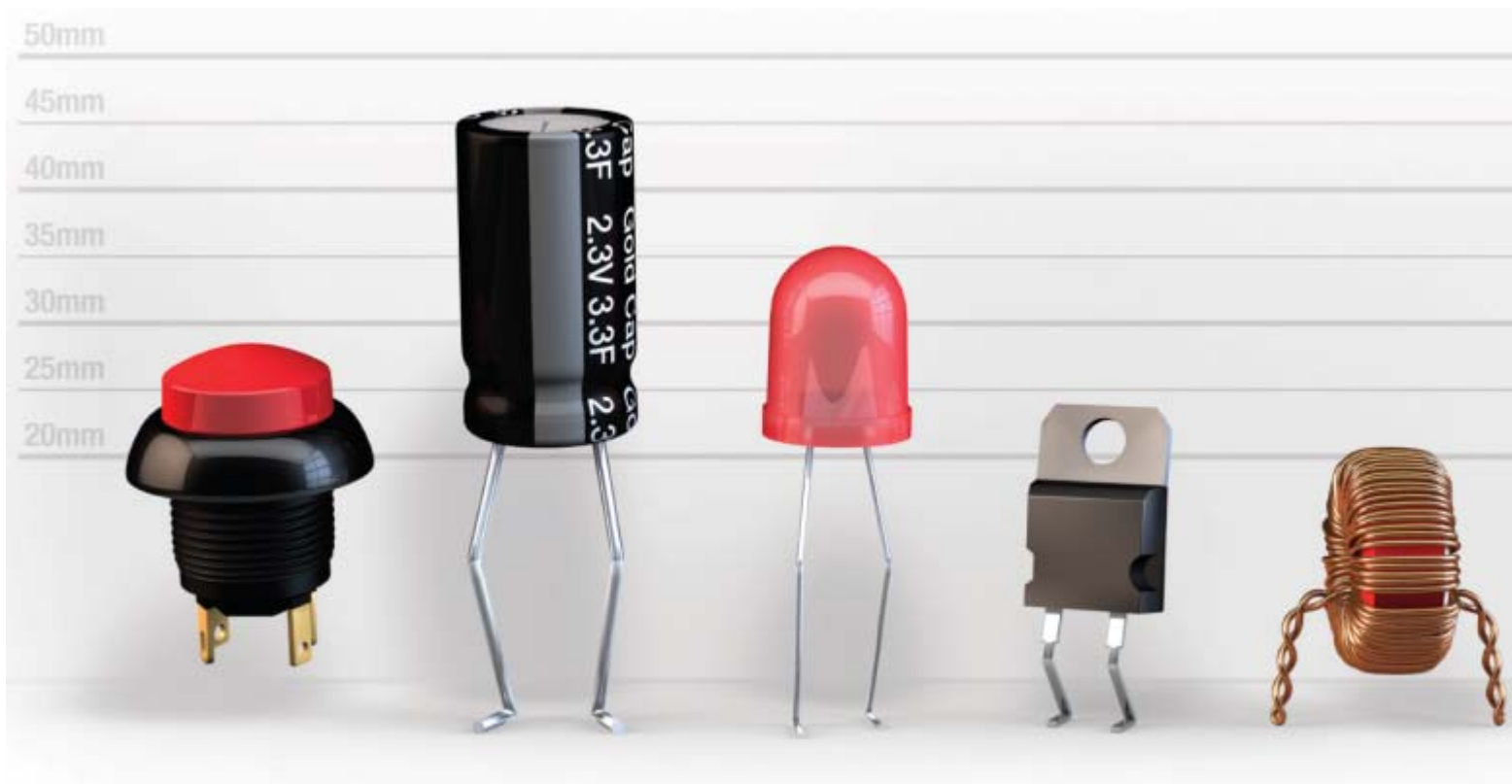


Electrocomponents plc

ANNOUNCEMENT OF INTERIM RESULTS

HALF YEAR ENDED 30 SEPTEMBER 2011

14 NOVEMBER 2011



Agenda

Overview and current trading

Ian Mason

Financial performance

Simon Boddie

Strategy update

Ian Mason

- **UK**

Paul Quested

Q&A

All

Key themes

- **Strong first half performance**
- **International driving growth, >70% share of Group**
- **Investment in strategic initiatives to capture structural growth**
- **Both Electronics and Maintenance performing well**
- **Excellent progress in eCommerce, significant improvements to websites**
- **Improved profitability from high-margin UK business**

Strategy delivering strong results

Financial highlights

- **Strong sales growth** 11%, International 14%
- **Stable gross margin** 46.7%, stable half-on-half
- **Good cost leverage** 0.5% pt improvement
- **High double-digit PBT growth** £59.4m, 18%
- **Healthy free cash flow** £22.7m, after £22m w/cap investment
- **Strong balance sheet** Bank refinancing, 1.1x net debt:EBITDA

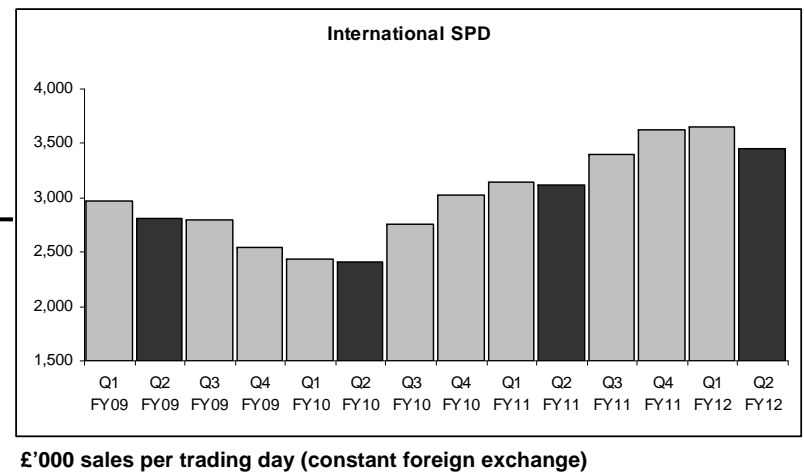
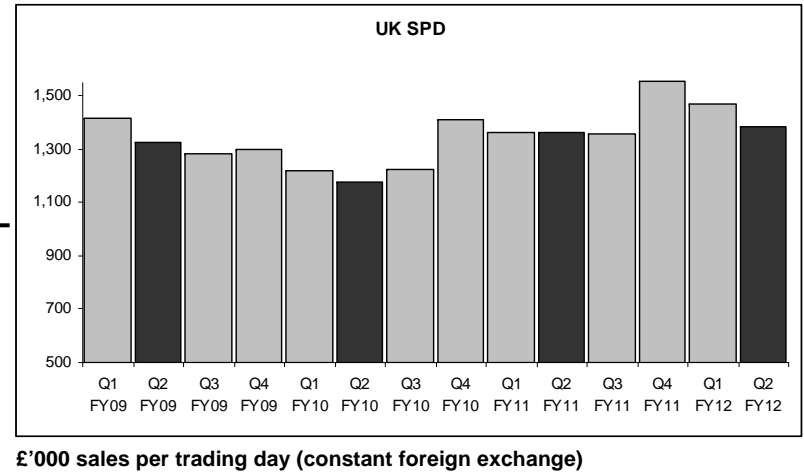
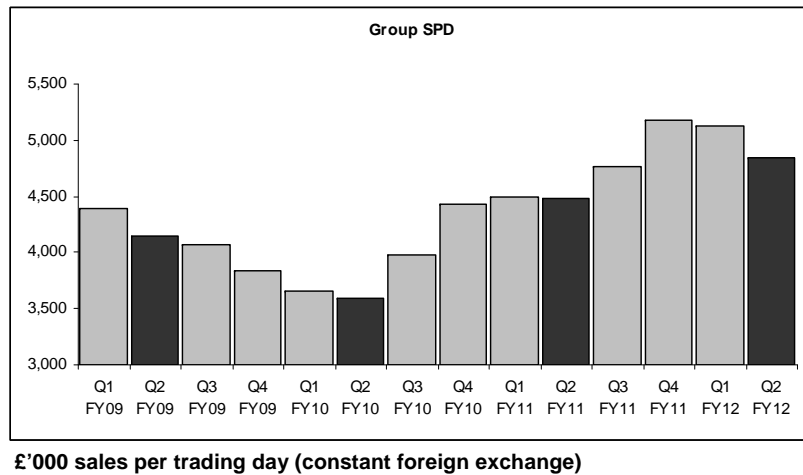
Strong first half performance

Current trading

FY12	Underlying sales growth			
	Q1	Q2	September	October
Continental Europe	17%	12%	8%	5%
North America	16%	12%	9%	5%
Asia Pacific	15%	8%	3%	11%
International	17%	11%	8%	6%
UK	8%	2%	-1%	2%
Group	14%	8%	5%	5%

October Group sales growth similar to September

Sales per day



Q2 Group sales 17% above 2008 levels⁽¹⁾

(1) Constant foreign exchange

Current trading and outlook

- **Continuing to grow, 5% Group sales growth in October**
- **Gaining market share, particularly from small competitors**
- **Continuing to invest in our strategic initiatives to drive growth**
- **Keeping a tight control of costs, being mindful of economic conditions**
- **Expecting second half ongoing operating costs to be in line with H2 last year**
- **Broad International portfolio, proven strategy and strong balance sheet**

Well positioned for the future

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Basis of preparation

Unless otherwise stated:

- **Figures have been prepared using International Financial Reporting Standards (IFRS)**
- **Changes in revenue are adjusted for exchange rates and for the number of trading days ('underlying sales growth/decline')**
- **Changes in profit, cash flow, debt and share related measures, such as earnings per share, are at reported exchange rates**

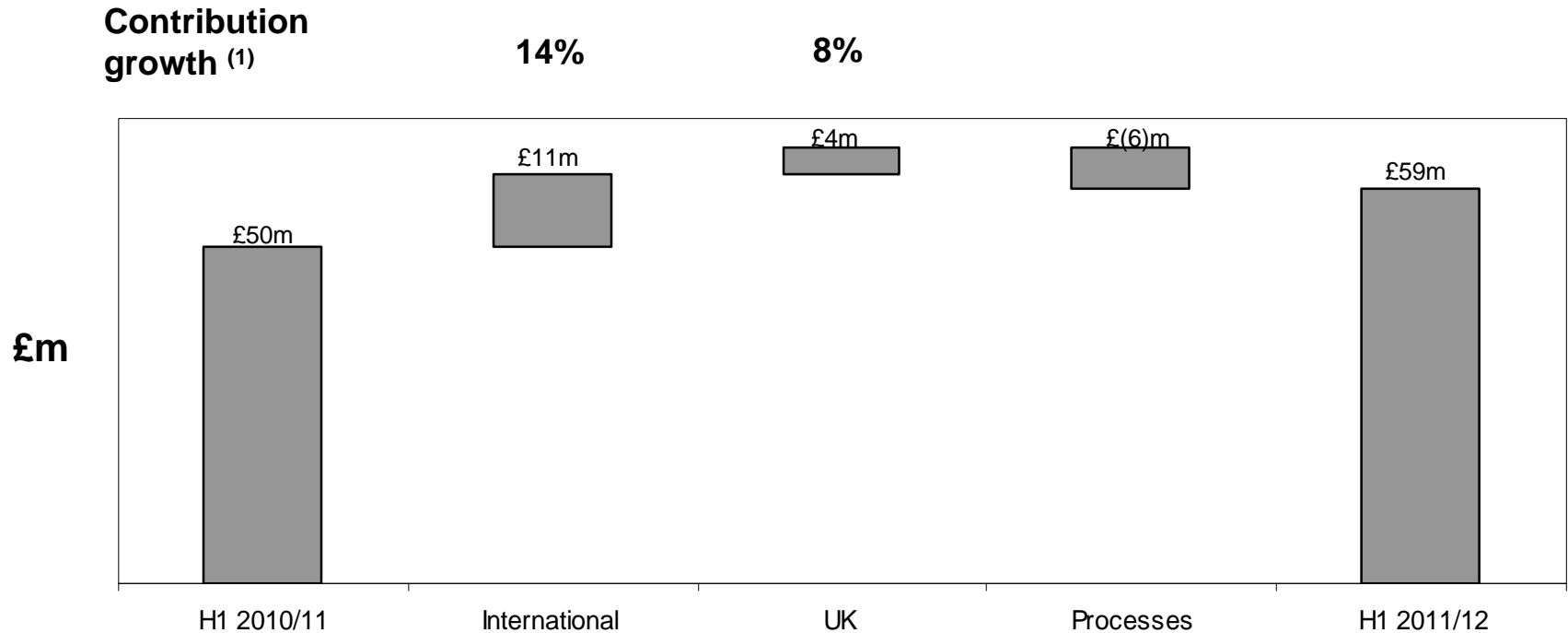
Profit and loss account

£m	<u>H1 2011/12</u>	<u>H1 2010/11</u>	<u>Reported Change</u>
Revenue	626.5	563.3	11.0% ⁽¹⁾
Gross margin	46.7%	46.8%	(0.1)% points
Operating profit	62.1	53.6	15.9%
Interest	(2.7)	(3.1)	12.9%
Profit before tax	<u>59.4</u>	<u>50.5</u>	<u>17.6%</u>
Return on sales	9.9%	9.5%	0.4% points

Double-digit sales and profit growth

(1) Underlying revenue growth adjusted for currency and trading days

Group pre-tax profit increase



International and UK driving contribution growth

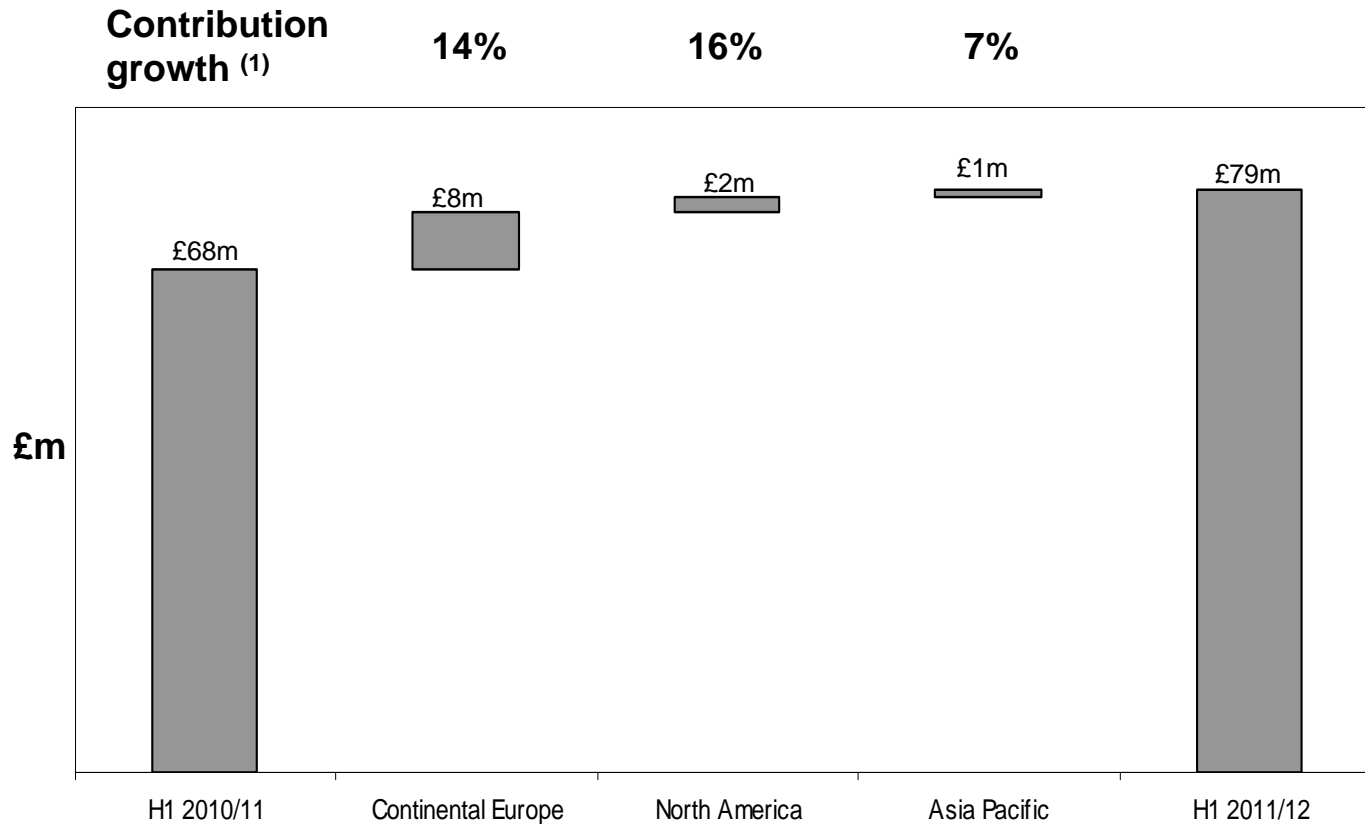
International contribution

£m	<u>H1 2011/12</u>	<u>H1 2010/11</u>	<u>Underlying Change ⁽¹⁾</u>
Revenue	448.2	391.6	13.8%
Operating costs	(124.3)	(112.4)	(9.3)%
Contribution	79.0	67.9	13.7%
Contribution %	17.6%	17.3%	0.3% points

All regions delivering double-digit sales growth

(1) Adjusted for currency; revenue also adjusted for trading days

International contribution components



Contribution growth broadly based

UK contribution

£m	<u>H1 2011/12</u>	<u>H1 2010/11</u>	<u>Underlying Change ⁽¹⁾</u>
Revenue	178.3	171.7	4.6%
Operating costs	(37.5)	(35.6)	(5.5)%
Contribution	51.6	47.8	7.9%
Contribution %	28.9%	27.8%	1.1% points

Contribution margin increasing by > 1% pt

Gross margin

- **Group gross margin stable**
- **UK increase (+1.5% pts):**
 - Targeted selling price increases
 - Increased discount effectiveness
 - Favourable foreign exchange
- **International decrease (-0.6% pts):**
 - Principally Continental Europe
 - Large customer account wins
 - Larger orders
 - Unfavourable foreign exchange

Proactive management of gross margin

Operating costs

Costs: % sales	H1 2011/12	H1 2010/11	Change
International	27.8%	28.7%	0.9% pts
UK	21.1%	20.7%	(0.4)% pts
Processes	10.9%	11.0%	0.1% pts
Total	36.8%	37.3%	0.5% pts

Drivers of operating leverage

- Fixed cost leverage
- Cost reductions:
 - Continuous Improvement
 - Refocused European marketing spend
 - Freight re-tender annualisation
- Cost increases:
 - UK inflation, stock holding costs
 - H1 impacted by £6m due to annualisation of H2 FY11 investment
- Expect H2 ongoing costs in line with prior year

Costs reduced by 0.5% points of sales

Earnings per share

£m	<u>H1 2011/12</u>	<u>H1 2010/11</u>	<u>Change reported</u>
Profit before tax	59.4	50.5	17.6%
Effective tax rate	31%	31%	-
Per share amounts:			
Earnings	9.4p	8.0p	17.5%
Interim dividend	5.0p	5.0p	-

Interim dividend maintained:

- Intention to re-weight interim dividend over time
- Final dividend to be reviewed with full year results

EPS growth of 18%

Cash flow

£m	H1 <u>2011/12</u>	H1 <u>2010/11</u>
Profit before tax	59.4	50.5
Depreciation	13.0	13.2
Employee share options / non-cash mvts	0.9	1.5
Finance expense (net)	2.7	3.1
Working capital	<u>(21.7)</u>	<u>(13.1)</u>
Cash generated from operations	54.3	55.2
Interest paid (net)	(2.7)	(2.3)
Tax paid	(13.3)	(9.6)
Net capital expenditure	<u>(15.6)</u>	<u>(9.7)</u>
Free cash flow	<u>22.7</u>	<u>33.6</u>

Delivering over £20m of free cash flow

Working capital

£m	Cash in / (out) flow		<u>Comment</u>
	H1 <u>2011/12</u>	H1 <u>2010/11</u>	
Inventories	(12.2)	(26.6)	Stock turn of 2.7x
Trade receivables	14.7	(2.3)	Debtor days flat
Trade payables	<u>(24.2)</u>	<u>15.8</u>	Impact of last year's stock intake
Trade working capital	<u>(21.7)</u>	<u>(13.1)</u>	

FY12 cash considerations

- Full year capex around £35m including Allied SAP, European SAP technical upgrade
- Lower working capital impact in H2, after £8m China stock investment

Working capital investment in structural growth

Net debt

£m	H1 2011/12
Net debt as at 1 April 2011	(160.7)
Free cash flow	22.7
Dividends paid	(28.3)
New shares issued	0.8
Translation differences	(1.0)
Net debt as at 30 September 2011	<u>(166.5)</u>

Pension deficit £6.2m (March 2011 £5.4m)

Strong balance sheet

Facilities and covenants

£m	H1 2011/12
Committed facilities	305
Used facilities	(164)
Unused facilities	<u>141</u>

£210m committed bank facility

- Maturity November 2015

\$150m Private Placement notes

- Maturing 2015 and 2017

	H1 2011/12	H1 2010/11	Covenant
Net debt / EBITDA ⁽¹⁾	1.1x	1.2x	<3.25x
EBITA net interest cover ⁽¹⁾	26.6x	22.0x	>3x

Refinancing completed

Financial highlights

- **Strong sales growth** 11%, International 14%
- **Stable gross margin** 46.7%, stable half-on-half
- **Good cost leverage** 0.5% pt improvement, int'l and process
- **High double-digit PBT growth** £59.4m, 18%
- **Healthy free cash flow** £22.7m, after £22m w/cap investment
- **Strong balance sheet** Bank refinancing, 1.1x net debt:EBITDA

Strong first half performance

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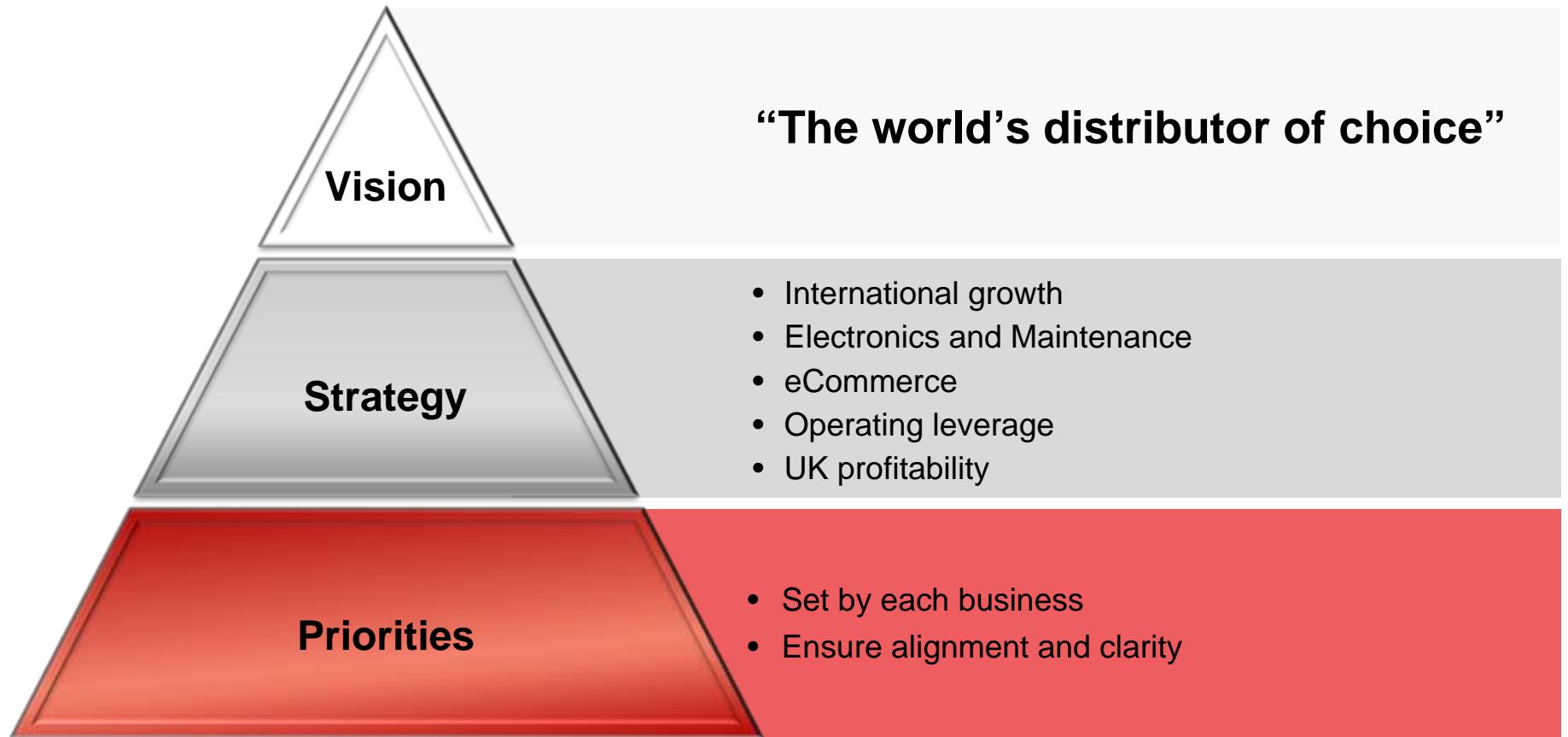
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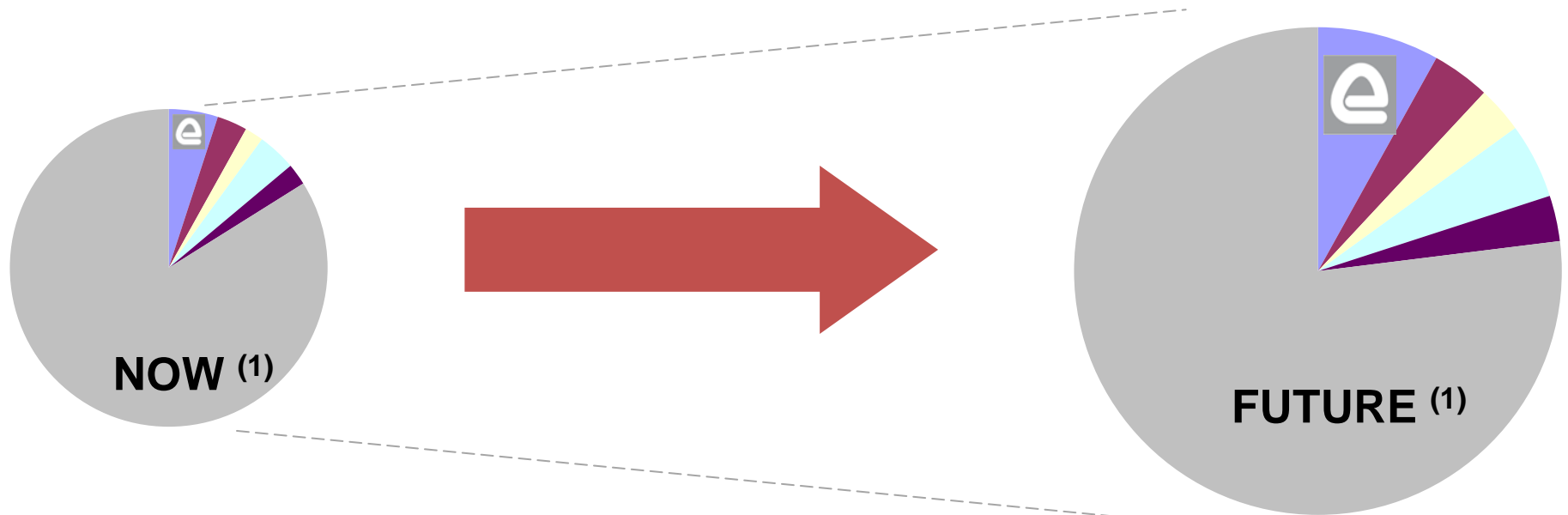
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Group strategy



Investing in our clear and consistent strategy

Structural growth opportunity



Growing markets

Ca. £30 bn available market

Electronics 2 x GDP

Maintenance GDP

Emerging markets

Growing market share

Highly fragmented markets (ca. 85%)

Market share gains by 5 main players

Increasing competitive advantages

We are the leading global distributor

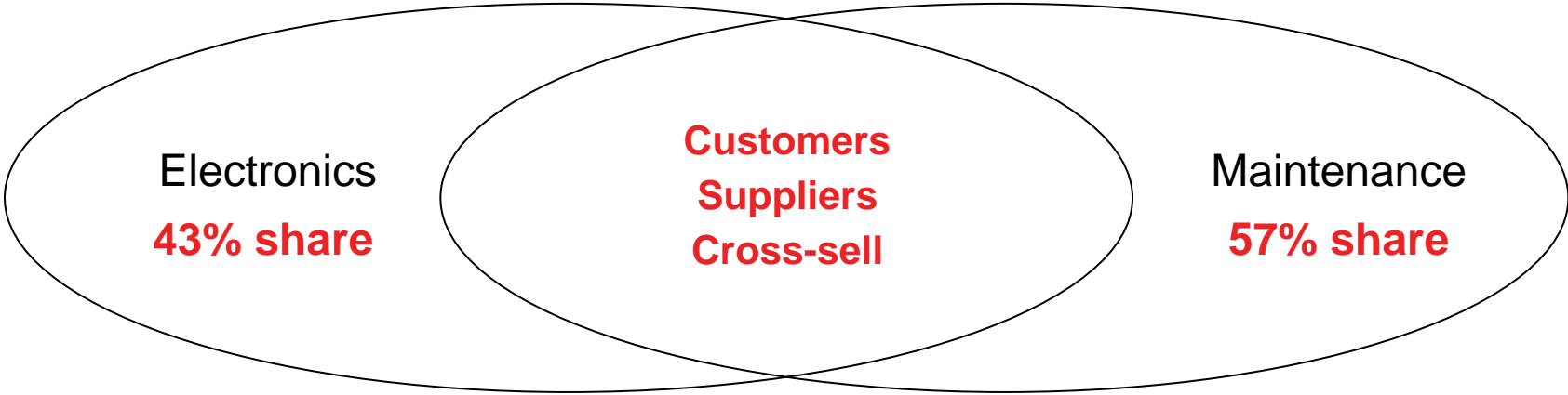
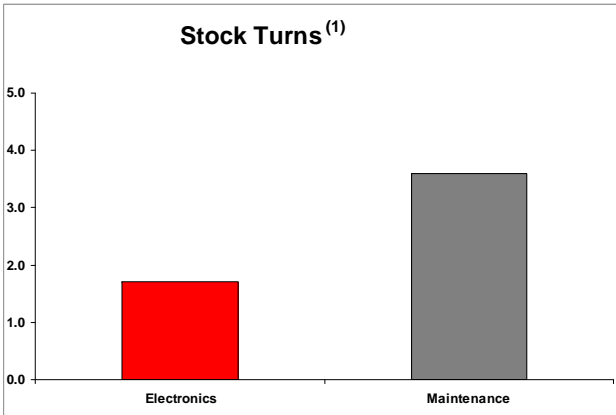
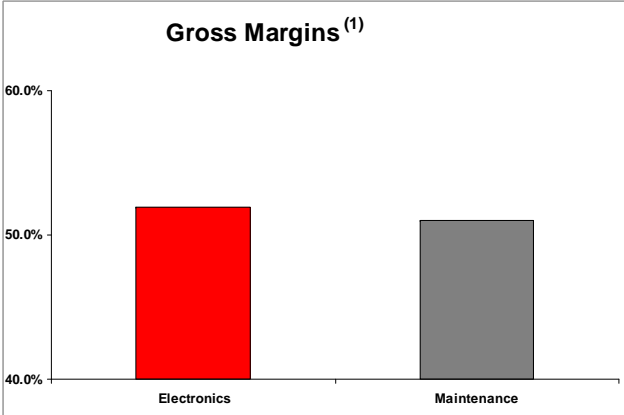
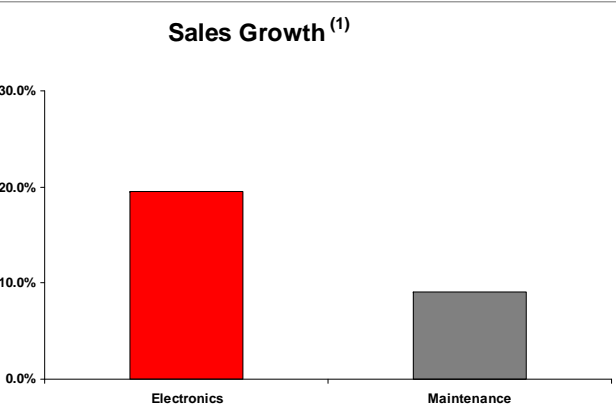
Growing share of growing markets

Electronics & Maintenance: balanced customer offer

Higher Electronics Growth

Similar Gross Margins

Higher Maintenance Stock Turns



Leveraging common infrastructure

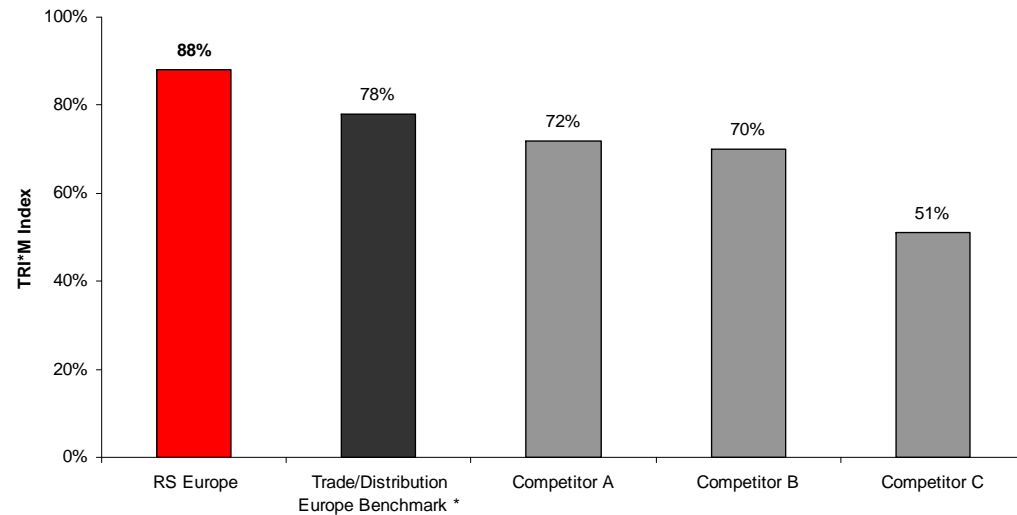
(1) Based on UK/Europe, Apr 2010 – Sept 2011

Leading service levels

Drivers of high customer satisfaction

- Service accuracy
- Range & availability
- Easy to do business with

Europe Customer Satisfaction Survey (1)



(1) Survey based on > 5,000 customer interviews

* Sector benchmark based on sample size of 35,000

Stock & service enabling market share gains

eCommerce-led approach

- Customers choose the web
- Effective way of acquiring customers
- Investment has shifted to the web
- Smaller competitors cannot match our capability

Our eCommerce portfolio

	<u>Revenue growth ⁽¹⁾</u>	<u>Revenue share ⁽²⁾</u>
Continental Europe	28%	60%
North America	29%	41%
Asia Pacific	53%	53%
International	32%	53%
UK	14%	58%
Group	26%	54%

(1) Adjusted for currency and trading days

(2) Exit share

eCommerce at the heart of multi-channel approach

Business portfolio

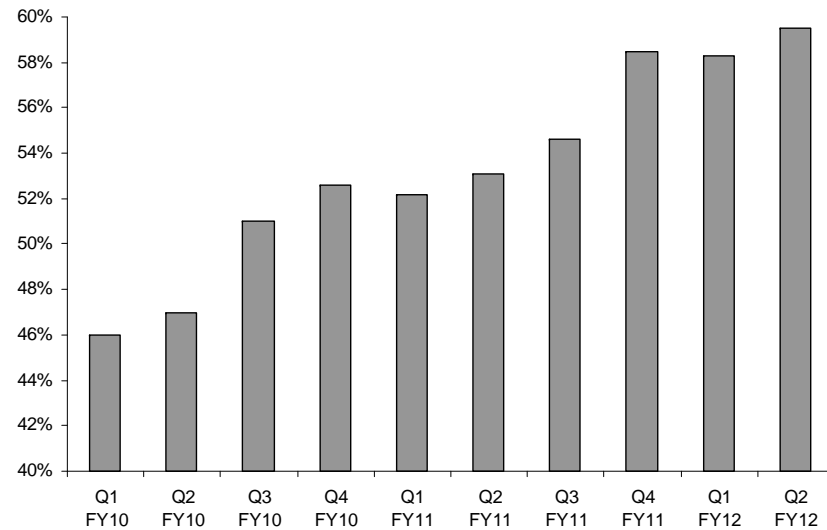
H1 FY11/12 £m	Underlying sales growth	% of Group revenue	Contribution % of revenue	Market position
Continental Europe	15%	36%	21%	No. 1
North America	14%	23%	17%	No. 3
Asia Pacific	12%	13%	10%	No. 1
International	14%	72%	18%	No. 1
UK	5%	28%	29%	No. 1
Group	11%	100%	21%	No.1

Significant scope to improve International returns

Continental Europe

- 15% sales growth, 9/10 markets double-digit
- 28% eCommerce growth, 60% share
- 17 large customer account wins
- Focus on pan-European marketing
- Excellent customer service levels

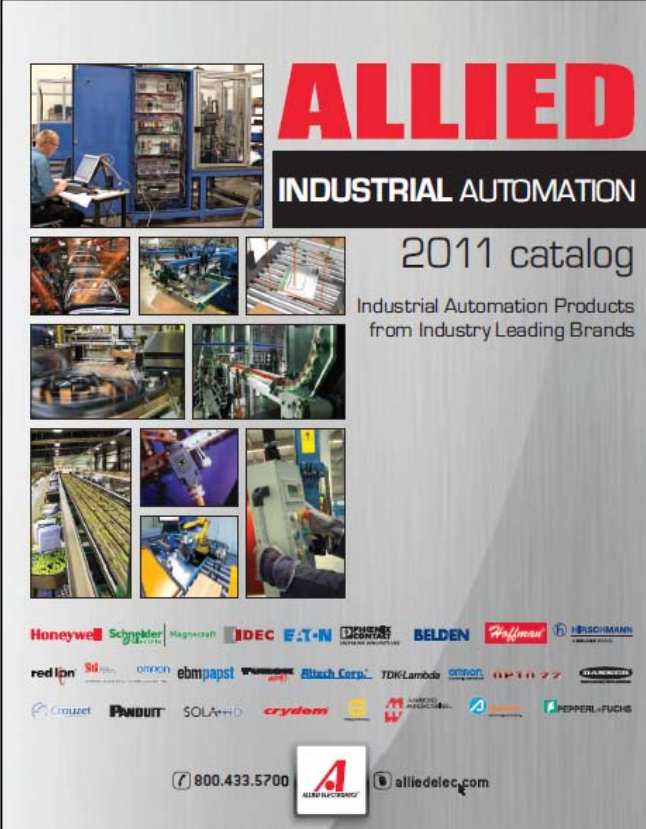
Europe eCommerce share %



Strong sales growth across the region

North America

- 14% sales growth, strong automation & control
- 29% eCommerce growth, 41% share
- Benefiting from multi-channel approach
- 16k new products introduced
- SAP implementation on track for Q1 2012



The image shows the cover of the Allied Industrial Automation 2011 catalog. The top left features a photograph of a technician working on a control panel. To the right, the word "ALLIED" is written in large, bold, red letters, with "INDUSTRIAL AUTOMATION" in white text on a black background below it. The text "2011 catalog" is prominently displayed in the upper right, followed by "Industrial Automation Products from Industry Leading Brands". The central part of the cover is a grid of small images showing various industrial automation components and machinery. At the bottom, there is a row of logos for partner brands: Honeywell, Schneider Electric, Magnecraft, IDEC, F.T.N., Omron, Belden, Hoffman, and Buschmann. Below this, another row of logos includes Redipn, Sii, Omron, ebmpapst, Wago, Altech Corp., TDK-Lambda, Omron, Opto 22, and Klannert. The bottom right corner contains the Allied logo, the phone number 800.433.5700, and the website alliedelec.com.

Consistent market outperformance

Asia Pacific

- 12% sales growth, >20% in China
- 53% eCommerce growth, 53% share
- China major focus of investment
- Japan back in growth in October
- ANZ automation and control



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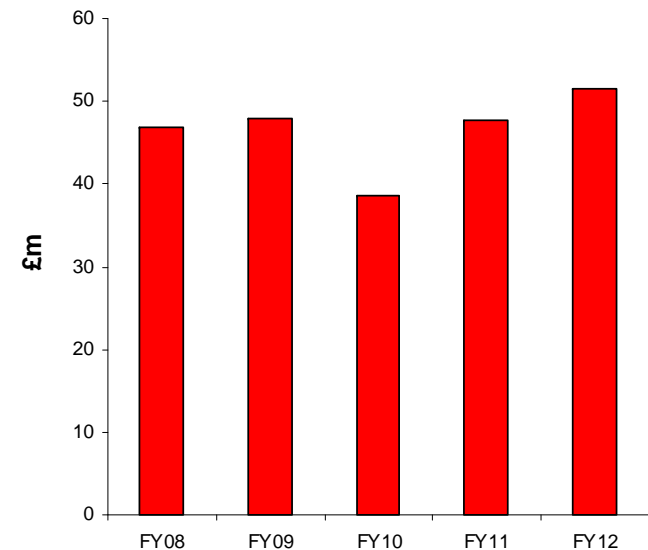
Leveraging Group strategic initiatives

UK Profitability

UK Strategy

- Driving sales growth
- Leveraging the Group offer
- Developing new incremental 'regular' revenue streams
- Continuing to manage margin and cost

UK H1 contribution at £51.6m

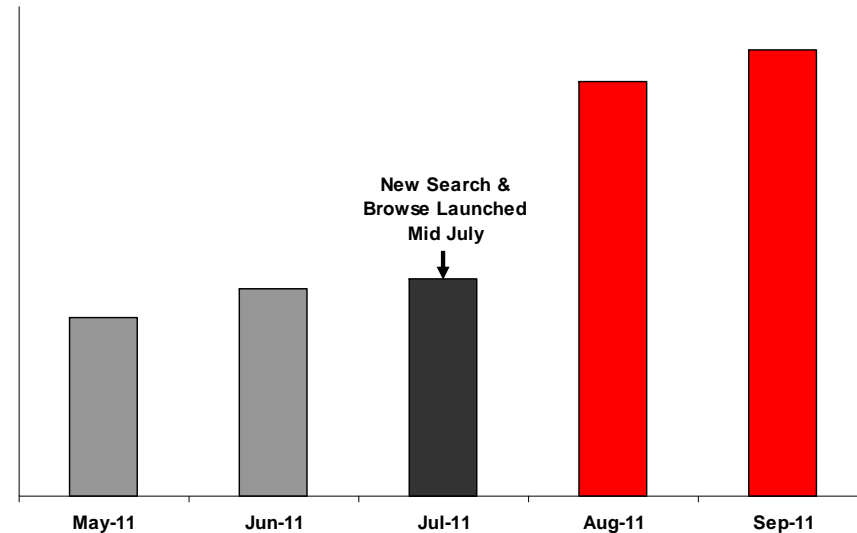


Sales growth driving improved performance

UK: leveraging the Group offer

- Leveraging Electronics and Maintenance offers
 - New product introductions
 - Technical Marketing solutions
- 14% eCommerce growth, 58% share
- SEM and digital marketing driving visits
- Transforming the customer experience
 - New Search and Browse
 - Live Chat

UK conversion ratio



An eCommerce-led multi-channel experience

UK: delivering incremental revenue streams

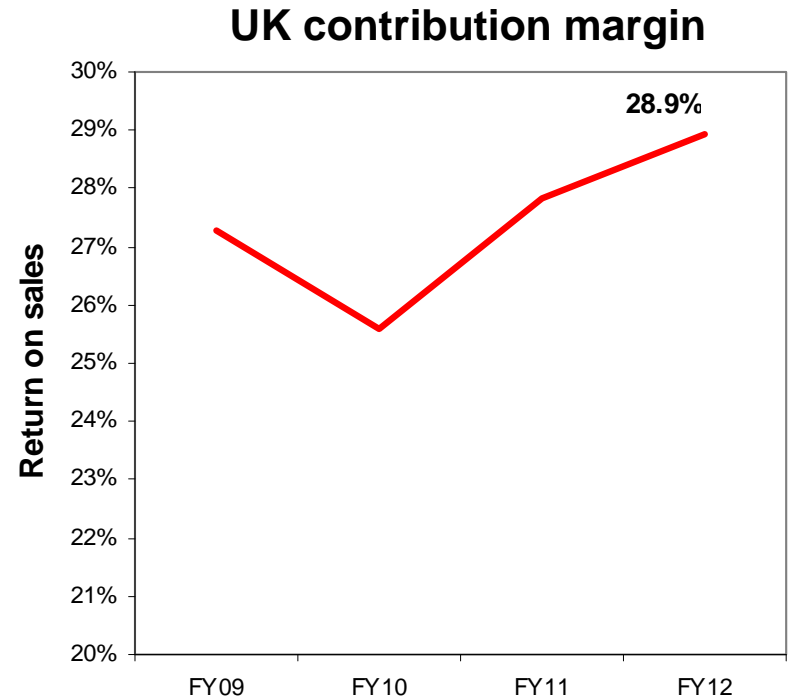
- Growing core high service level offer
- Large account growth
 - 6 account wins
 - Structured Compliance programme
- Flexible pricing offer
 - Driving sales and profit growth
 - Over 7% of customers using offer



**Flexibility & competitiveness changing
price perception**

UK: effective margin and cost management

- Improve gross margin
 - Focused pricing strategy
 - Increased discount effectiveness
- 20% reduction in costs since 2007
- Reinvesting cost savings
 - Offline spend into digital
 - Sales restructure



Clear strategy delivering sustainable growth

Electronics

- 12% sales growth, >40% share
- 20k new products introduced
- DesignSpark: >700k visits
- DesignSpark PCB: >100k downloads
- PCB Converter for Google Sketch Up

'Most Popular Product of the Year'
in the IP/EDA category,
EE Times 2011 Awards

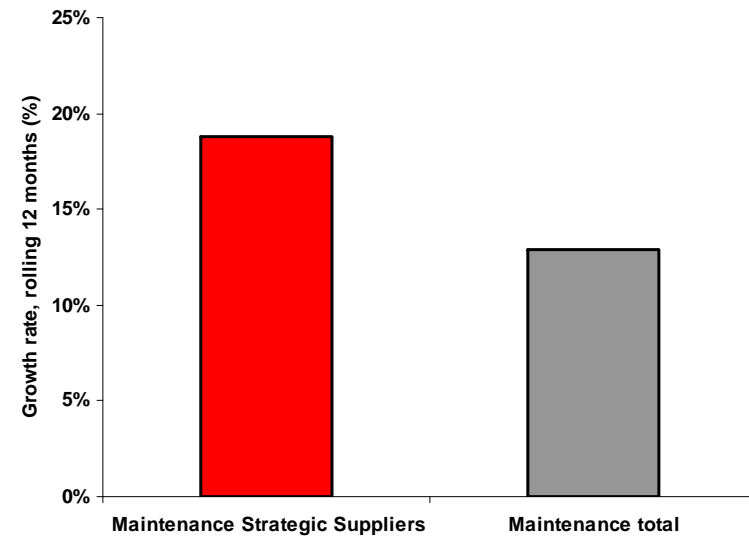


Delivering what our customers need, globally

Maintenance

- 11% sales growth, strong automation & control
- Market differentiator and highly profitable
- 4k new products introduced
- Pan-European maintenance offer
- Focus on strategic suppliers

Strategic Suppliers sales growth



Building a global maintenance offer

Key themes

- **Strong first half performance**
- **International driving growth, >70% share of Group**
- **Investment in strategic initiatives to capture structural growth**
- **Both Electronics and Maintenance performing well**
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Strategy delivering strong results

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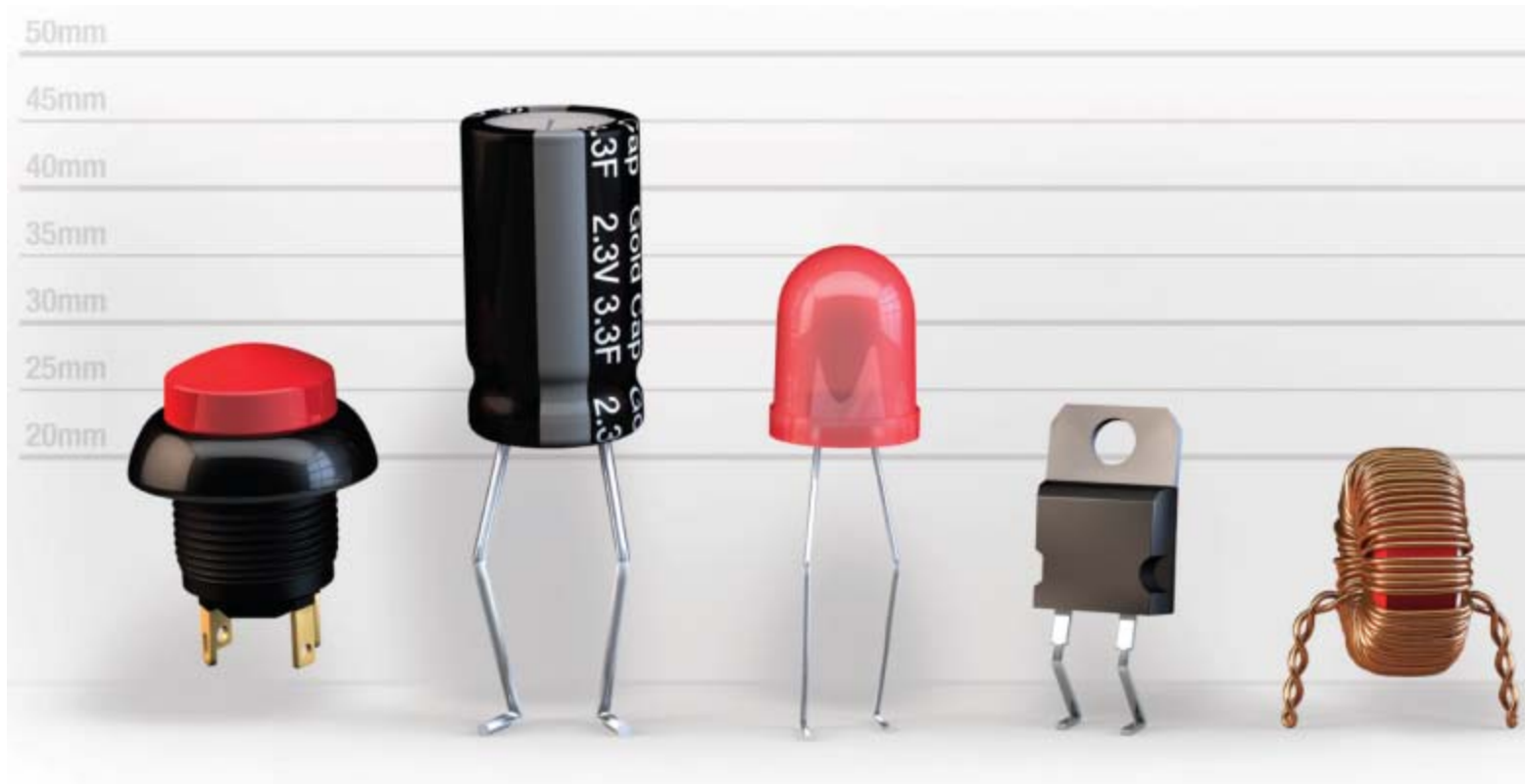
All

Electrocomponents plc

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Financial appendices

Impact of foreign exchange

	Reported		Growth reported	Growth Foreign exchange adjusted
	H1 2011/12	H1 2010/11		
	£m	£m	%	%
International contribution				
Continental Europe	47.3	39.4	20.1%	14.0%
North America	23.3	21.4	8.9%	15.7%
Asia Pacific	8.4	7.1	18.3%	7.1%
International	<u>79.0</u>	<u>67.9</u>	<u>16.3%</u>	<u>13.7%</u>
UK contribution	<u>51.6</u>	<u>47.8</u>	<u>7.9%</u>	<u>7.9%</u>
Group contribution	130.6	115.7	12.9%	11.3%
Process costs	(68.5)	(62.1)	(10.3)%	(9.6)%
Operating profit	<u><u>62.1</u></u>	<u><u>53.6</u></u>	<u><u>15.9%</u></u>	<u><u>13.4%</u></u>

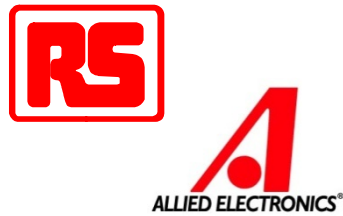
Five year performance framework

KPIs	5 year target	H1 2011/12	2011
International sales growth	7-10% p.a.	13.8%	25.3%
International share of group sales	70+%	72%	70%
UK contribution	Stable	Increasing	Increasing
Sales via eCommerce	70%	54% ⁽¹⁾	53% ⁽¹⁾
Underlying gross margin	Stable	Stable	Stable in yr
Cost as % of sales ⁽²⁾	Reducing	Reducing	Reducing
Capex	Below ⁽³⁾ depreciation	Above ⁽³⁾ depreciation	Below ⁽³⁾ depreciation
Return on capital employed ⁽⁴⁾	25%+	25%	24%

1. Exit share, 2. International and Process Costs, 3. Including amortisation, 4. Operating profit expressed as a percentage of net assets plus net debt (12 months rolling period for H1 data)

Electrocomponents: what we do

Strong Brands



800K Catalogues



54% e Commerce



2,500 Major Suppliers



550,000 Products



1.6m Customers



17 Distribution Centres



40,000 Parcels Daily



90+% of World GDP



The World's distributor of choice