This presentation contains certain statements that are forward-looking statements. They appear in a number of places throughout this presentation and include statements regarding the intentions, beliefs and/or current expectations of Smiths Group plc (the “Company”) and its subsidiaries (together, the “Group”) and those of their respective officers, directors and employees concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and the businesses operated by the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and, unless otherwise required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements. Nothing in this presentation should be construed as a profit forecast. The Company and its directors accept no liability to third parties. This presentation contains brands that are trademarks and are registered and/or otherwise protected in accordance with applicable law.
TODAY’S AGENDA

Chairman’s address
Sir George Buckley, Chairman

Chief Executive’s review
Andy Reynolds Smith, Chief Executive

Q&A
CHAIRMAN’S ADDRESS

SIR GEORGE BUCKLEY
CHAIRMAN
INTRODUCTION

ANDY REYNOLDS SMITH
CHIEF EXECUTIVE
**TRADING UPDATE**

- Continuing Operations\(^1\) underlying\(^2\) revenue up 11% in Q1
- Smiths Medical underlying\(^2\) revenue up 2% in Q1
- Outlook for the year reaffirmed

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1. Continuing operations exclude Smiths Medical which is accounted for as ‘discontinued operations – businesses held for distribution to owners’, given the intended separation of Smiths Medical by the end of H1 CY2020.
2. Underlying modifies headline performance to: adjust prior year to reflect an equivalent period of ownership for divested businesses; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.
FY2020 OUTLOOK

- A year of further progress
- Growth H1 weighted
- Improved operational excellence and cash generation
BUILDING ON OUR STRATEGIC PROGRESS

- **2016**: A New Direction
- **2017**: Significant Progress
- **2018**: Return to Growth
- **2019**: Sustainable Growth
- **H1 CY2020**: Separation of Medical
- **Ambition**: Outperforming Our Chosen Markets
UPDATE ON SEPARATION OF SMITHS MEDICAL

→ On track to demerge by the end of H1 CY2020

→ Key performance milestones achieved:  
  - H2 return to growth - up 2% ✓
  - Ongoing NPD including Large Volume Pump submission ✓
  - Medical CEO appointment ✓

→ Good progress on key separation work streams

→ Good progress on Smiths Medical improvement plan

CREATING TWO STRONGER BUSINESSES
SMITHS - A LEADING INDUSTRIAL TECHNOLOGY COMPANY

- TECHNOLOGY DIFFERENTIATION
- INCREASING DIGITISATION
- SUSTAINABLY COMPETITIVE AND ASSET LIGHT
- HIGH PROPORTION OF AFTERMARKET AND SERVICES
SMITHS - A LEADING INDUSTRIAL TECHNOLOGY COMPANY

- ROCE 16-18% through the cycle
- Progressive dividend policy covered by FCF

- Asset light
- Highly cash generative
- Leverage < 2x net debt/ EBITDA
- Disciplined capital allocation

- Common operating model focused on efficiency and excellence
- Group wide innovation framework
- People plan to attract, retain and inspire the very best

- >90% of portfolio in top 3 leadership positions
- Markets growing 3-4% through-cycle
- High proportion of aftermarket
- Through-cycle resilience

- LEADING BUSINESSES IN ATTRACTIVE MARKETS
- GENERATING SUPERIOR RETURNS
- STRONG FINANCIAL FRAMEWORK
- OPERATIONAL EXCELLENCE

SMITHS GROUP PLC  Annual General Meeting 2019
LEADING BUSINESSES IN ATTRACTIVE GROWING MARKETS

CONTINUED STRENGTHENING OF THE PORTFOLIO\(^1\)

FY2016 c. 60%

FY2019 >90%

TARGETED ORGANIC INVESTMENT REMAINS THE PRIORITY

ACCELERATED BY A DISCIPLINED APPROACH TO ACQUISITIONS AND DISPOSALS

11 DISPOSALS c.£535m proceeds

8 ACQUISITIONS for c.£925m

= 19 TRANSACTIONS total value c.£1.5bn

\(^1\) % of revenue in top 3 leadership position
OPERATIONAL EXCELLENCE & INNOVATION

OPERATIONAL EXCELLENCE

- Working capital at 20% of sales - £150m opportunity
- Smiths Excellence System driving improvement across the Group

INNOVATION

- Smiths Detection CT hand baggage scanner
- Digital Forge – accelerating our digital agenda
- ESG-focused product development
  - John Crane Aura™ seal reduces methane emission
STRONG FINANCIAL PERFORMANCE¹

IMPROVING GROWTH TRAJECTORY (underlying revenue growth²)

ENHANCED MARGINS (operating margin²,³)

STRONG CASH GENERATION

ATTRACTIVE RETURNS (ROCE %²,³)

¹ Continuing operations
² Headline excludes non operating items as defined in note 3 of the accounts. Underlying modifies headline performance to: adjust prior year to reflect an equivalent period of ownership for divested businesses; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses
³ Both FY2016 and FY2017 have been adjusted for the restructuring and pension administration costs that are now recorded as headline items for comparability and has all the central costs allocated to Continuing operations
DRIVING LONG-TERM, SUSTAINABLE VALUE

- Value creative investment
- Outperforming our markets
- Strong dividend covered by FCF
- 100%+ cash conversion
- 18-20% margin
- Generating superior returns
- Operational excellence
- LEADING BUSINESSES IN ATTRACTIVE MARKETS
- STRONG FINANCIAL FRAMEWORK
QUESTIONS
& ANSWERS
## POLL VOTE RESOLUTIONS

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<td>1. Adoption of Annual Report FY2019</td>
<td>12. Re-election of Andrew Reynolds Smith as a director</td>
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<td>2. Approval of Directors’ Remuneration Report</td>
<td>13. Re-election of Noel Tata as a director</td>
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<td>3. Declaration of a final dividend</td>
<td>14. Appointment of KPMG LLP as auditors</td>
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<td>4. Re-election of Bruno Angelici as a director</td>
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<td>5. Re-election of Olivier Bohuon as a director</td>
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<td>7. Re-election of Dame Ann Dowling as a director</td>
<td>18. Additional authority to disapply pre-emption rights</td>
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<td>19. Authority to make market purchases of shares</td>
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<td>20. Authority to call general meetings on short notice</td>
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<td>10. Re-election of Mark Seligman as a director</td>
<td>21. Authority to make political donations and expenditure</td>
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<td>11. Re-election of John Shipsey as a director</td>
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PROXY VOTES CAST

313 million proxy votes cast

78.92% of the issued share capital
POLL CLOSED

The final results of the poll will be announced and posted on our website shortly.
THANK YOU FOR ATTENDING