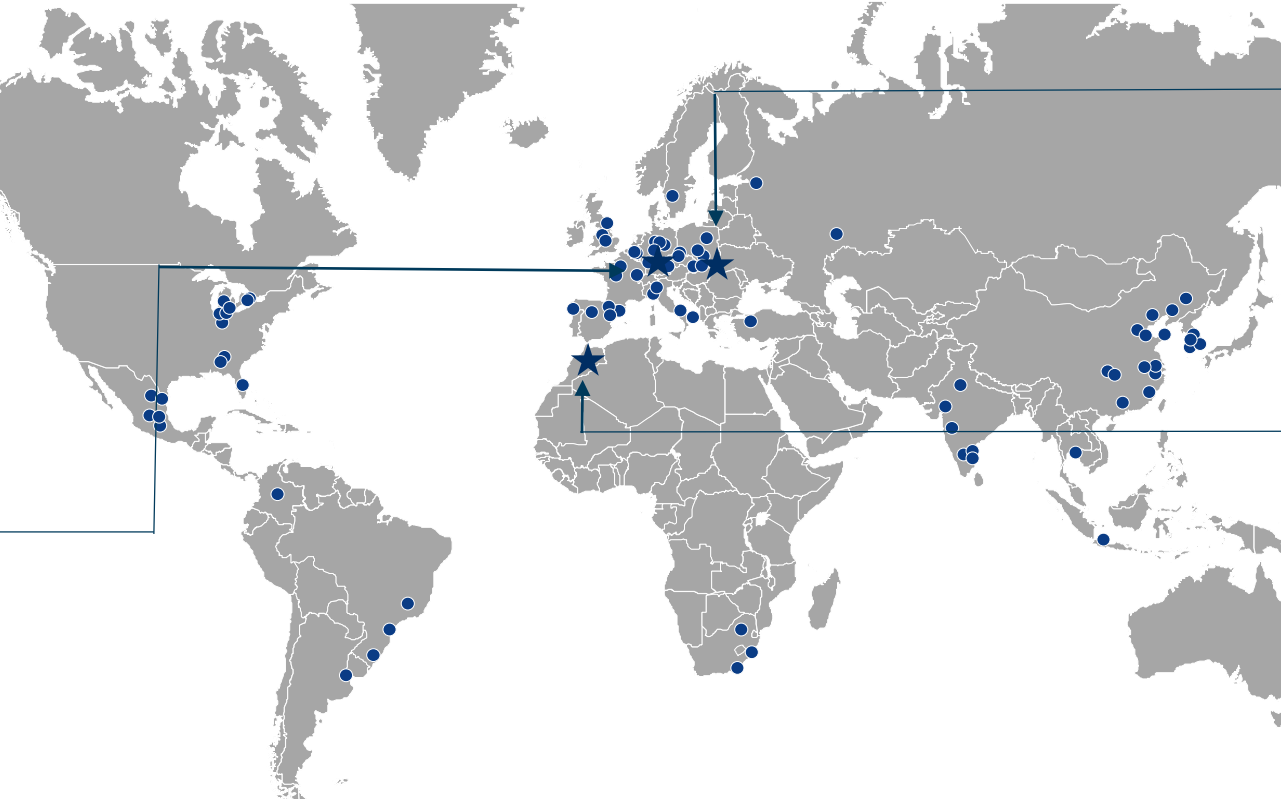
- Climate control lines
- Battery thermal lines
- Power electronic thermal lines



6. FCS Global Presence

Continually re-aligning of manufacturing footprint to support local growth opportunities

- Leading market position in brake and fuel lines globally
 - Manufacturing and assembly plants supplying global customers through local plants
 - Relatively low capital intensity
- Strict financial investment discipline leading to high returns



||||| → Manufacturing location closing

||||| → Manufacturing location recently opened or opening

6. FCS Global Presence – Key Global Platform Wins

Benefiting from globalisation of platforms through key wins

High Volume Vehicle A



SOP: 2020 – 2030 | 10 year life

- Global Award:** High volume global platform produced in China, Germany and South Africa
- Production Units:** 7.0 million
- Products:** Brake and fuel lines

High Volume Vehicle B



SOP: 2018 – 2026 | 8 year life

- Global Award:** High volume global platform produced in China, Taiwan, Vietnam, USA, Mexico, Spain and Germany
- Production Units:** 6.7 million
- Products:** Brake and fuel lines
Fuel vapour lines

Hans Dieltjens

Fuel Tank & Delivery Systems



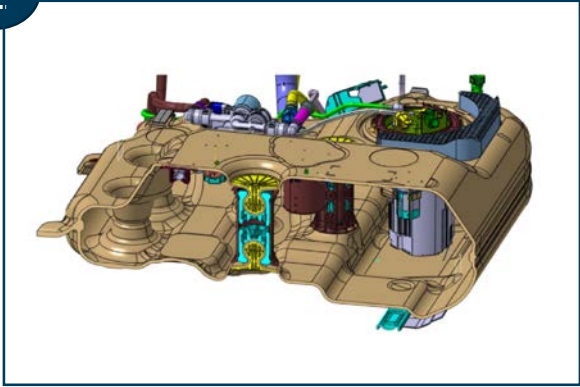
FTDS Segment Highlights

1



#3 Market Share in Plastic Fuel Tanks

2



Award winning technology

3



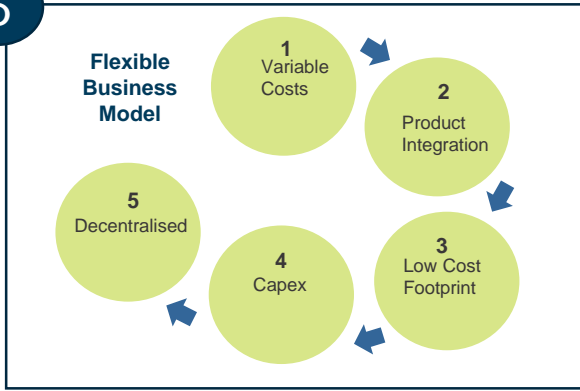
Growing China opportunity

4



Product Integration

5



Flexible Cost Structure

6



Global Presence

1. FTDS – Design & Engineered Product Portfolio

FTDS designs, engineers, manufactures and integrates fuel tank systems and pump modules

Fuel Tank Systems



Filler Pipes



Fuel Tank System

- ~ 500 FTDS issued and pending patents worldwide

Design, engineer, manufacture and integrate fuel tank systems

Pump & Sensor Module Systems



Fuel Pump



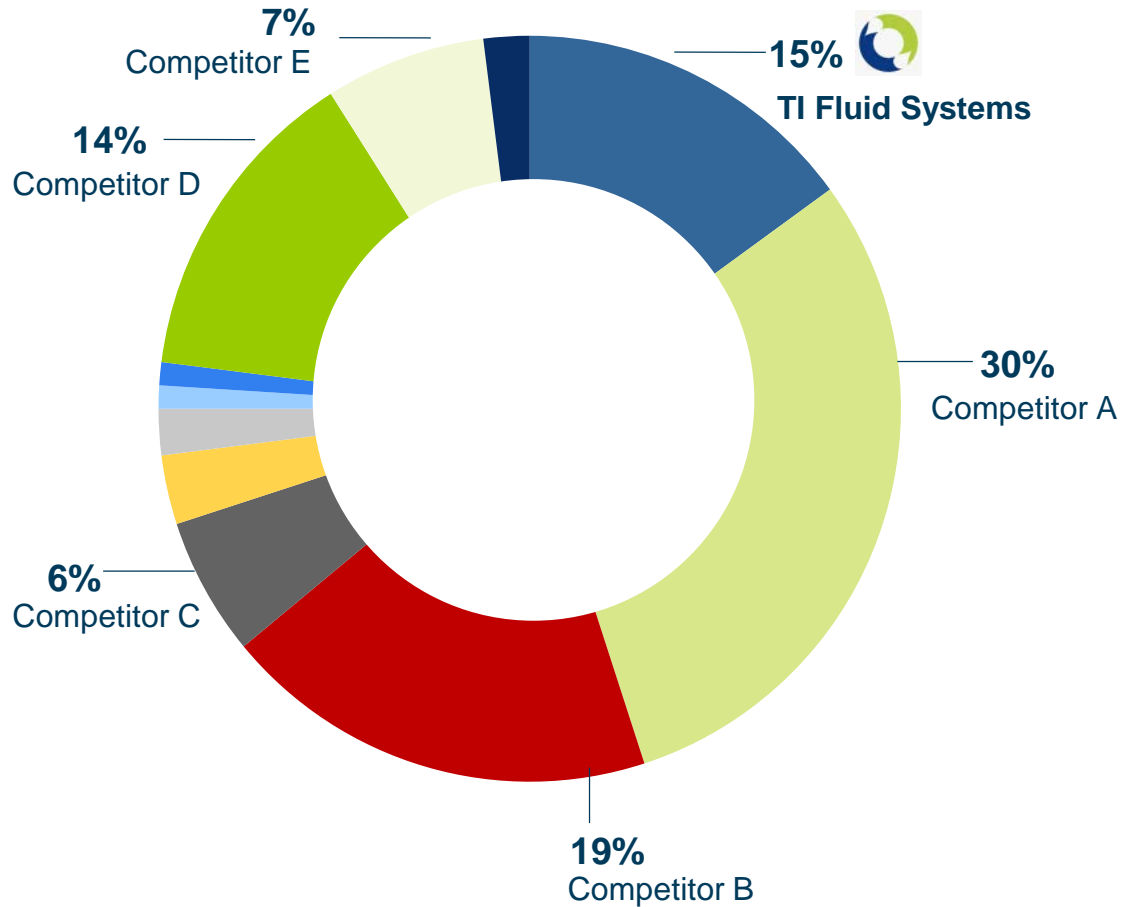
Fuel Pump & Module

- Tank technology integrating additional products within fluid system

1. Plastic Fuel Tanks – 2018 Market Share

TI Fluid Systems #3 global market position in plastic tank systems

2018 Market Share – Plastic Fuel Tanks

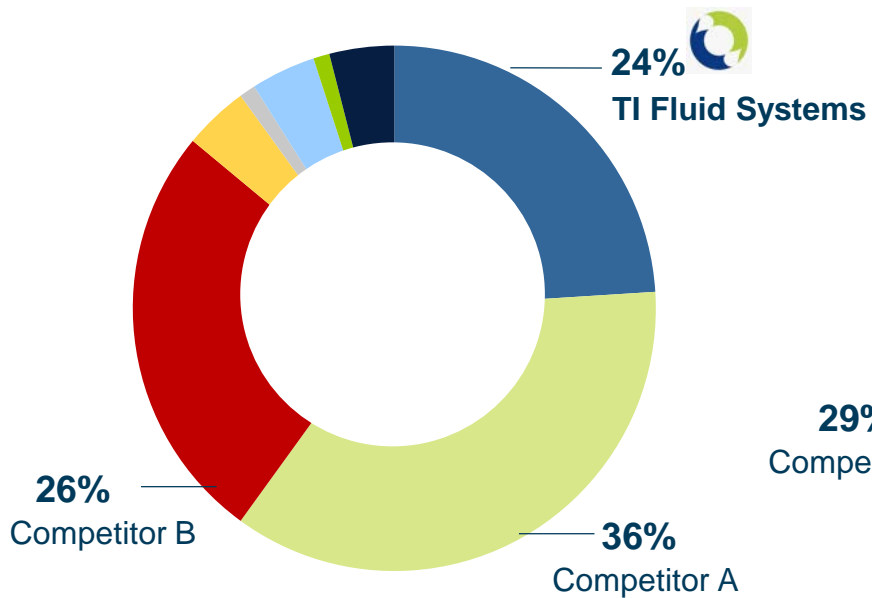


- #3 global market share position
- Global players with smaller regional competitors
- Supports global platform contract awards
- Expecting market share increases with technology strength, especially with PHEV

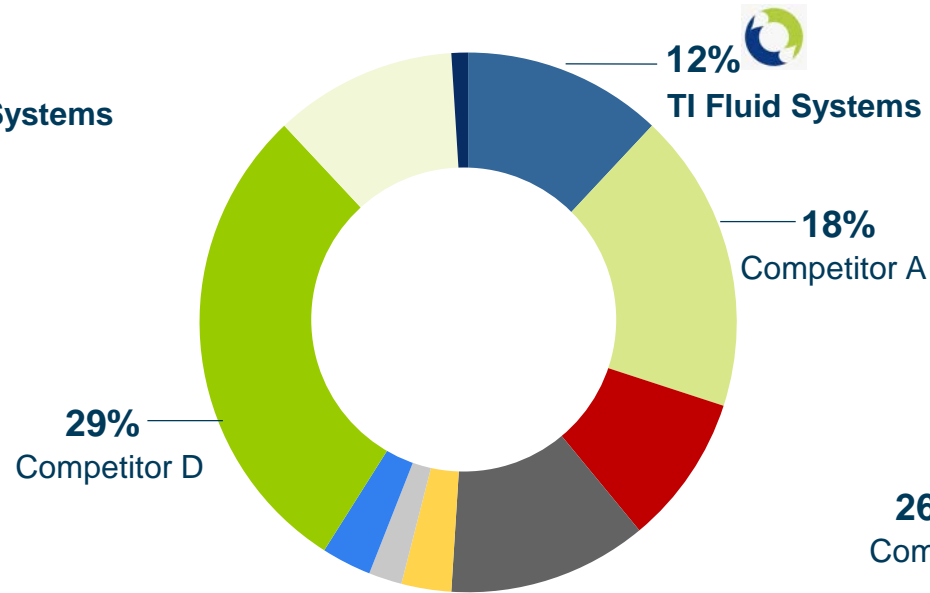
1. Plastic Fuel Tanks – 2018 Regional Market Share

Strong market share position across all regions

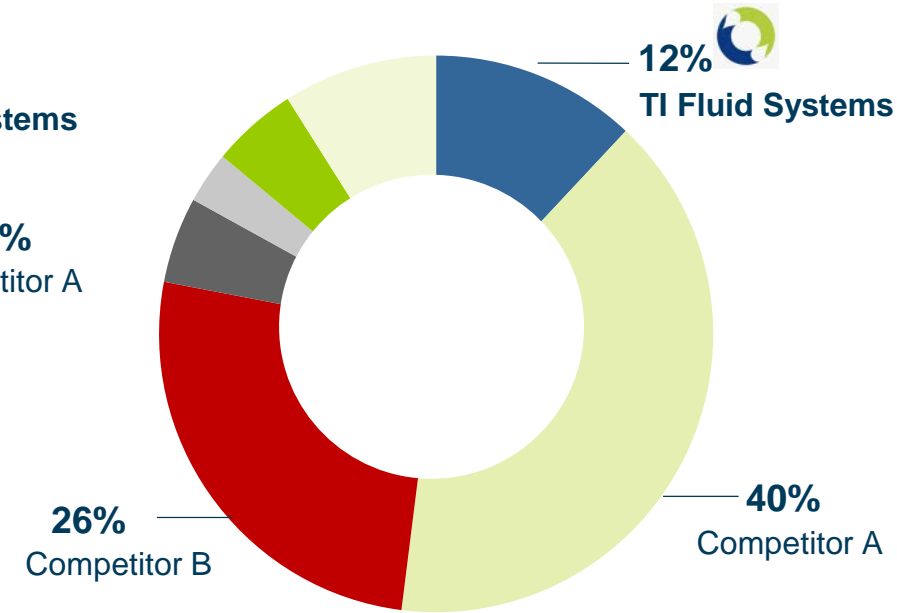
Europe



Asia Pacific



North America



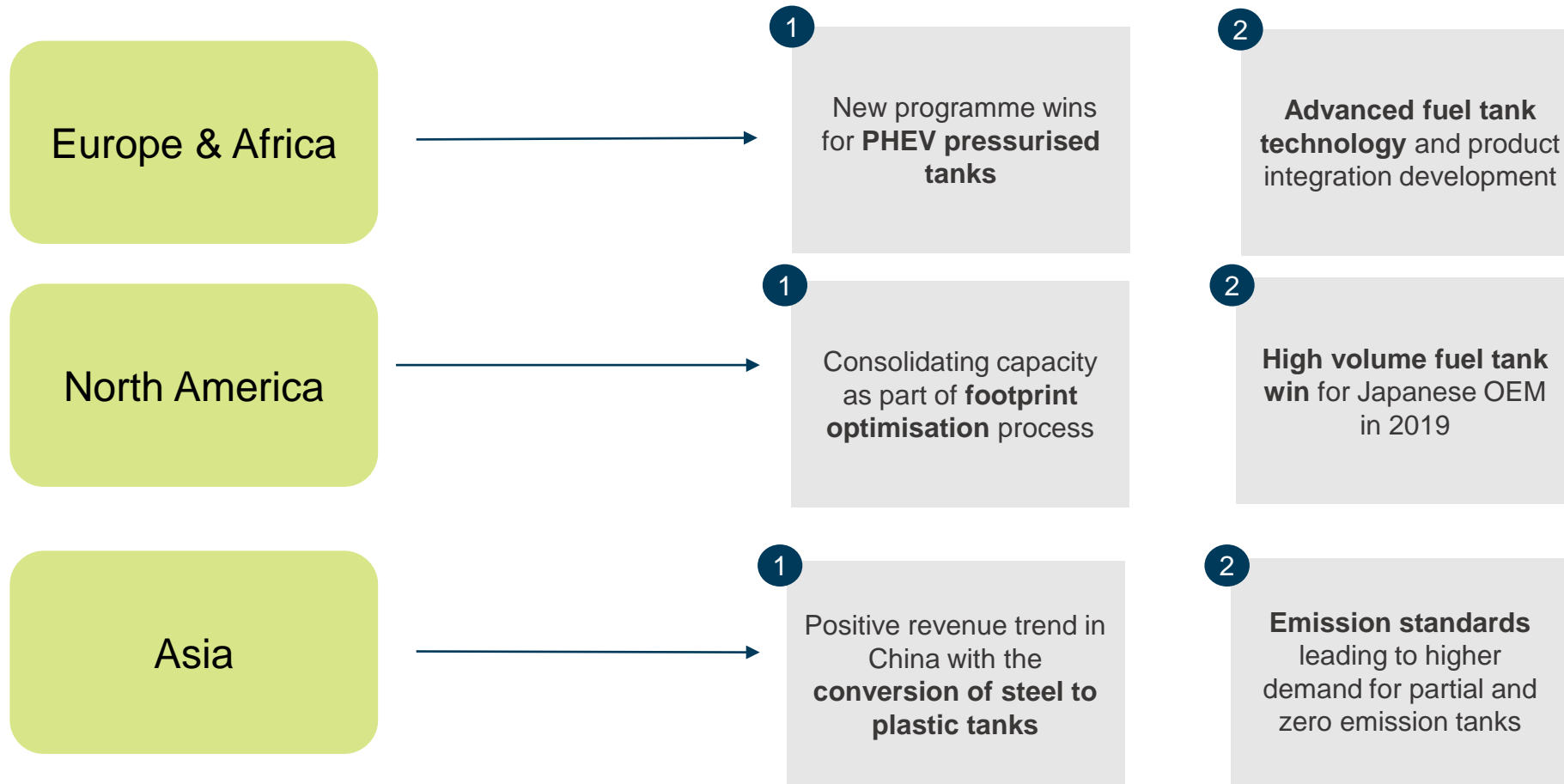
- Regionally diversified with strong market share position in Europe

- Asia fragmented with many regional players
- Emissions reduction trend supports market share expansion

- Winning new programmes in North America with technology strength

1. FTDS – Regional Trends

Focus of reducing emissions providing positive trend for FTDS, particularly in China



2. Award-winning technology addressing megatrends

Fuel tank technology developed to meet evaporative emission standards and hybrid vehicle requirements

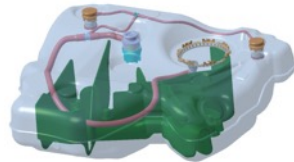
Blow moulded tank shell design development

Conventional Vehicles



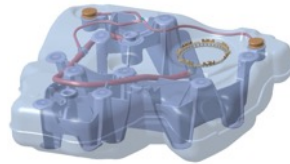
- Gas
- Diesel

Partial Zero Emission Vehicles ("PZEV")



- Emission reduction

PZEV & HEV



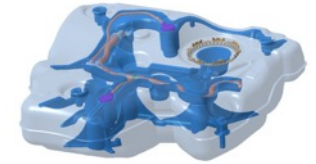
- Slosh & Noise reduction
- Lower pressure in fuel tank

HEV



- Increased venting purge pressures

HEV



- High venting purge pressure

Product Development



Ship in a Bottle ("SIB") and Tank Advanced Process Technology ("TAPT")

Stiff Pressure Tank ("SPT")

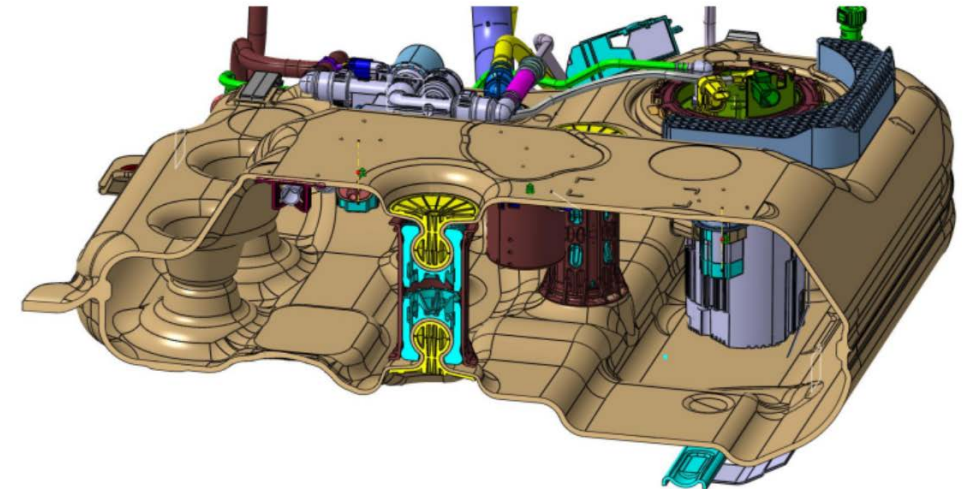
Light Pressure Tank ("LPT")

High Pressure Double Moulded Tank ("DMT")

2. HEV Strategy Execution – Plug-in HEV Award

Well positioned as the Plug-In Hybrid Electric Vehicle (“PHEV”) market accelerates growth

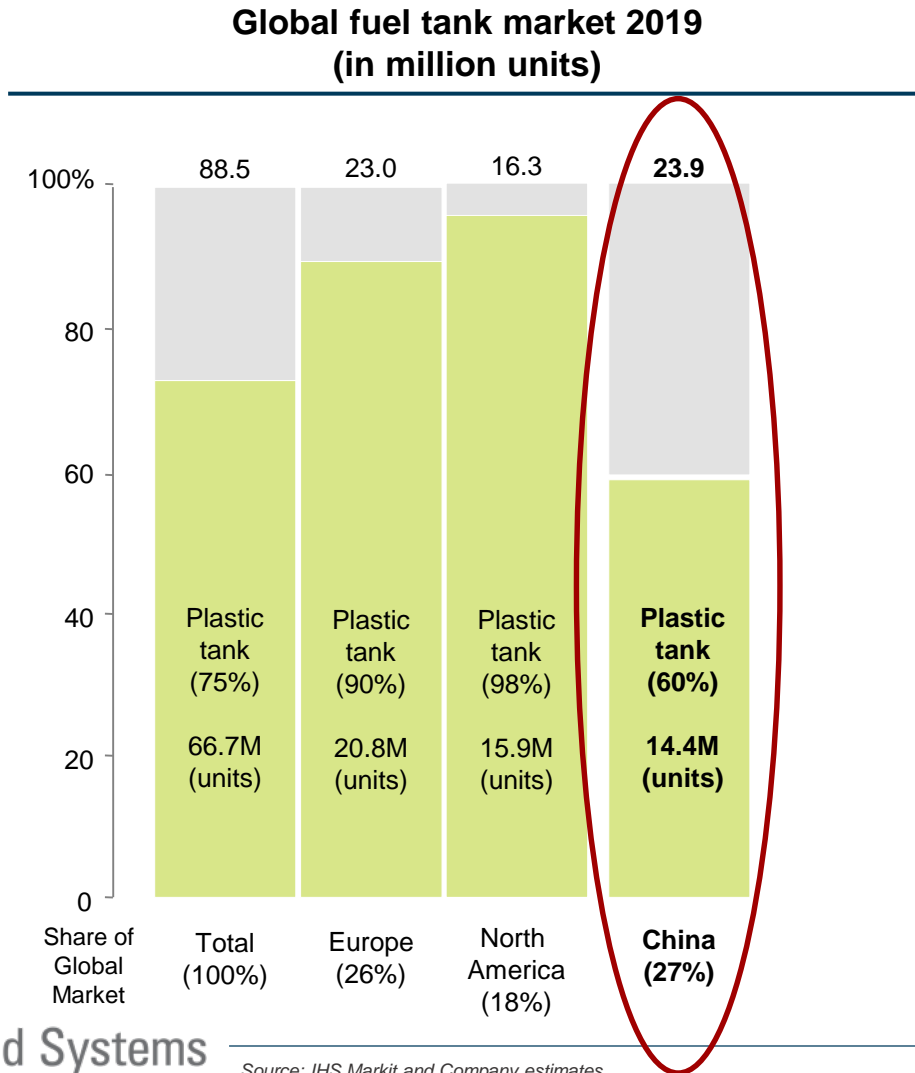
- PHEV tank share trending to more than 20% - better than existing plastic fuel tank market share
- Launch of high volume PHEV for European OEM in China in 2018
 - Lifetime volume of ~ 950k units
 - Content per vehicle (“CPV”) of €275 -€300
 - Design and propriety manufacturing process provides structural integrity, handles increased pressure levels and reduces emissions



**PHEV tank share trending to more than 20% --
better than existing fuel tank market share**

3. Significant growth momentum and opportunity in China

Trend of steel to plastic fuel tank conversion in China continues to provide organic growth opportunities



- FTDS has a growing presence in China
- Increasing emissions and fuel economy regulations in China facilitating growth for FTDS technology
- Plastic fuel tanks offer a lighter weight and anti-corrosive solution to steel tanks
 - **Europe and North America:** plastic fuel tank conversion almost complete
 - **China:** plastic fuel tank penetration at ~ 60%, providing further organic growth opportunity for FTDS

3. Growth Opportunity - China

Successful expansion of footprint in China to support growth opportunities

- Continuing growth opportunities in China. Two main trends:
 - Steel to plastic** fuel tank conversion
 - Focus on **emission reductions** increasing the demand for low emission fuel tanks



Changchun



Tianjin



Guangzhou



Baoding, China

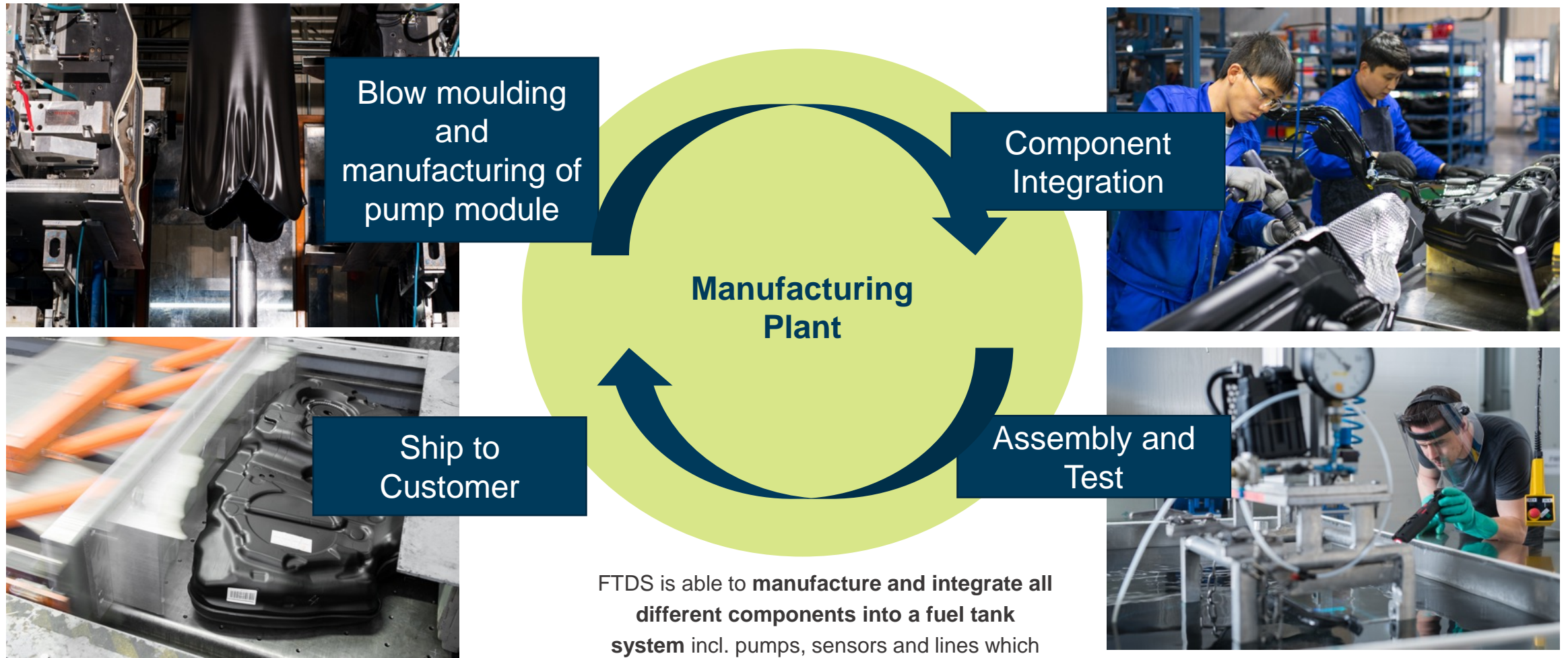


Baoding #2, China

★ Manufacturing location in China

4. Product integration

Product integration provides competitive advantages and supports profitability



FTDS is able to **manufacture and integrate all different components into a fuel tank system** incl. pumps, sensors and lines which supports profitability

5. FTDS Flexible Cost Structure

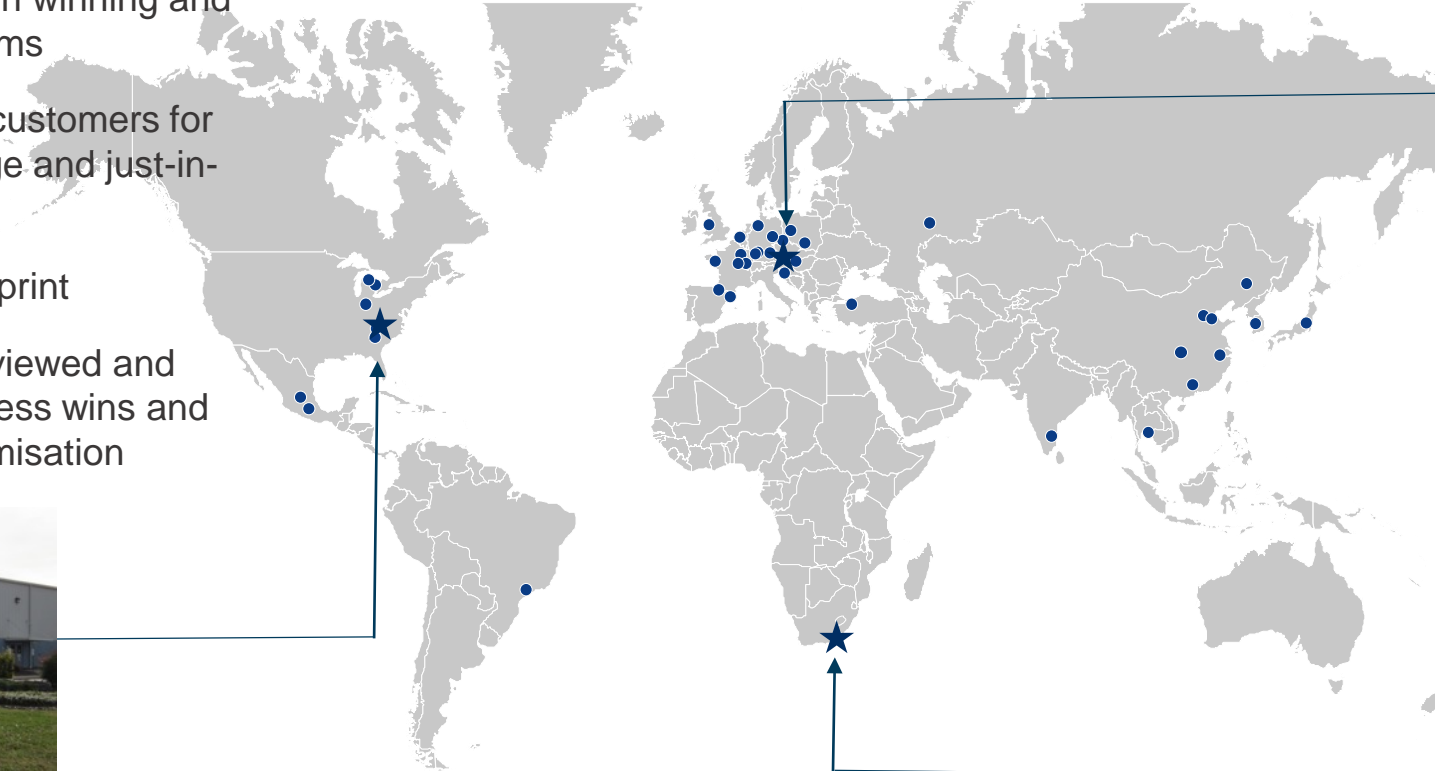
FTDS competitive flexible cost structure and business model demonstrates the resilience of our business



6. FTDS Global Presence

Global presence provides highly attractive customer support and cost-efficient footprint

- Global presence represents a competitive advantage in winning and delivering global platforms
 - Located close to customers for logistics advantage and just-in-time delivery
 - Cost-efficient footprint
- Footprint continually reviewed and flexed in line with business wins and volumes to ensure optimisation



 Manufacturing location closing

 Manufacturing location recently opened or opening



6. Global Presence – Key Global Platform Wins

Benefiting from globalisation of platforms through key wins

High Volume Vehicle A



SOP: 2020 – 2030 | 10 year life

- Global Award:** High volume global platform produced in China, Germany and South Africa
- Production Units:** 7.0 million
- Products:** Integrated Fuel Tank Filler Pipe

High Volume Vehicle B



SOP: 2022 – 2030 | 8 year life

- Global Award:** High volume global platform produced in Germany and China
- Production Units:** 2.2 million
- Products:** Integrated Fuel Tank Filler Pipe

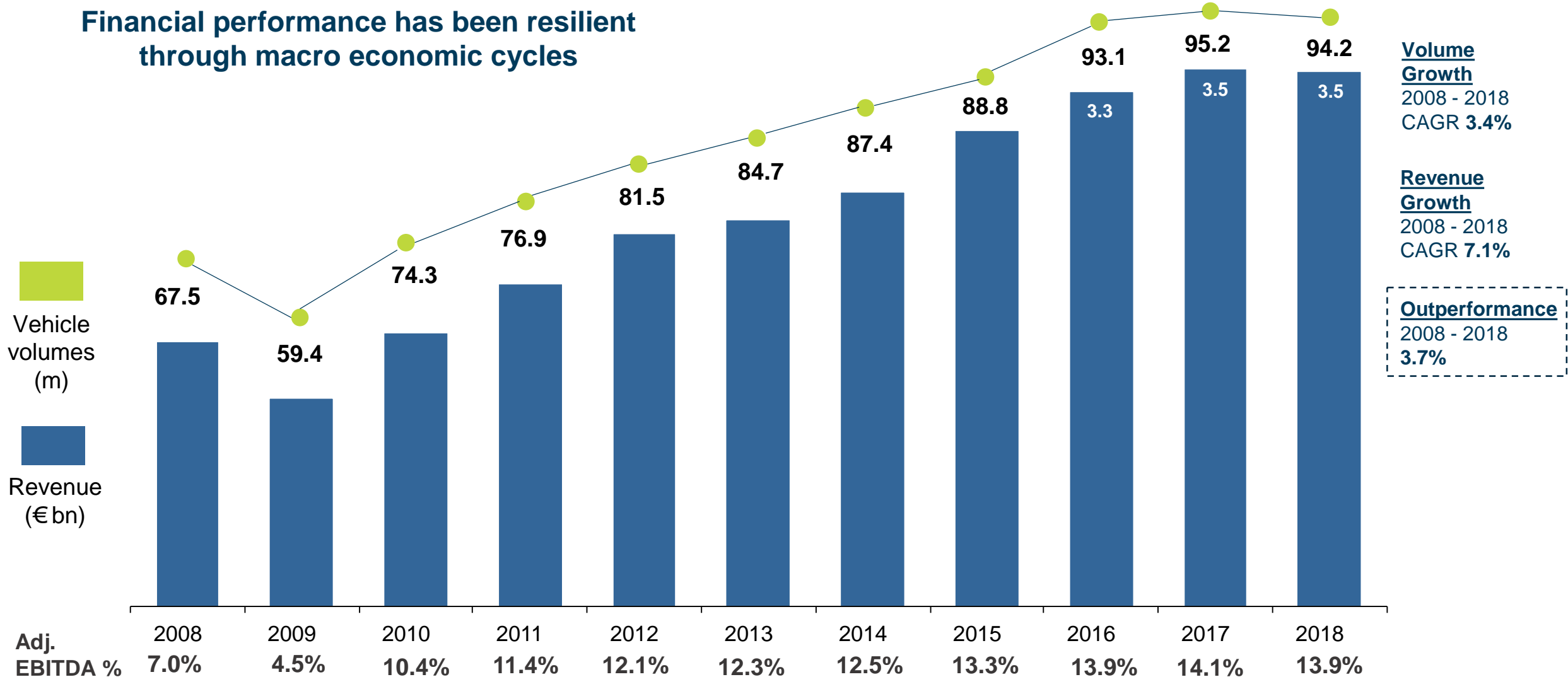
Tim Knutson

Financial Profile



1. Proven track record of growth and financial performance

Financial performance has been resilient through macro economic cycles



2. Margin and Cash flow Focus

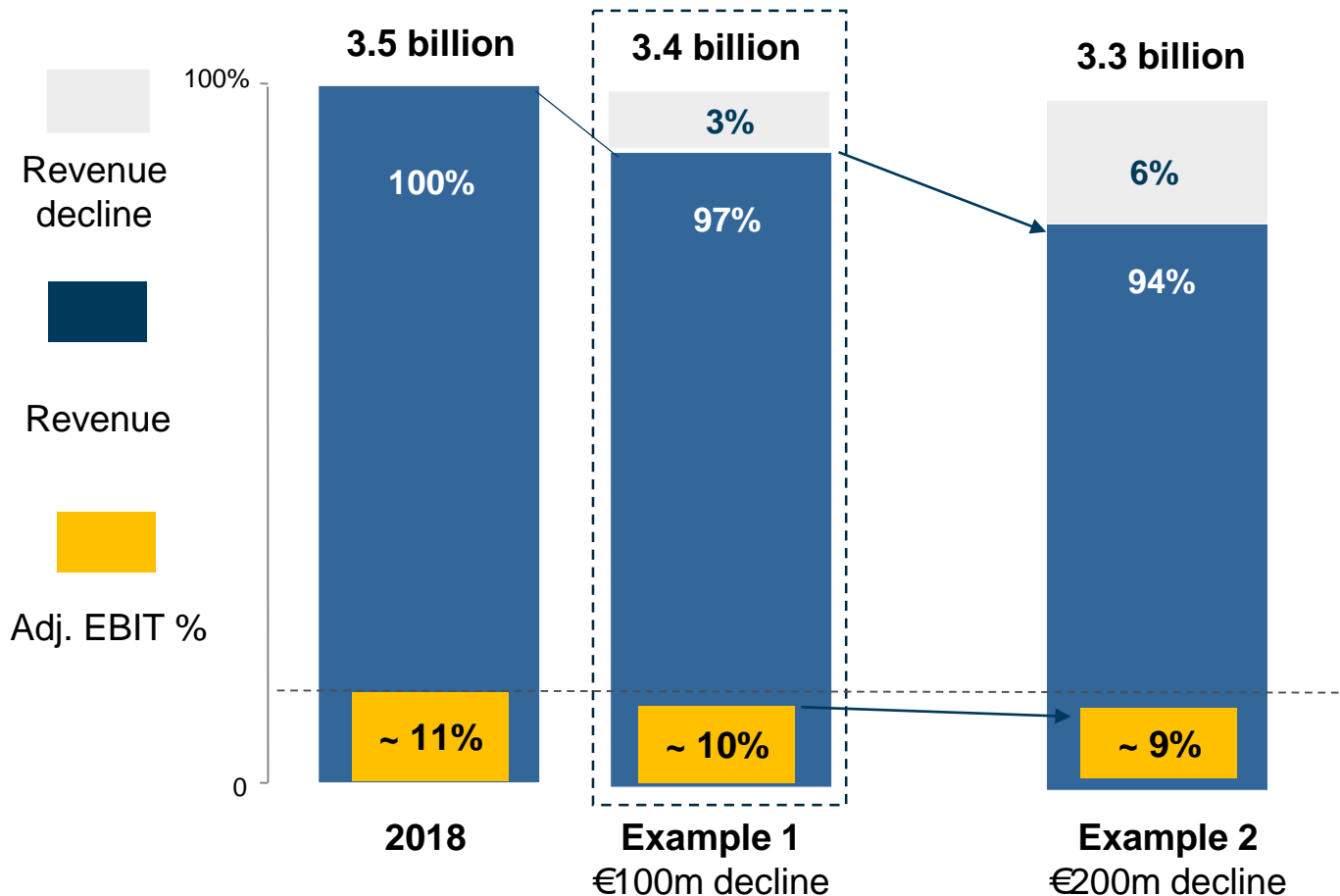
Consistent management focus with discipline around quoting, investments, margins and cash flow

New Quotes	Management focus on new business quotes to support revenue outperformance with strong financial discipline throughout the organisation
Continuous Improvement	Continuous improvement culture focused on operational efficiencies, net pricing, capex utilisation and working capital management
Global	Drive key performance indicators across business and sharing best practice globally
Manage Costs	Focus on managing costs with < 15% fixed costs to revenue, deep experience at managing discretionary spending and salaried headcount at appropriate level globally Ability to reduce sites in the short term to adjust to customer assembly plant changes

3. Revenue Scenario and Adj. EBIT Margin Impact

Stable Adj. EBIT margins in €100M downturn scenario demonstrate strength of business model

Revenue Decline Scenarios

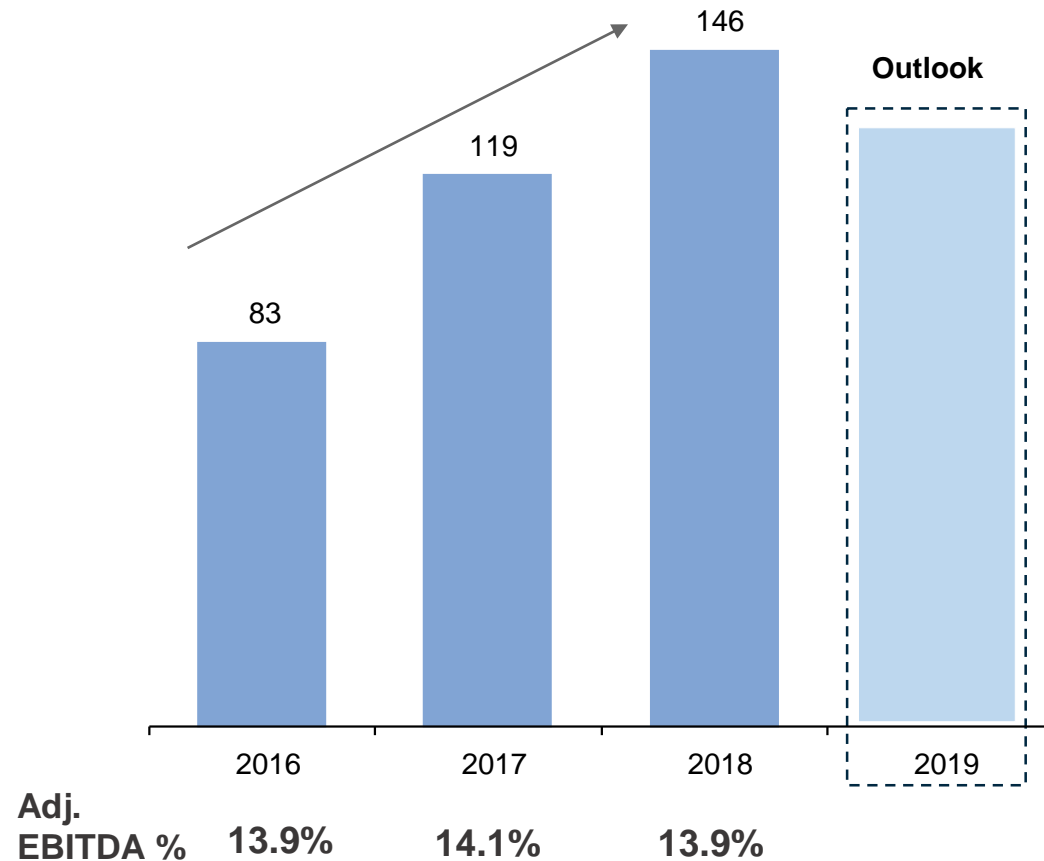


- High operating leverage and flexible cost structure
- **Example 1:**
 - **€100m downturn scenario** - limited impact on Adj. EBIT margin demonstrates strength of business model with ability to flex costs
 - Fixed costs < 15% of revenue and high level of temporary employees, discretionary cost reduction and focused salaried headcount management
- **Example 2:**
 - **€200m downturn scenario** - continue to deliver strong high single digit Adj. EBIT margins through:
 - **Fixed costs** – further reduction of salaried headcount, plant reductions and wider cost reduction programme

4. Adj. Free Cash Flow Strength and Resilience

Strong Adj. free cash flow generation despite challenging automotive volume environment in 2018 and 2019

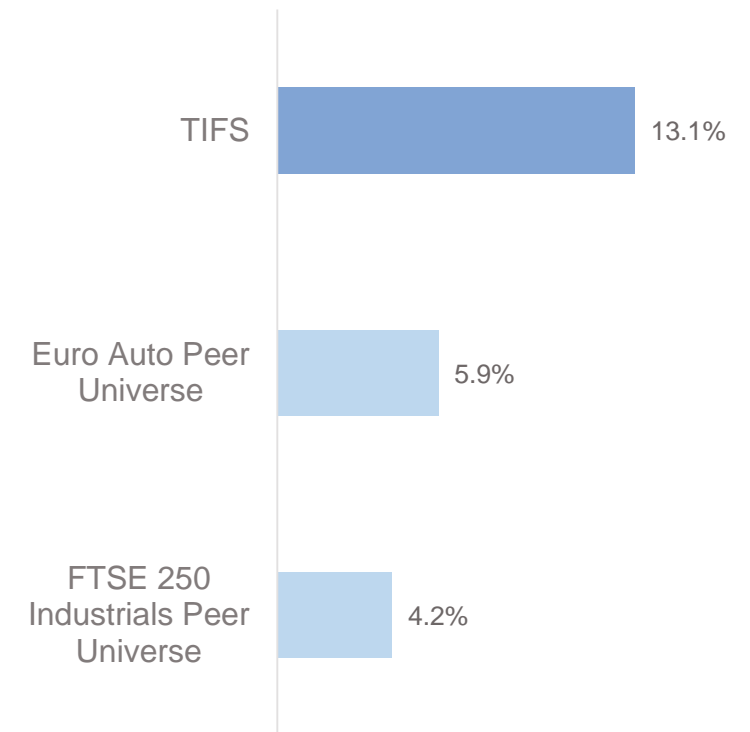
Adj. Free Cash Flow €m – Historical and Outlook



- Proven strong cash flow resilience driven by:
 - Net pricing discipline to adjust for commodity cost changes
 - Cost levers that ensure Adj. EBITDA margin protection
 - Capex spend – focused around customer projects and driving efficiency
 - Disciplined approach to managing working capital

Strong FCF Prospects Not Reflected in Current Market Valuation

2019F Adj. FCF to Firm Yield (Broker Research)⁽¹⁾



5. Adj. Free Cash Flow Resilience - Breakdown

Consistent Adj. free cash flow driven by focus on Adj. EBITDA and business model strengths

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

	2016	2017	2018	H1 2018	H1 2019
Adj. EBITDA	465	491	484	256	246
Cash Interest	(96)	(88)	(63)	(29)	(31)
Cash Tax	(84)	(89)	(88)	(47)	(46)
Working Capital, Provisions and Other	(65)	(51)	(32)	(87)	(61)
PP&E and Intangibles	(137)	(144)	(152)	(72)	(88)
Cash Received on Settlement of Derivatives	-	-	(3)	-	(3)
Adj. Free Cash Flow	83	119	146	21	17
Adj. FCF %	2.5%	3.4%	4.2%		
Capex %	3.3%	3.4%	3.3%		

• Consistent free cash flow generation driven by:

- **Adj. EBITDA** focus, new technology introduction, content increases and leveraging fixed costs
- **Cash Interest** – lower post July 2018 refinancing
- **Working Capital** - disciplined approach to managing working capital
- **Capex and Capitalised R&D** – business model 4% - 5% of revenue

6. Capital Structure

Strong capital structure with a focus on deleveraging through free cash flow generation

€m	Interest Rate	Dec 2018	Jun 2019
Financial Liabilities			
Secured Term Loan	US LIBOR+ 2.5% Euribor + 2.75%	1,205	1,160
Finance Leases and Other		2	-
Unamortised Fees		(24)	(20)
Total		1,183	1,140
Cash and Cash Equivalents ^(a)		(361)	(286)
Net Debt		822	854
Net Debt / Adj. EBITDA LTM ^(b)		1.7x	1.8x

- 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
- Strong and flexible capital structure
- Low leverage, solid cash balances and available liquidity
- Well positioned for any cyclical impacts

7. Capital Allocation

Capital allocation priorities aligned with TI Fluid Systems' strategic objectives

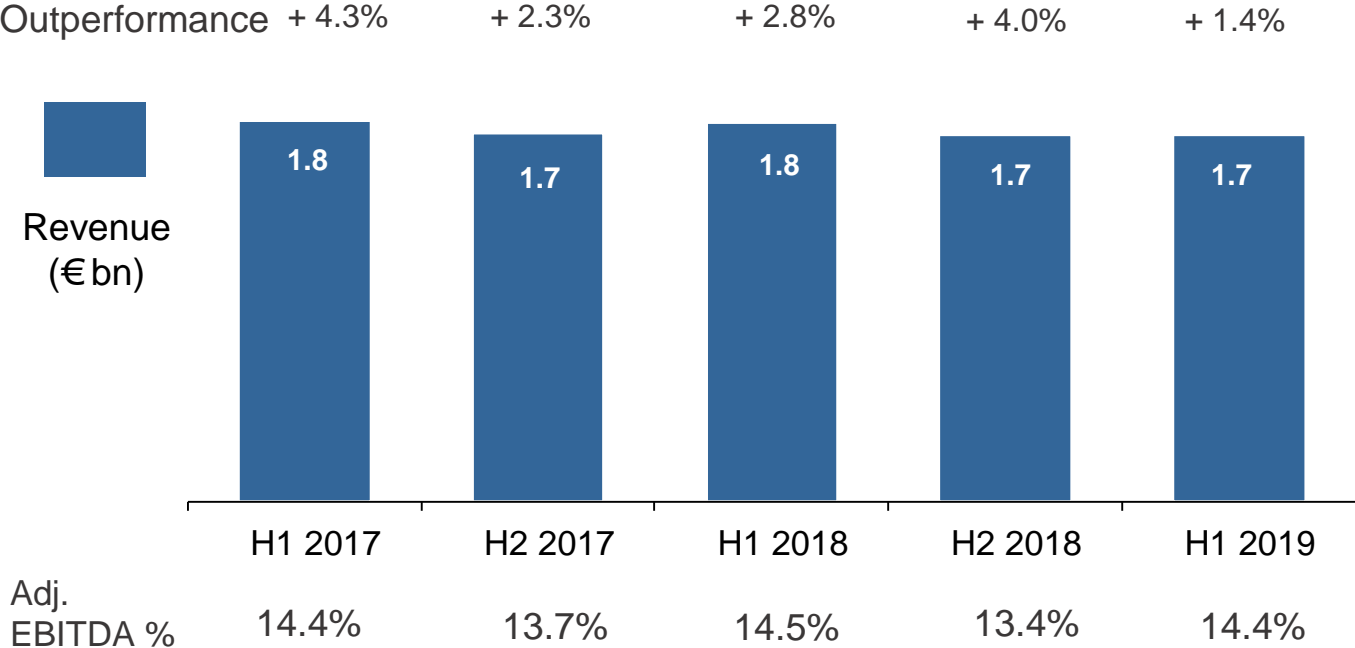
Net cash generated from operations

Capex & Capitalised R&D	Dividends	Deleveraging
Continue to invest ~ 4% - 5% of revenue to support organic growth	Target pay-out ratio of 30% of Adjusted Net Income <i>(LTM Dividend Yield of 4.1%, above FTSE 250 average of 3.3%)</i>	Target leverage levels in line with UK/ European peers
	Other Considerations	
	Continually assess other options that may benefit shareholders	

8. Recent Financial Performance

Consistent and strong performance even with short term market headwinds and uncertainties

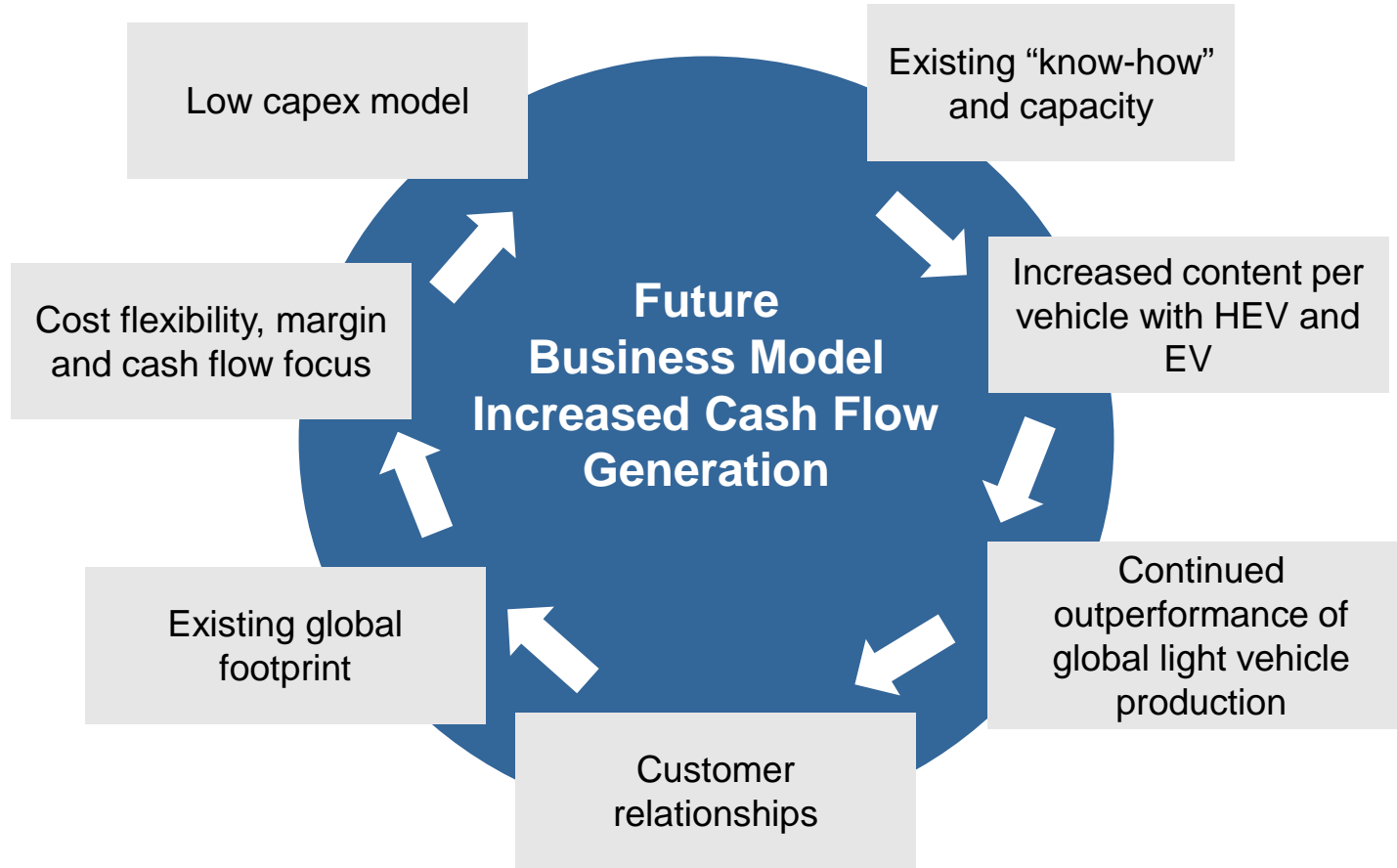
Global Light Vehicle Production	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020	H2 2020
	2.8%	1.4%	1.7%	(4.1)%	(6.7)%	(3.0)%	(2.2)%	1.2%



- **Recent** global light vehicle production impacted primarily by slowdown in China, trade wars
- IHS Markit expects the slowdown to continue into H1 2020; with slight reduction in 2020
- We continually delivered **growth in excess of global light vehicle production** with beneficial trends e.g. emission reduction and global platforms
- **Adjusted EBITDA margins stable** and consistent despite short term market headwinds

9. Medium to Long Term

Enhancing existing and successful business model with megatrend movement



Bill Kozyra

Summary



Key Messages

Long
Term
View

Long-term automotive production expected to grow 2%+ and TI Fluid Systems expected to outperform creating a strong business model

Growth

Consistent revenue outperformance delivered through **megatrends, technology, global platforms and position in China**

Global

Highly diversified customer base and optimised and **flexible global footprint**

EV

Strategy of organic growth opportunities in electrification has been and will continue to be a key focus with significant progress made to date

Financial

Resilience with ability to adjust costs in all market environments to deliver **strong margins and leading cash flow metrics**

Q&A



Product Displays Schedule

Timing	Product Displays	Product Tour Leader	
Group A	Ghost Cars and Thermal Displays	Bill Kozyra	Chief Executive Officer
Group B	Fluid Carrying System Displays	Stefan Rau	Executive VP, FCS
Group C	Fuel Tanks & Delivery System Displays	Hans Dieltjens	Executive VP, FTDS

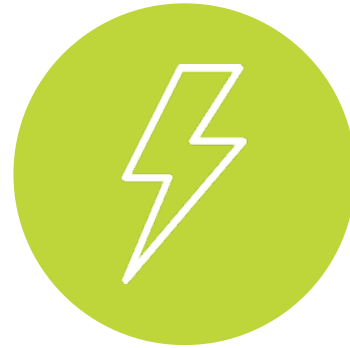
Key Investment Propositions



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



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