



TI Fluid Systems plc

Q3 2024 Trading Update

Resilience in a challenging and uncertain market

TI Fluid Systems plc (TIFS), a global industry leader in highly engineered automotive fluid storage, carrying and delivery systems and thermal management products and systems, issues a trading update for the third quarter and nine months ended 30 September 2024.

**Highlights for the nine months ended 30 September 2024**

- **Revenue at constant currency**
  - 2.9% lower in the year to date reflecting weaker market volumes
  - 5.9% lower in Q3 as a result of further market headwinds
- **Total bookings on track**, up 9% to €1.8 billion, benefiting from our propulsion agnostic product portfolio and including further progress with Local Chinese OEMs with our SPT 2.0 PHEV tank
- **Operational efficiency** and productivity measures on track with additional structural and short-term actions implemented in Q3
- **€40 million share buy-back completed** with 24.1 million shares, or circa 4.6% of the Company's issued share capital, purchased for cancellation
- **Full year outlook** – the recent softening of market volumes is expected to result in a low to mid-single digit decline in FY 2024 revenue at constant currency as compared to FY 2023. We continue to implement efficiency and productivity actions with the aim of broadly offsetting the impact of market softening. We expect full year Adjusted Free Cash Flow conversion to be 30% of Adjusted EBITDA or slightly below as a result of fluctuating customer production schedules

Revenue € million	9 months ended September '24	9 months ended September '23	% Change	% Change at constant currency
EMEA	1,067.0	1,012.7	+5.4%	+5.4%
Asia Pacific	712.1	809.0	(12.0)%	(9.0)%
Americas	733.8	797.8	(8.0)%	(7.3)%
Group	2,513.0	2,619.5	(4.1)%	(2.9)%

**Comment from Hans Dieltjens, CEO and President**

*"We have delivered a resilient performance in the first nine months of the year in an increasingly challenging and uncertain global automotive market. Given this backdrop, we have intensified our self-help activities, with operational efficiency, productivity and further fixed cost reduction*

*measures. Our bookings are on track and above 2023 despite delays to tenders as customers revise their plans, especially in relation to electrification.*

*Our resilience is underpinned by our propulsion agnostic portfolio, a diversified customer base and regional footprint, market-leading positions and a dedicated team. I would like to thank everyone at TI Fluid Systems for their continued hard work and commitment as we continue to execute our Taking-the-Turn strategy for long-term, profitable growth.”*

## **Revenue performance**

Group revenue for the nine months ended 30 September 2024 was €2,513.0 million, 4.1% lower year-on-year, partly due to a 120 basis points foreign exchange headwind from the stronger Euro against most key currencies.

Revenue declined 2.9% at constant currency, or 2.4% excluding the Cascade acquisition and the product line exit in the Americas. This is broadly in-line with TIFS' weighted market production, which declined 2.2% as compared with a 1.6% reduction in global light vehicle production in the period.

Revenue for the EMEA region increased 5.4% at constant currency, including a circa 220 basis points contribution from the Cascade Engineering Europe acquisition. Growth was well ahead of light vehicle production volumes which declined 4.0% in the period. The region continued to benefit from strong growth in fuel tanks and delivery systems, including for plug-in hybrid platforms. During Q3, demand for thermal products for EVs also increased as customers ramped up BEV production ahead of 2025 European CO2 emissions standards.

Asia Pacific revenue reduced by 9.0% at constant currency compared to a light vehicle production decline of 1.0%. As expected, lower revenue in China was in line with the reduction in Global OEM production. Revenues are ramping up on our 2023 launches with local OEMs and we launched circa 60 programmes during the first nine months of 2024.

Revenue in the Americas was 7.3% lower at constant currency, compared to a 0.9% reduction in light vehicle production. As expected, the exit of a less profitable product line reduced constant currency revenue by circa 430 basis points. Destocking by our largest OEM customer in the region was also a significant headwind in Q3. From a product perspective, we continued to benefit from good growth in tanks and brake lines, while thermal products remained weaker.

The productivity and efficiency measures implemented in late 2023 and 2024 have delivered significant benefits to profitability. In response to weakening market conditions during Q3 we have taken additional actions, which include short-term measures on headcount and fixed costs as well as accelerated restructuring.

## **Full year outlook – efficiency and productivity to broadly offset weaker market volumes**

The recent softening of market volumes is expected to result in a low to mid-single digit decline in FY 2024 revenue at constant currency as compared to FY 2023. We continue to implement efficiency and productivity actions with the aim of broadly offsetting the impact of market softening.

We expect full year Adjusted Free Cash Flow conversion to be 30% of Adjusted EBITDA or slightly below as a result of fluctuating customer production schedules.

## **Enquiries**

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## **Cautionary Statement**

This announcement 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 announcement. 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 announcement should be construed as a profit forecast.