FULL YEAR RESULTS

FOR THE 53 WEEKS ENDED 5 APRIL 2020

OVERVIEW

Successfully delivering diversified growth and exceptional free cash flow

- 46% increase in underlying operating profit to a record $32m
- Underlying operating margin up to 8.1% from 5.8% driven by better sales mix with a move to higher margin sales
- Revenue of $391m an improvement of 5.2% against the previous year
- Two successful acquisitions in the year expand our customer list and enhance our capabilities
- Free cash flow of $48.8m with net cash before lease liabilities of $32m and $30m of undrawn facilities at year end
- Robust balance sheet coupled with a low interest rate environment positions us for further acquisitions

FINANCIAL RESULTS

PERFORMANCE HIGHLIGHTS

Improved profitability

- Operating profit margins are significantly better at 8.1% (target is 10%)
- Management has prioritised margin over volume
- Careful cost control, vertical integration and automation are improving margins

Exceptional cash generation

- Free cash flow has improved to $48.8m
- Significant cash and undrawn facilities at year end underpin our defensive characteristics
- Cash conversion[1] of 154%

1 Cash conversion is free cash flow compared to underlying operating profit

Reinvestment and return

- Return to paying a dividend this year with full year pay-out of 3.0p per share
- Continued to make value creating acquisitions
- Investing in improving our manufacturing base and expansion outside of China

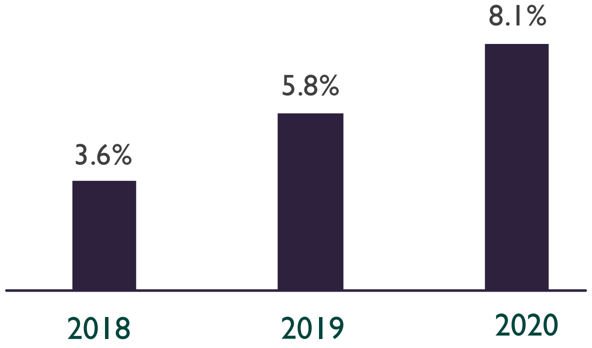
FY2020 represented a significant step forward for the Group

Volex

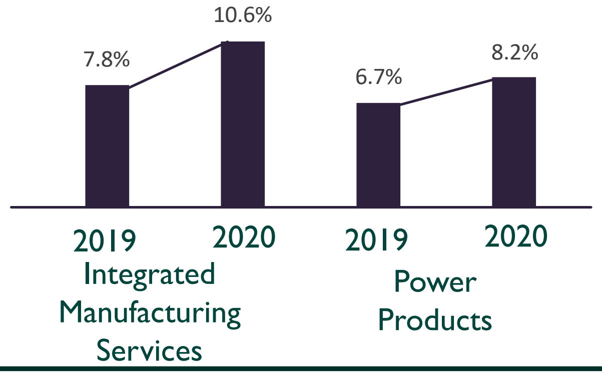
FINANCIAL PERFORMANCE

Significantly improved profitability

Underlying Group operating profit margin

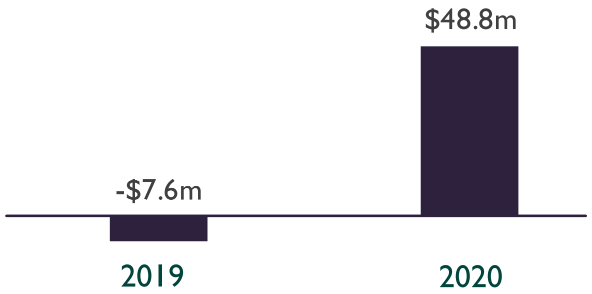


Margin by division

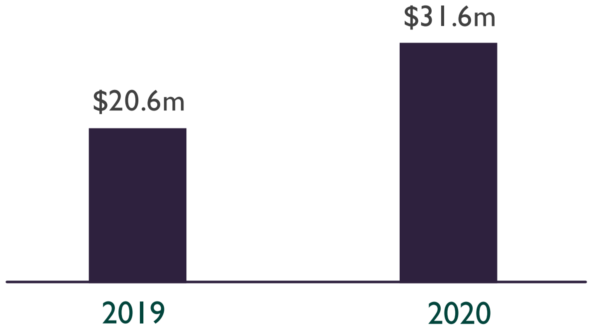


Exceptional cash generation

Underlying free cash flow

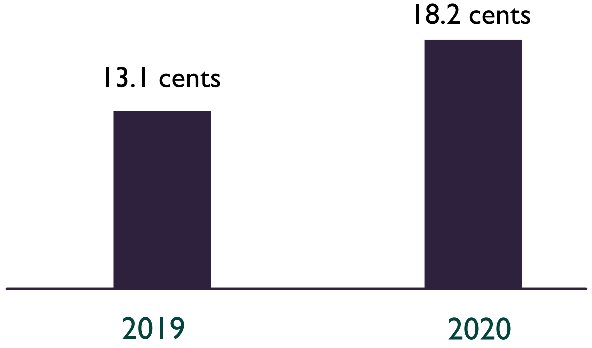


Net cash (before leases)

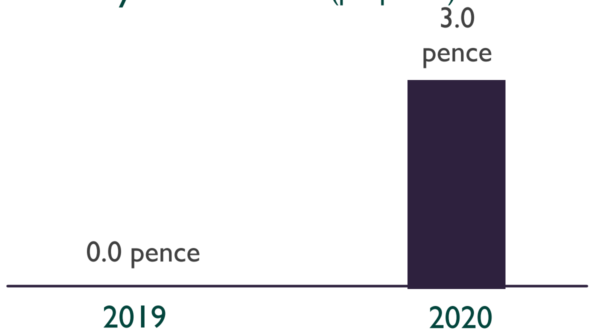


EPS growth and reinstated dividend

Underlying basic EPS



Full year dividend (proposed)



Results in line with expectations demonstrating exceptional cash generation

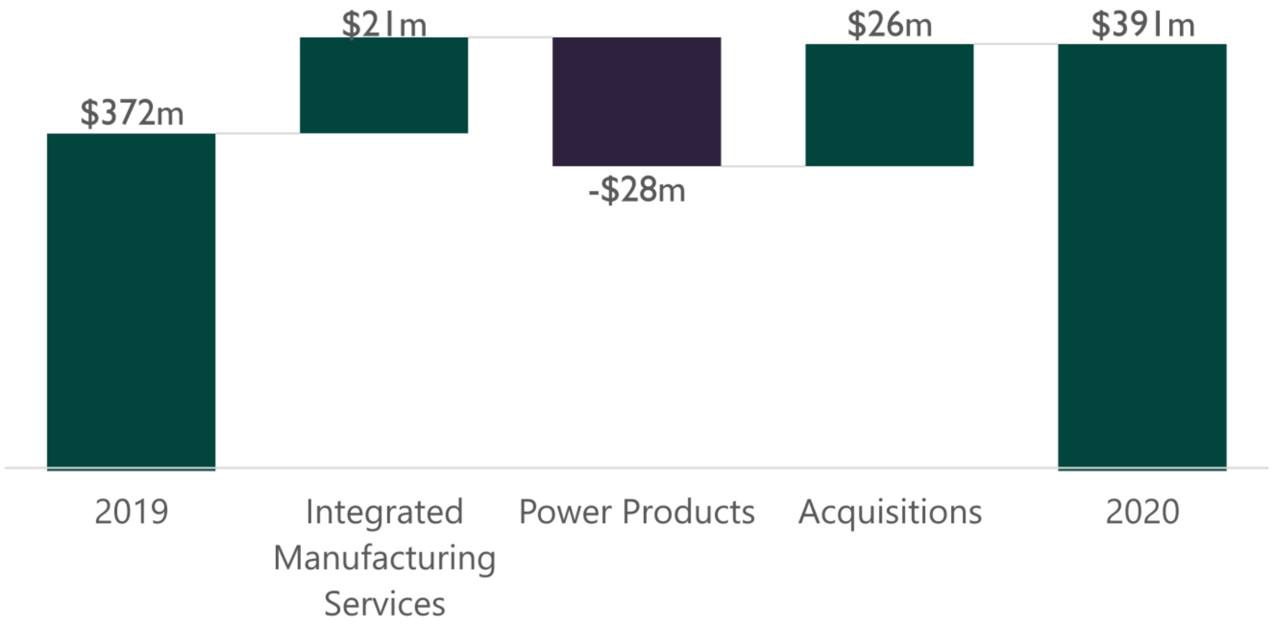
FINANCIAL PERFORMANCE

$m (except where stated)	2020	2019	Change
Revenue	391.4	372.1	5.2%
Underlying operating profit	31.6	21.6	46.3%
Underlying operating margin	8.1%	5.8%	230 bps
Profit before tax	15.9	11.6	37.1%
Underlying basic EPS	18.2¢	13.1¢	38.9%
Statutory basic EPS	9.9¢	6.9¢	43.5%
Dividend per share	3.0p		-
Underlying Free Cash Flow	48.8	-7.6	
Net cash (before lease liabilities)	31.6	20.6	
Net cash (including lease liabilities)	21.2	20.6	
Return on capital employed	29.9%	26.7%	320 bps

- Revenue up 27% in Integrated Manufacturing Services as a result of M&A activity in the last two years
- Margin improvement from higher value-add assemblies and fewer low margin power cords
- Effective tax rate of 7.3% including recognition of significant deferred tax assets
- Improved profitability drives enhanced EPS
- Proposed 2.0p final dividend in addition to 1.0p interim dividend
- Free cash flow significantly better – prior year included one-off working capital movement
- Strong balance sheet with cash reserves

Volex is committed to a consistent dividend payment

GROUP REVENUE



- Revenue up 12% in Integrated Manufacturing Services before the acquisition of Servatron
- Sales reduction in Power Products has been consistently flagged – we exited low margin business
- Electric vehicle products starting to ramp up in Power Products
- We estimate that the Covid-19 impact in Q4 FY2020 was a reduction in revenue of about $8m in Power Products

Our expanded capabilities in Integrated Manufacturing Services are driving revenue

INTEGRATED MANUFACTURING SERVICES – FINANCIAL OVERVIEW

$m (except where stated)	2020	2019	Change
Revenue	220.3	173.2	27.2%
Underlying operating profit	23.3	13.5	72.6%
Underlying operating margin	10.6%	7.8%	280 bps

- Revenue up 27% in Integrated Manufacturing Services including 15% increase from Servatron
- Margin improvement resulting from:
    - Benefits from product mix
    - Cost savings and efficiencies delivered
    - Higher-level assemblies and the move up the value chain which improves profitability

Margin improvements delivered through operating efficiencies and product mix

POWER PRODUCTS – FINANCIAL OVERVIEW

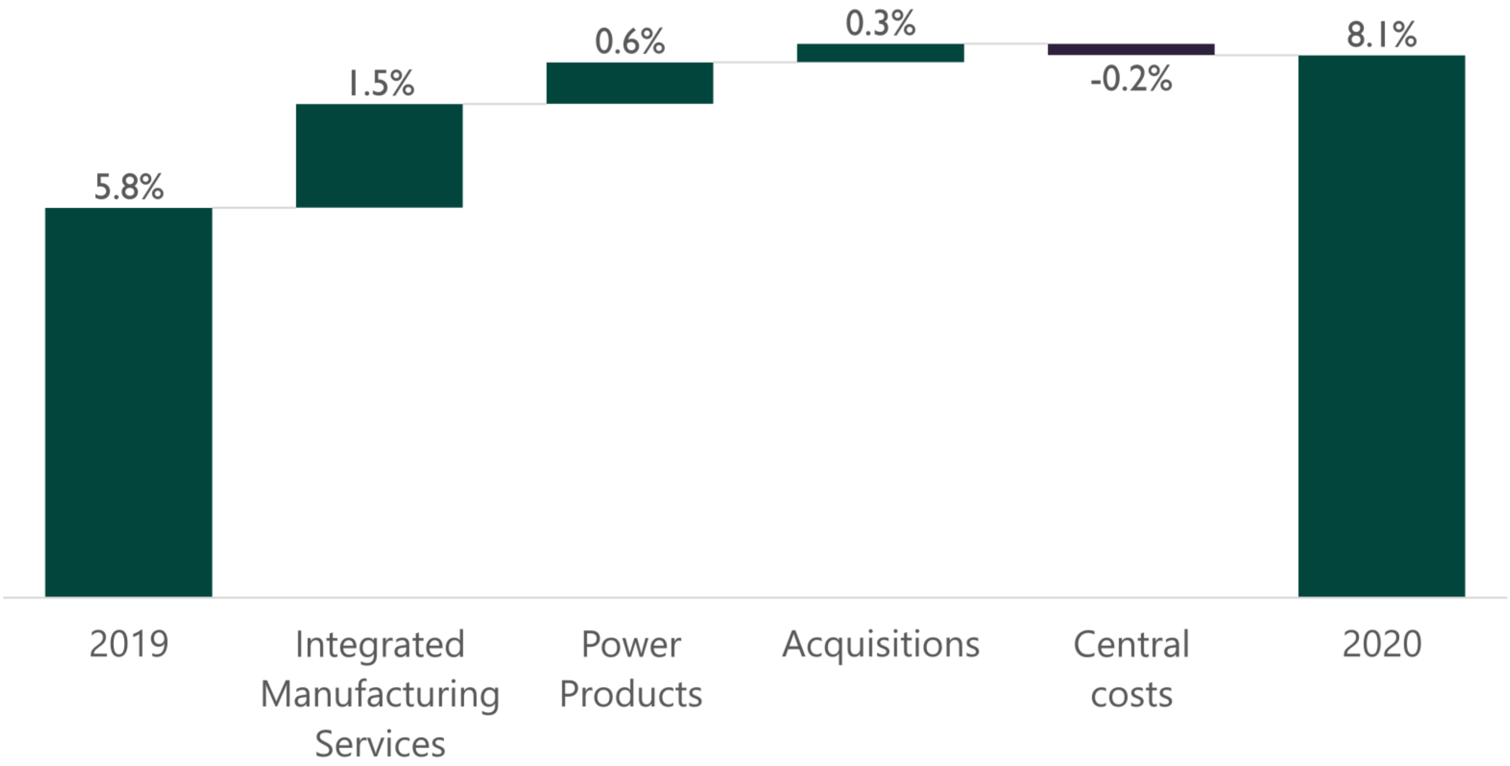
$m (except where stated)	2020	2019	Change
Revenue	171.0	198.9	-14.0%
Underlying operating profit	14.1	13.2	6.8%
Underlying operating margin	8.2%	6.7%	150 bps

- Revenue down due to planned withdrawal from lower margin contracts
- Focus on profitability paying off with absolute increase in operating profit
- Margins improving and winning new business as a result of improved cost structure and EV capability
- This division felt the majority of the effect of the slowdown in Q4 due to Covid-19

Strategic repositioning to improve margins and provide strong cash generation

Volex

GROUP UNDERLYING OPERATING PROFIT



- Significant improvement in Integrated Manufacturing Services across all sites
- Power Products improved on an absolute basis as the sales mix improved
- Servatron delivered $2.6m of operating profit in the eight months since the acquisition
- Central costs were well controlled – five acquisitions integrated in the past 24 months

Underlying operating profit margin +230bps year on year

GROUP CASH FLOW

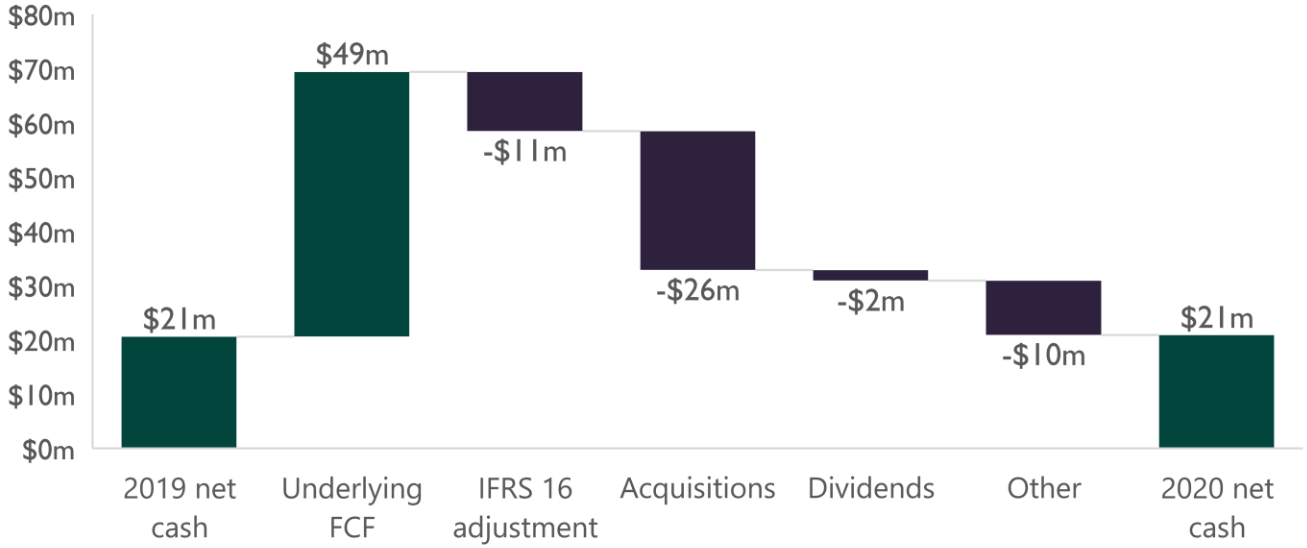
$m	2020	2019
Underlying EBITDA	38.1	25.4
Net capital expenditure	(4.4)	(2.8)
Movement in working capital	19.6	(24.7)
Net interest and tax	(5.6)	(3.2)
Other movements	1.1	(0.7)
Underlying Free Cash Flow	48.8	(6.0)
Acquisitions	(25.6)	(23.8)
Exceptionals	(1.4)	(3.3)
Dividends	(2.0)	0.0
Repayment of debt/leases	(3.3)	(12.8)
Share issue/(share purchase)	(4.6)	45.7
Other	(0.6)	(1.7)
Net Cash Flow	11.3	(1.9)

- There was a beneficial impact on working capital this year with lower outstanding receivables at year end
- 2019 working capital included a revision to our supplier payment policy
- Cash taxes increased due to higher profits
- Cash for acquisitions was $18.8m for Servatron and $5.7m for Ta Hsing with $1.1m of deferred consideration for acquisitions made in FY2019
- Dividend outflow of $2.0m represents 1.0 pence interim payment – full year dividend will be paid after year end
- Closing cash position before lease liability of $31.6m and net cash (including lease liabilities) of $21.2m

We have seen exceptional cash generation this year with improved working capital

Volex

GROUP CASH MOVEMENTS



- Exceptional cash generation has supported an increase in net cash during the year
- IFRS 16 is a presentational adjustment to classify future lease payments as a liability and does not impact cash flow
- Capex has enabled investment in manufacturing capability and automation
- Dividend payment is the interim dividend – the proposed final dividend will be paid in FY2021

Continued strong cash position with further strategic investment during year

Volex

GROUP ADJUSTING ITEMS

$m	2020	2019
Acquisition costs	0.2	1.8
Restructuring costs	0.0	1.9
Amortisation of acquired intangibles	5.7	2.0
Pension remeasurement	0.0	0.5
Share-based payments (SBP)	8.7	2.4
Tax on adjusting items	(2.4)	(0.2)
Total adjusting items and SBP	12.2	8.4

- No restructuring costs have been recognised as adjusting items this year and normal business reconfiguration costs are above the line
- Acquisition costs are low due to using our own internal expertise to run an efficient due diligence process
- Intangible amortisation up due to the completion of five acquisitions in the last two years
- Share-based payments include awards issued to secure acquisitions and incentivise delivery of acquisition case

No restructuring costs taken as adjusting items this year

FINANCIAL STRENGTH

Cash and facilities available

- Exceptional cash generation in year has allowed us to close the year with $31.6m of cash in the bank
- $30m committed multi-currency facility (undrawn at year end) with further $10m uncommitted accordion feature to support acquisitions
- Robust balance sheet with customer credit risk closely managed and bad debt generally low

Successful rebuilding of credit profile

- Refinanced in July 2019 with new three-year revolving credit facility with HSBC and Lloyds
- Achieved better terms and fewer operational covenants reflecting our enhanced credit quality
- Balance sheet underutilised and significant further lending headroom available

Highly cash-generative

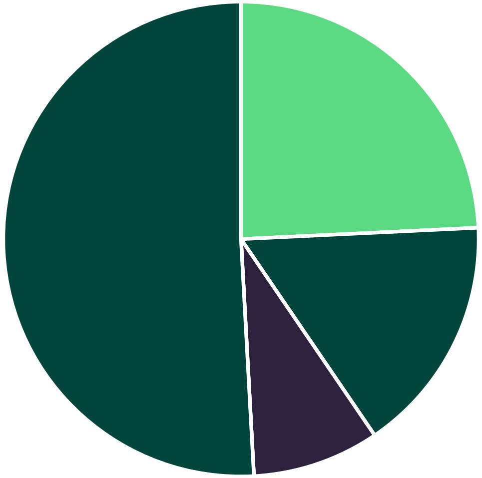
- Diversification strategy since 2015 has led to better pricing power, and less reliance on key accounts
- Can use variable cost base to protect cash inflow in response to lower demand
- Ready for further cash-accretive acquisitions with facilities available and a pipeline of opportunities

Our strong cash position and credit profile positions us well for acquisitions

STRATEGY AND OUTLOOK

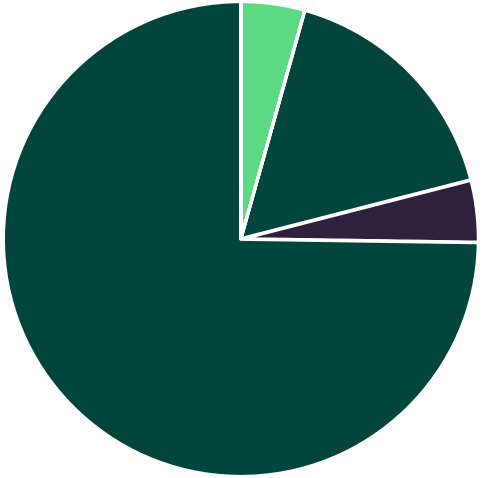
CUSTOMER CONCENTRATION

Top three customers:
50% of revenue



2014

Top three customers:
25% of revenue



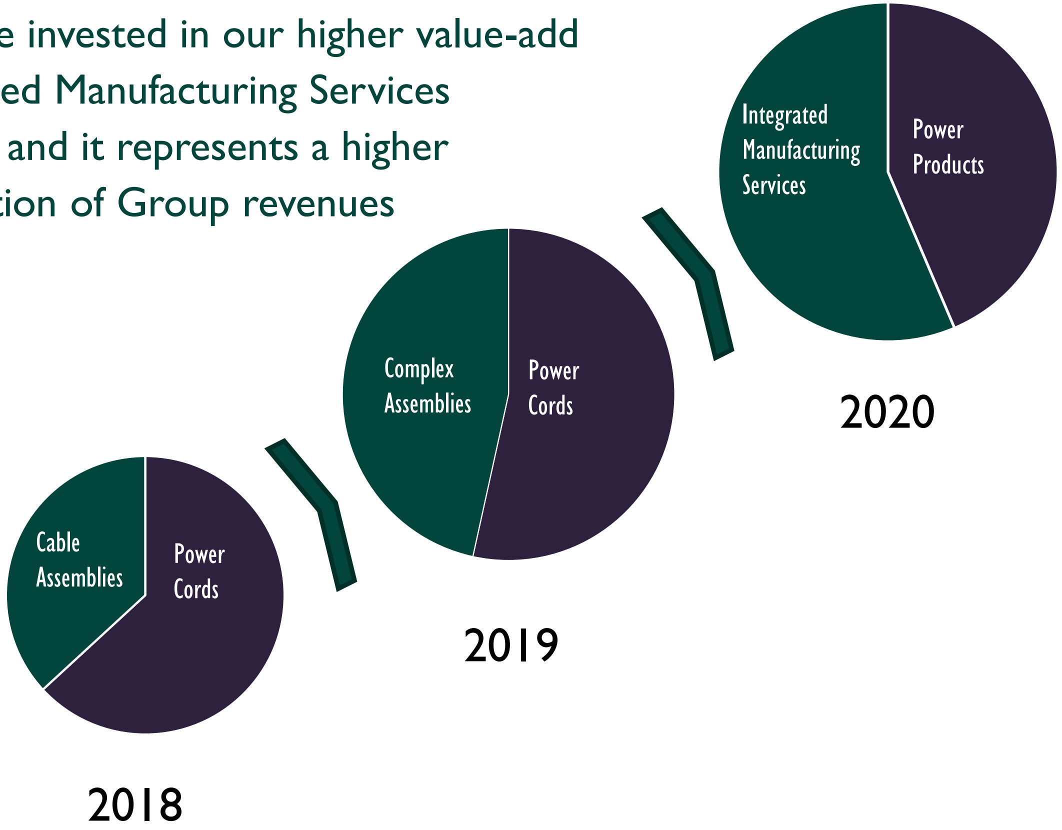
2020

- In 2014 one customer represented 25% of revenue and the second biggest customer was 17%
- In 2020 the biggest customer represents 17% of revenue and the next biggest customers are less than 5% of revenue
- Diversification has reduced risk significantly

Volex is now extremely diversified geographically and across industries

FOCUSING ON THE RIGHT MARKETS

We have invested in our higher value-add Integrated Manufacturing Services division and it represents a higher proportion of Group revenues



Revenue by segment by year

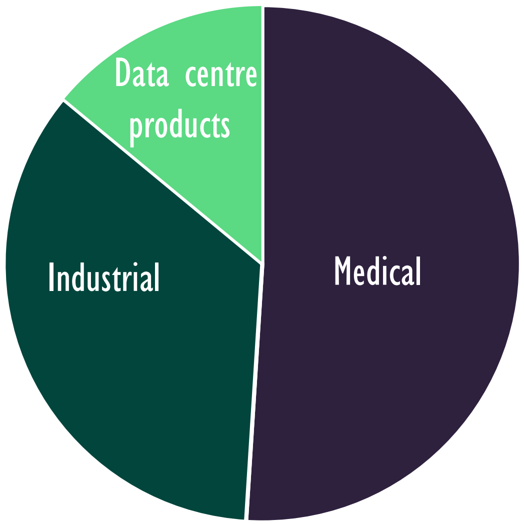
Market segment	Developments
Integrated Manufacturing Services	Delivering higher-level assemblies as well as PCB assembly capability
Data centre products	Now producing cables with data rate of up to 400Gb/s with full end-to-end testing
Electric vehicles	Expanding our customer base while addressing multiple physical and safety requirements
Consumer electronics	Streamlining product catalogue to simplify procurement and enhance customer value

Our engineering pedigree differentiates us

Volex

FOCUS ON INTEGRATED MANUFACTURING SERVICES

Over half our Integrated Manufacturing Services revenue is in the medical market



Integrated Manufacturing Services revenue by customer area for FY2020

Customer area	Trends	How we are responding
Medical	Treatment and diagnostic technologies are developing which creates a demand for the most up to date assets	Delivering more higher-level assemblies to streamline the procurement and production process for medical device manufacturers
Data centre products	Growth of new data centres and refresh of connectors within existing sites	Developing passive copper cables that deliver maximum data rates to help customers extract the most value from their asset base
Industrial	Increasing complexity in products to support enhanced functionality	Using our knowledge of best practice in production to deliver quality in complex scenarios at a competitive price point

A trusted manufacturing partner for critical assemblies

FOCUS ON POWER PRODUCTS

Margin has improved significantly as we have executed a strategy of moving away from low-margin business

Power Products adjusted operating margin %

Products	Description	Our approach
High-volume products	Delivering to global household names who value quality, international reach and worldwide customer service	We have the ability to deliver in every major market and support customers with vendor-managed inventory
Bespoke products	Tailored products to meet exacting aesthetic standards for high end application such as premium audio devices	Our experience in this area and our quality processes give customers confidence that we will meet their requirements
Electric vehicles	High-current cables that can survive in demanding environments with multiple safety features	From development to production we ensure we deliver a quality product that exceeds rigorous safety requirements

We are the global leader in Power Products with a worldwide reach

DELIVERING OPERATIONAL EXCELLENCE

What have we done?	Why does this matter?	What happens next?
Implemented automation to deliver an efficient manufacturing process for Power Products	Automation gives us the opportunity to lower costs for high volume Power Products customers helping us win share	Having proven the effectiveness of the automation approach, this can be intelligently rolled out to cover more lines and sites
Transferred production from China to Indonesia to diversify production locations for our customers and reduce the impact of tariffs for US deliveries	Customers get the benefit of two supply locations, both with a low cost base and can also pay less tariffs for goods shipped to the US	We will continue to consider our global production footprint to identify where factory moves and consolidation can drive cost savings and benefit customers
Continual improvement in manufacturing processes and sourcing strategy	Incremental process improvements contribute to improving the bottom line and help profitability	We continue to identify efficiency savings and look at how we can improve our processes

Our continuous improvement culture drives out cost without compromising on quality

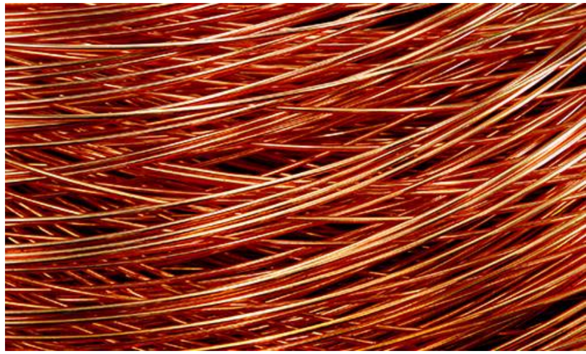
Volex

FOCUS ON ACQUISITIONS

Servatron – leading US-based EMS business

- Delivering annual revenue of approximately $41m and EBIT of $3.7m
- Complementary customer base of US medical and industrial manufacturers
- Sales synergy opportunities
- Brings additional capabilities in higher-level assembly and PCB assembly to the Group helping us respond to customer requests for these services

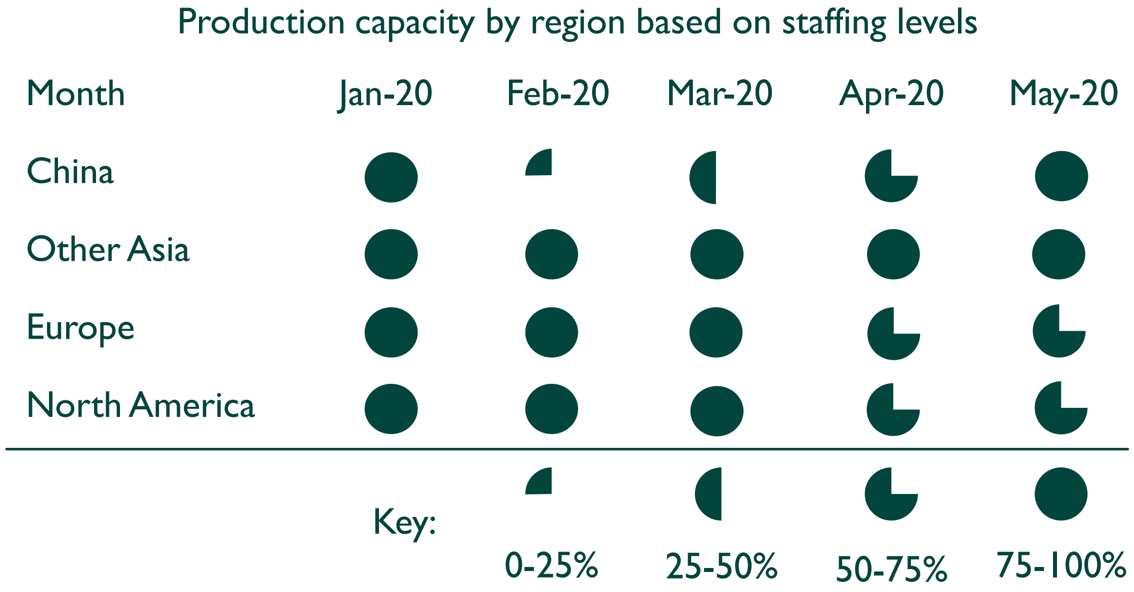
Ta Hsing – Cable extrusion plant based in Southern China



- Previously a long-standing supplier to the Group
- Provides margin optimisation opportunities through vertical integration
- Gives the group more control over a key element of the supply chain
- Will allow us to manufacture Volex branded cable to support our brand identity
- Ta Hsing provides 32% of our PVC power cable production, and we aim for 100% within 3 years

We have acquired strong businesses which are cash accretive from day one

IMPACT OF COVID-19



Impact on capacity

- Our priority continues to be the health and wellbeing of our employees and we are doing all we can to support them
- Our Chinese factories were closed when the Lunar New Year holiday was extended and they re-opened in February
- We have seen some moderate impacts on employee availability in Europe and Mexico

Impact on demand

- Some of our customers temporarily ceased production which resulted in the deferral of orders
- We have the financial resources to continue to execute our strategy in FY2021

The health and wellbeing of our employees has been the key priority during the Covid-19 episode

OUTLOOK

We are very optimistic about our business prospects despite short term headwinds

We are continuing to invest back into the business for future growth and margin enhancement

Revenues for the 4 months to May 2020 were 4% ahead of the same period a year earlier but the outlook for the remainder of FY21 is less clear than usual

We continue to work very closely with our customers to understand demand and to respond appropriately

Medical equipment installations are delayed due to restrictions on access to hospitals which is affecting some customers

Data centre activity is strong as remote working expands post Covid-19 and consumers and businesses stock up on laptops

Electric vehicle business starting to recover now customer factories have reopened after closures in April and May

We have a strong acquisition pipeline and intend to resume deploying our available capital once travel restrictions ease

SUMMARY

Well positioned with a diverse customer base

- We have long-term relationships with an excellent range of blue-chip customers
- Despite short-term headwinds exposure to the medical market remains a strength because it is less cyclical than other areas
- We have diversified our customer base and our markets to reduce concentration risk

Compelling range of capabilities and assets

- We are moving up the value curve by offering more complex integrated manufacturing solutions
- Our global footprint gives us flexibility and resilience
- Management team own 25% of Volex and are focused on adding value for all shareholders

Strong balance sheet and exceptional cash generation

- Our business is highly cash generative with a track record of improving profitability
- We have a strong balance sheet and available facilities
- Extremely cost conscious and committed to sustainable and cost-effective investment
- Operating in sectors where we have a deep understanding and a good reputation

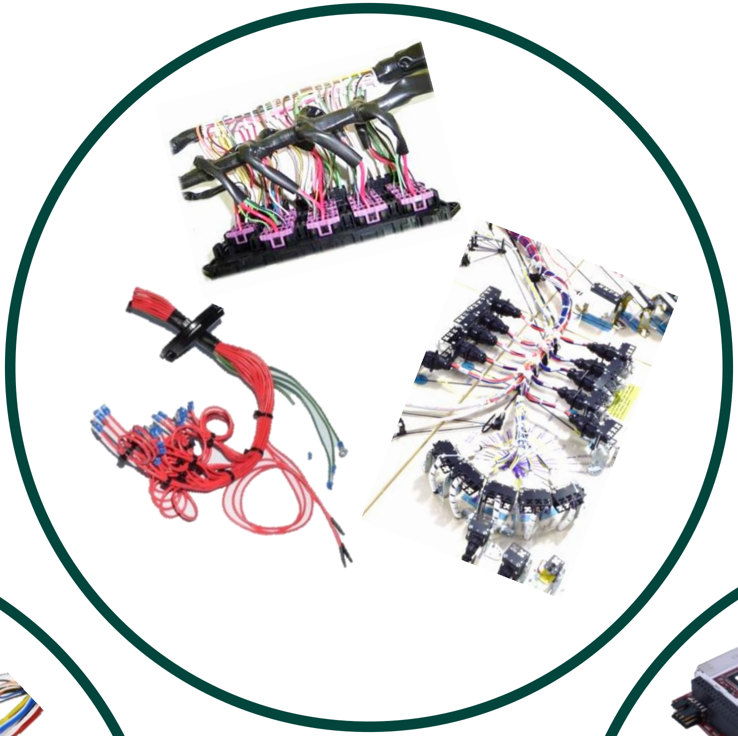
Ready for further expansion

- Reliable execution of sequential acquisitions that add value and cash generation from day one
- Agile approach to acquisitions with an earnout based model that differentiates us from traditional acquirors
- Light-touch integration approach which is tailored to maintain the strengths of the acquired organisations

We are a strong business with great prospects as we head into a challenging FY2021

APPENDIX: ABOUT VOLEX

FROM SIMPLE TO COMPLEX



Volex

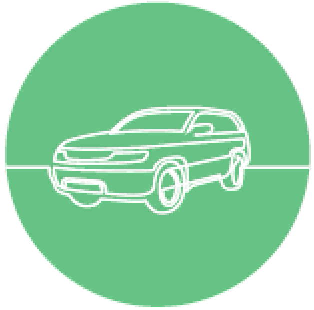
GLOBAL MANUFACTURING FOOTPRINT

We have manufacturing sites across three continents and a global supply capability covering all major markets

OUR MARKETS

Medical

Majority of our Integrated Manufacturing Services revenue is in the medical segment characterised by long-term relationships and high barriers to entry



Electric Vehicles

We work with market leaders in this fast growing automotive sector, meeting robust technical requirements and achieving high levels of quality and safety

Data Centre Products

Demand for our cutting edge high-speed copper data cables continues to grow as businesses and consumers adopt cloud services

Consumer Electronics

With significant engineering talent and worldwide safety approvals we are the partner of choice for premium household names in the electronics industry