

CONTROLS

The Controls Sector businesses supply specialised wiring, cable, connectors, fasteners, control devices, adhesives, and CNC and robotic components for a range of technically demanding applications.

FINANCIAL HIGHLIGHTS

£568.4m

Revenue

FY22: £492.8m | +15% YoY

£136.6m

Adjusted operating profit

FY22: £105.8m | +29% YoY

£112.9m

Statutory operating profit

FY22: £75.3m | +50% YoY

+11%

Organic revenue growth

FY22: 24%

24.0%

Adjusted operating margin

FY22: 21.5% | +250bps

INTERNATIONAL CONTROLS

Interconnect
Specialty Fasteners
UK Wire & Cable
Specialty Adhesives
Industrial Automation

WINDY CITY WIRE

Windy City Wire

WINDY CITY WIRE (WCW): 49%

Delivers innovative low-voltage wire and cable management solutions that save integrators time and money on projects - from concept to completion. Windy City Wire delivers its proprietary value-add solutions - SmartWire, RackPack and SmartKits - with outstanding customer service.

INTERCONNECT: 23%

Our interconnect businesses supply electrical-mechanical solutions to customers in Defence, Energy, Medical and Automotive industries. They distribute high-performance interconnect products, as well as identification, protection and metal braided products. They deliver tailored solutions, responsive customer service and technical knowledge.

WIRE & CABLE (UK): 8%

Delivers cable management, identification and termination solutions to data centres, rail, energy, marine and construction industries. They offer customers same-day despatch, technical support, excellent customer service, and custom-made product and inventory solutions.

SPECIALTY FASTENERS: 12%

This business supplies a range of high-quality fasteners, inserts and components to customers in industries with highly technical and demanding applications and environments. They work with customers to develop bespoke, value-add solutions, such as in-house assembly, design, technical expertise, bespoke kitting, and automatic inventory replenishment.

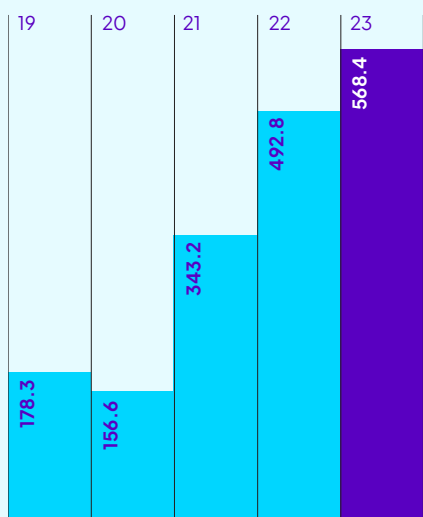
INDUSTRIAL AUTOMATION: 5%

Delivers machine uptime through specialist repair, servicing and refurbishment of industrial automation equipment for customers in machine shops, metalworking and manufacturing industries. Customers benefit from minimised downtime, technical support and asset life extension.

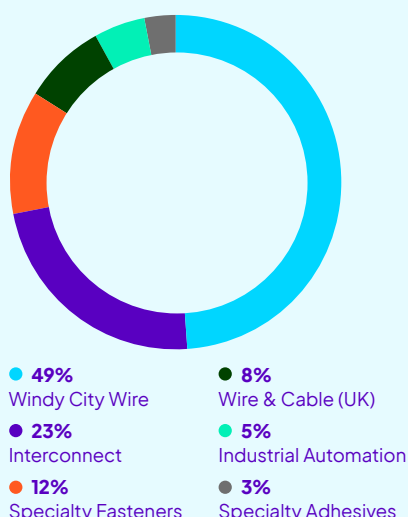
SPECIALTY ADHESIVES: 3%

Our specialty adhesives business distributes industrial adhesives, sealants, and tapes to customers in automotive, electronics, aerospace, defence and other manufacturing industries. Value-add services include repacking to meet customer-specific requirements, stock and supply chain management, kitting, deep technical support, and innovative sealing solutions.

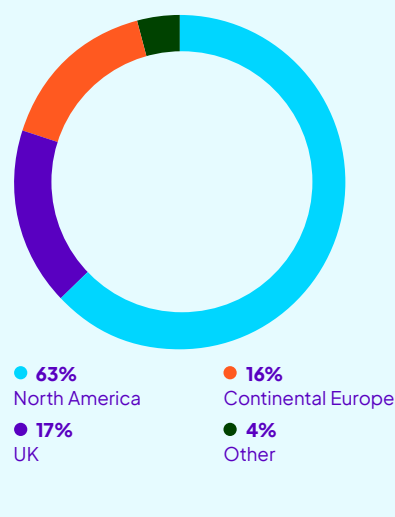
REPORTED REVENUE £



REVENUE BY SEGMENT¹



REVENUE BY GEOGRAPHY¹



¹ Pro forma revenue is stated after total net adjustments of (£2.4m) to Reported revenue for acquisitions and disposals completed during the year.

CONTROLS SECTOR CONTINUED



DAVID GOODE
CEO, INTERNATIONAL CONTROLS
SECTOR

“International Controls enjoyed another exceptional year. Incisive growth plans and hard work ensured success across the Sector. The addition of T.I.E. both enhanced Sector margins and opened new markets and products to support the next phase of growth.”



RICH GALGANO
CEO, WINDY CITY WIRE

“In a year of diligent effort, our team’s commitment to organic growth has been the cornerstone of our success, building scale sustainably and setting a solid foundation for the future.”

2023 HIGHLIGHTS

- Very strong performance in International Controls with organic revenue growth of 15%.
- Windy City Wire (WCW) delivered organic growth of 7%, building on a very strong comparative period in FY22.
- Adjusted operating profit increased significantly, 29% higher at £136.6m (2022: £105.8m) with a 250bps year-on-year increase in adjusted operating margin to 24.0% (2022: 21.5%). Both WCW and International Controls contributed to margin expansion driven by positive operating leverage and mix into higher margin products.
- Strategic acquisition of Tennessee Industrial Electronics (T.I.E.) builds scale and gives access to the important industrial automation end market.

International Controls (51% of Controls Sector revenue) delivered 15% organic growth in the year, benefitting from market share gains in recovering civil aerospace markets and structural tailwinds in UK defence and German energy markets as investment in these areas remains a critical focus for governments. The Sector also further penetrated exciting end markets within electric vehicles (EV), renewables and space. Operating margin increased strongly, primarily due to positive operating leverage on volume growth, and mix benefits from the acquisition of T.I.E. and disposal of Hawco.

Windy City Wire (49% of Controls Sector revenue) continues to perform strongly, with organic revenue growth of 7% in the year, following a very strong comparative period with 32% organic growth in FY22. Product range extension and share gains in new end market segments drove volume and a favourable mix.

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29%

REVENUE DIVERSIFICATION DRIVING ORGANIC GROWTH

The Sector continues to diversify its end markets, gaining share in space and telecoms and benefitting from the wider move to electrification and green energy as it continues to deliver growth in the EV and renewable energy end markets.

We delivered strong double-digit organic growth in our Interconnect businesses, particularly in the German energy end market, driven by share gains and upgrades to the transmission and distribution network. Other key growth segments include defence, motorsport, aerospace and medical, where our businesses benefitted from momentum in these growing end markets and share gains.

Our Specialty Fasteners businesses delivered very strong double-digit growth during the year as they continue to win market share and benefit from strong customer demand in the recovering civil aerospace market in both the US and UK. We secured key contract wins in seats and cabin hardware and further diversified end markets with good momentum into space, unmanned aerial vehicles (UAVs) and electric vertical take-off and landing (eVTOL) aircraft. Geographic diversification has also been a theme in aerospace, with an important contract win in France for a major cabin and seating manufacturer.

Specialty Adhesives delivered strong double-digit growth in its key automotive end market as well as continued share gains in the telecommunications and EV markets.

WCW continues to drive strong growth and gain share in the high margin petrol station end market, where its products are essential to the new generation chip readers used to prevent fraud, and which are being systematically rolled out across the US.

TARGETED ACQUISITIONS TO ACCELERATE GROWTH

During the year, the Sector completed the acquisition of T.I.E. for ca. £76m, providing it with access to the important industrial automation end market, which has been a strategic target end market for some time. T.I.E. also drives product extension (robotics and CNC machines) as well as deepening geographic penetration in the key US market.

Two smaller bolt-on acquisitions were completed in the year, with Eurobond further broadening our product offering in Specialty Adhesives, and Shrinktek expanding the Sector's offering in UK Wire & Cable.

BUILDING SCALE

Significant investment in technology and facilities is underway as the Sector finalises the integration of its UK Wire & Cable locations into one state-of-the-art facility and a common ERP platform.

Sales resource has been added to the European Fasteners business as part of the strategy to expand in the civil aerospace market. Focused investments in sales resources are also being made into the adhesives market to capitalise on long-term aerospace and defence opportunities.

OUTLOOK

We have made good strategic progress in Controls. Our businesses are benefitting from initiatives to capture growth in structurally growing end markets, such as data centres, EV and energy, as well as high-growth emerging markets, such as space and eVTOL. We are also benefitting from continued geographic diversification as we continue to build scale in the US and Europe. We are taking share in markets in which we operate. The Sector has strong momentum, and we remain very positive about its prospects.

SPECIALTY ADHESIVES TECHSIL

Techsil, based in the UK, sells specialty silicones, adhesives and sealants. It adds value through technical sales and support, own branding and technical specification.

Techsil is aligned with structurally growing end markets, such as EVs, through battery bonding and circuit board solutions, as well as the telecoms and defence industries.

A strong management team has enabled us to add two bolt-on acquisitions since Techsil joined the Group in 2021.

Techsil has significant opportunity across all of our growth buckets – UK consolidation, geographic penetration in the US and Europe, and exceptional end market potential.