TRICORN

Interim Results Presentation
for 6 months ended 31 March 2020

Change of Accounting Reference Date

As a result of the impact of, and uncertainty around, COVID-19 and its impact on the movement of people and social distancing, the Group announced on 2 April 2020, after consultation with its auditors, that the required timescales in which to complete a year end audit were unachievable and that the Group would change its accounting reference date.

These results for the six months to 31 March 2020 (the "Period") are unaudited interim results and audited accounts for the 18 month period to 30 September 2020 will be published in December 2020.

Introduction

- Tricorn develops and manufactures tube solutions for an international OEM customer base

- Over recent years, the Group has extended its manufacturing footprint and invested in extending its capabilities enabling it to grow its customer base and win new business

- Operational base spans three key geographic regions (USA, UK and China)

- At the start of the financial year, the Group consolidated its brands with Franklin Tubular Products and the newly announced expansion at Rabun Gap operating as Tricorn USA and Malvern Tubular Components and Maxpower Automotive as Tricorn UK. The joint venture in China remains as Minguang-Tricorn Tubular Products

- Reporting is now on a geographic segmental basis

TRICORN GROUP PLC Spring Lane, Malvern, Worcestershire, WR14 1DA
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Summary

- Results significantly impacted by COVID-19 pandemic
- Successfully completed a Placing and Open Offer of new ordinary shares at 10p per share on 5 February 2020 raising net proceeds of £1.335m
- Cash headroom of £1.8m at 1 June 2020
- All Group facilities operational from 20 April 2020 onwards

All references to EBITDA, profit before tax and EPS are before intangible asset amortisation, Rabun Gap start up costs and share based payment charges.

Financial Review – Profit & Loss

£m	6 months March 20	6 Months March 19**
Revenue	8.453	11.348
Gross margin	37.9%	38.2%
EBITDA*	0.118	1.120
EBITDA Return %	1.4%	9.9%
(Loss)/Profit Before Tax*	(0.572)	0.511
(LPS)/EPS*	(1.65)p	1.44p
Dividend	-	0.2p

Operational Summary

- Impact of COVID-19 felt from February 2020 and through the end of the Period
- China facility closed through February, UK facilities closed for a period from 25 March and the USA shortly afterwards

Profit & Loss

- Revenue impacted significantly through the last three months
- Gross margins maintained
- Operational gearing impacted through volume volatility and speed of downturn through March 2020
- EBITDA and profitability impacted as a result
- Loss per share of 1.65p (2019: EPS 1.44p)

**All references to EBITDA, (loss)/profit before tax and (LPS)/EPS are before intangible asset amortisation, Rabun Gap start up costs and share based payment charges*
*** Where relevant, comparative figures for 2019 have been restated for the effects of IFRS 16 Leases*

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Financial Review – Cash Flow & Balance Sheet

£m	6 months March 2020	6 months March 2019**
Cash generated by operations	(0.802)	1.060
EBITDA*	0.118	1.120
Capital expenditure	0.161	0.329
Capex/depreciation ratio	0.31	0.73
Net borrowing	3.628	3.112
Gearing %	45.4%	42.6%

Cashflow Highlights

- Cash outflow generated by operations of £0.802m (2019: inflow 1.060m)
- Impacted by the operating loss and working capital movements. Key areas impacted:-
  - Tightening of supplier credit terms through the Period
  - Delay in receiving customer remittances a the end of the Period due to COVID-19 related shutdowns
  - Excess inventory from COVID-19 related customer shutdowns and volatility, resulting in non-delivery of finished goods
- Completion of fundraising on 5 February 2020, generating net proceeds of 1.335m

Balance Sheet Highlights

- Additional COVID-19 related funding secured:-
  - UK – CBILS facility of £1m
  - US – PPP of $696k
- Net assets up to £7.991m (2019: £7.311m)
- Net working capital increased to £5.164m (2019: £4.040m), largely from the impact of items detailed above
- Net borrowing increased to £3.628m (2019: 3.112m) after adverse FX impact of £0.141m

** All references to EBITDA, (loss)/profit before tax and (LPS)/EPS are before intangible asset amortisation, Rabun Gap start up costs and share based payment charges*
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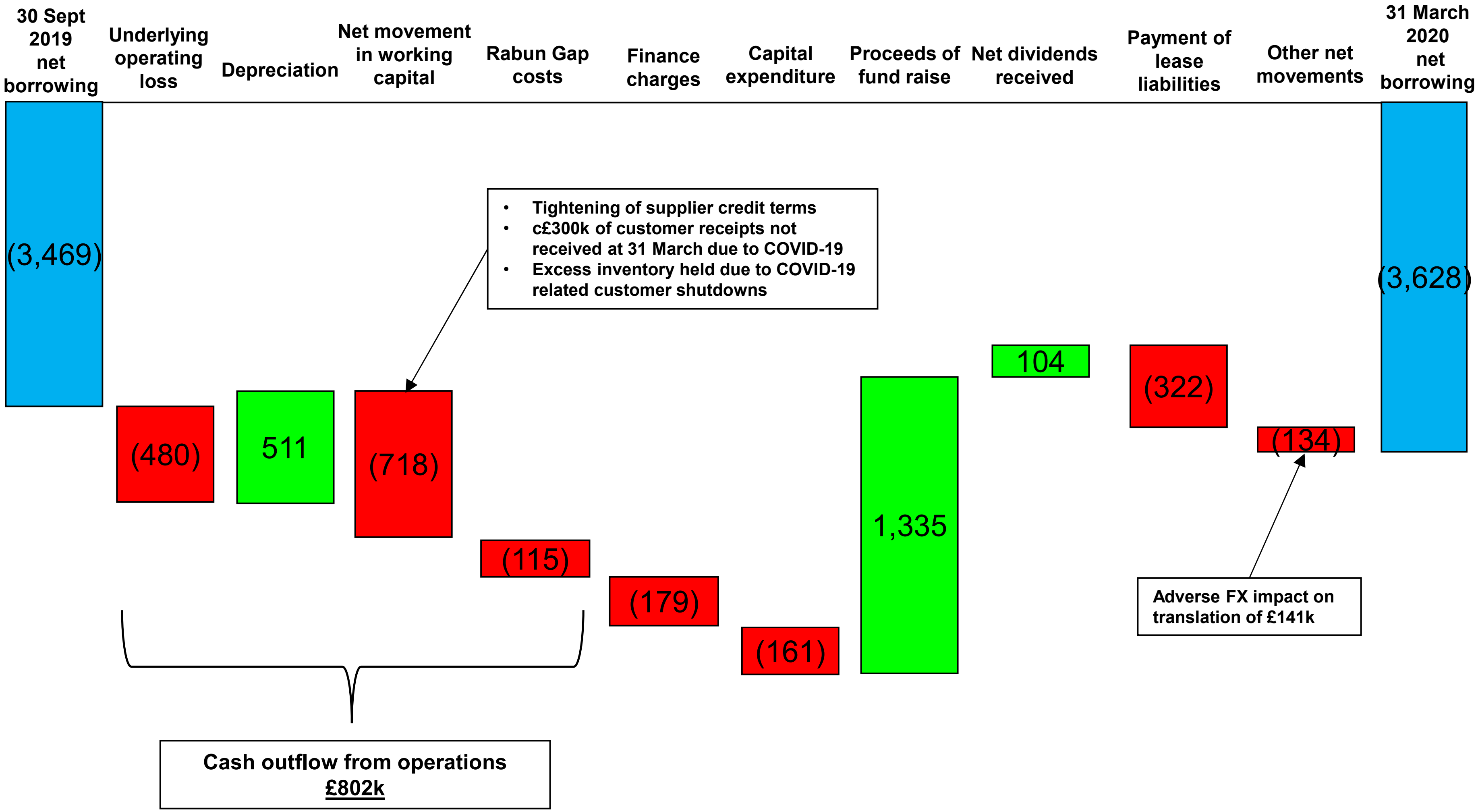
Financial Review - change in net funds

£000's



Business Review

Products and Applications

Products

- Fluid Transfer Tubes
  - Hydraulic
  - Oil
  - Air
  - Fuel
  - Coolant
- Structural Assemblies
  - Grab rails
  - Guards
  - Oil gauges

Applications

- Actuator control
- Low pressure fuel lines
- Exhaust gas recirculation
- Oil transfer tubes
- Coolant tubes
- Leak off rails
- Braking systems
- Gearbox lubrication
- Seat adjusters
- Oil level checking

Customers and End Markets

Blue Chip Original Equipment Manufacturers

- Engines
- Construction vehicles
- Transmission systems
- Power generators
- Electric vehicles
- Seats
- Radiators

End Markets

- On Highway Vehicles
- Mining
- Construction
- Agriculture
- Energy
- Oil and gas
- Marine

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COVID-19 Impact and actions

- Chinese Joint Venture impacted in early February 2020
  - Re-opened on 15 February and has continued to operate as normal

- China supply base generally took longer to be re-established than the above, impacting some customers in the UK. Reduced output lowered requirements from Tricorn facilities
  - The Group also had to take mitigating action where supply from China was disrupted

- Significant disruption through March 2020
  - Customer shutdowns
  - Supply chain disruption
  - Safety concerns for employees

- UK facilities temporarily closed on 25 March. USA followed a few days later
  - All Group facilities operational from 20 April 2020 onwards

- Most of the Group's UK and US employees were furloughed from the end of March – Group accessed funding through US PPP and UK CBILS schemes

- Remaining key staff focused on ensuring that the Group's facilities were in full compliance with the latest Government guidelines to allow an early and safe restart once supply chains and customer demand were re-established

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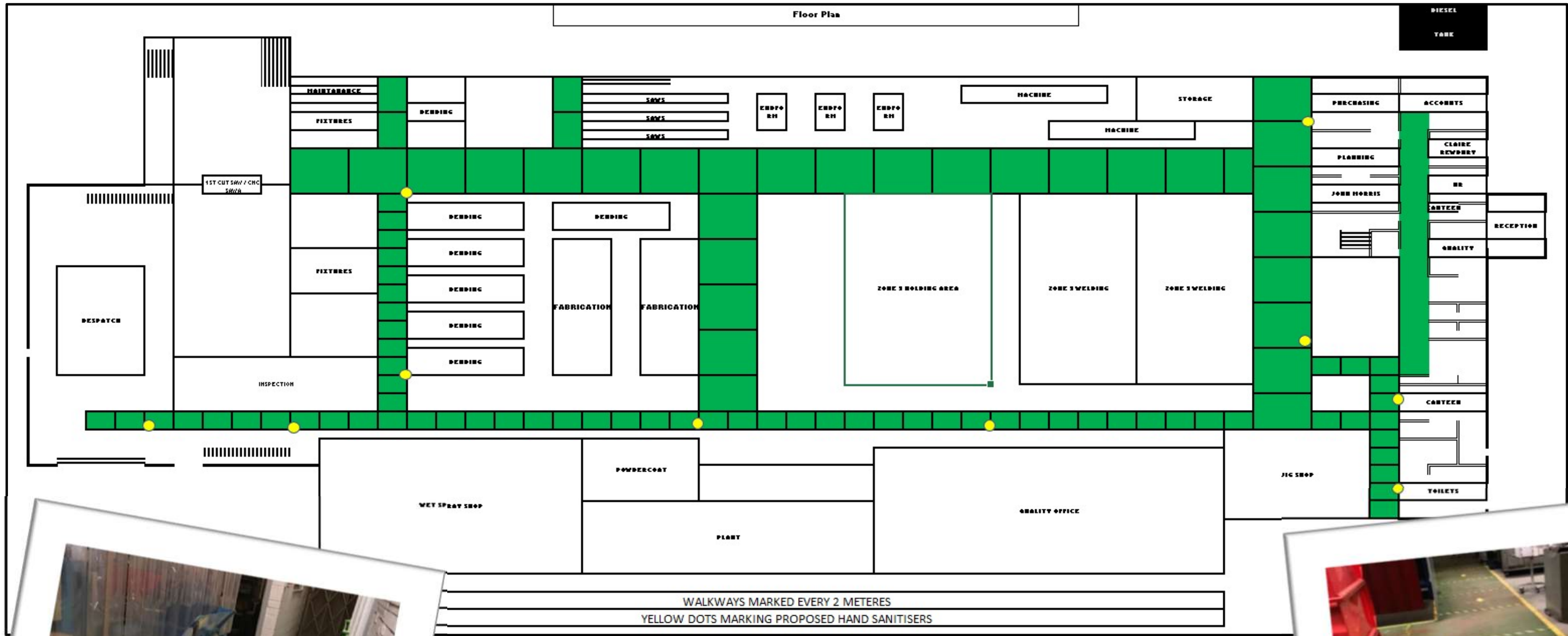
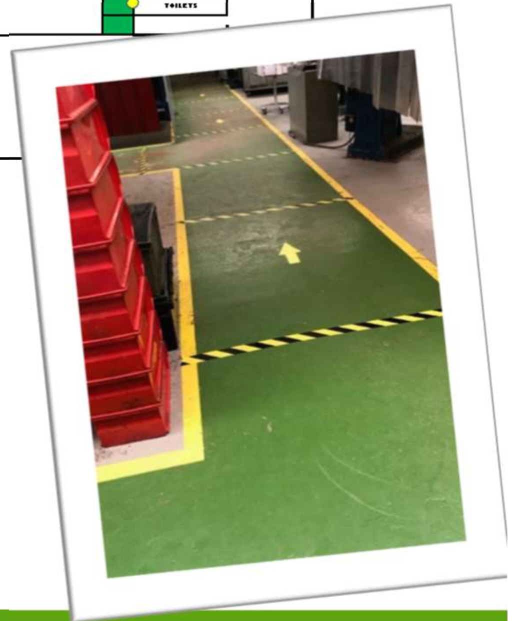
Production floor planning





- A one way system around the plant
- Walkways marked every 2m
- Hand sanitiser stations highly visible

Business Review - Six Months Performance

£'000	UK		USA		Mar 2020 Central adjustments	Mar 2019 Central adjustments	Mar 2019 Group	Mar 2019 Group
	Mar 2020	Mar 2019	**Mar 2020**	Mar 2019				
Revenue	**5,125**	7,047	**3,328**	4,301			**8,453**	11,348
PBT	**(208)**	596	**(360)**	(146)	(4)	85	**(572)**	535

UK

Revenue
Down £1,922k

PBT
Down £804k

- Weakening UK demand compounded by supply chain constraints from China
- March 2020 significantly impacted by COVID-19 pandemic
- Sites temporarily closed on 25 March 2020 and operational again from 20 April onwards

USA

Revenue
Down £973k

PBT
Down £214k

- Some softening of demand in the USA as anticipated
- March significantly impacted by COVID-19 pandemic

- Joint Venture
  - Performed broadly in line with Board's expectations
  - Operational from mid-February without further disruption

Outlook

- Has been an extremely challenging period
- Our operations worldwide significantly impacted by COVID-19
- In late March, our facilities in the USA and UK were temporarily closed due to issues with customer demand, supply chains and concerns for employee safety
- Throughout, the Board has remained focused on the safety of our employees, supporting our customers, with whom we continue to work closely, and mitigating the impact of the lower revenues on the Group's profitability and cash flow
- All Group facilities operational from 20 April onwards
- Our Chinese joint venture continues to operate normally
- Trading at UK Malvern facility has returned to pre-COVID-19 levels
- Demand has started to increase at the UK West Bromwich and USA facilities but still at significantly lower levels than compared to earlier in the year
- At this time, as for many businesses, the outlook remains uncertain. We are, however, pleased that as a result of a focused plan of action, as at 1 June 2020, the Company has, as reported, cash headroom of £1.8m that positions us well to weather these exceptional times and to capitalise on growth opportunities as we move forward