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.
INTRODUCTION

ANDY REYNOLDS SMITH
CHIEF EXECUTIVE
AGENDA

- **Introduction**
  - Andy Reynolds Smith

- **FY19 Results & FY20 Outlook**
  - John Shipsey

- **Smiths Medical**
  - JehanZeb Noor

- **Smiths Group**
  - Andy Reynolds Smith
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

✓ ✓ ✓ ✓
FY2019 RESULTS

JOHN SHIPSEY
CHIEF FINANCIAL OFFICER
### HEADLINE FINANCIAL RESULTS

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2018</th>
<th>Reported change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuing Operations</strong>³</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2,498</td>
<td>2,328</td>
<td>+7%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>427</td>
<td>388</td>
<td>+10%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>17.1%</td>
<td>16.7%</td>
<td>+40bps</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>376</td>
<td>333</td>
<td>+13%</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>273</td>
<td>246</td>
<td>+11%</td>
</tr>
<tr>
<td><strong>Discontinued Operations</strong>⁴</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>112</td>
<td>115</td>
<td>(3)%</td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>385</td>
<td>361</td>
<td>+7%</td>
</tr>
<tr>
<td>Total basic EPS</td>
<td>96.8p</td>
<td>90.7p</td>
<td>+7%</td>
</tr>
<tr>
<td>Free cash-flow</td>
<td>234</td>
<td>302</td>
<td>(23)%</td>
</tr>
<tr>
<td>ROCE</td>
<td>14.4%</td>
<td>14.6%</td>
<td>(20)bps</td>
</tr>
<tr>
<td>Dividend</td>
<td>45.90p</td>
<td>44.55p</td>
<td>+3%</td>
</tr>
</tbody>
</table>

1. 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 of divested businesses.
2. FY2018 has been restated for IFRS 15 and Smiths Medical reclassification as discontinued operations.
3. 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.
4. Discontinued operations as defined in note 27 to the financial statements.
**BUILDING ON OUR RETURN TO GROWTH**

1. 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.

2. 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.

3. Includes disposals and HY2019 performance from acquisitions that do not have comparators for the prior year.
Strong OE growth

H2 performance moderated by programme phasing

Continued good growth across both segments

Good growth driven by aerospace and defence

1 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.
FURTHER MARGIN PROGRESSION\textsuperscript{1,2}

Operating profit - £m

\begin{center}
\begin{tabular}{cccccccc}
388 & 11 & 13 & 412 & 13 & (10) & 3 & 3 & 6 & 427 \\
\end{tabular}
\end{center}

+4\% underlying

1 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.

2 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

3 Includes disposals and HY2019 performance from acquisitions that do not have comparators for the prior year
## FY OPERATING PROFIT BY DIVISION\(^1\)

<table>
<thead>
<tr>
<th>Division</th>
<th>FY Operating Profit</th>
<th>Margin</th>
<th>Key Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOHN CRANE</td>
<td>£220m</td>
<td>23.3%</td>
<td>- Improving volumes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Investing for future growth</td>
</tr>
<tr>
<td>SMITHS DETECTION</td>
<td>£127m (7)%</td>
<td>16.0%</td>
<td>- Segment mix</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Pricing</td>
</tr>
<tr>
<td>FLEX-TEK</td>
<td>£84m</td>
<td>19.2%</td>
<td>- Continued strong performance</td>
</tr>
<tr>
<td>SMITHS INTERCONNECT</td>
<td>£47m</td>
<td>14.7%</td>
<td>- Higher volumes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Restructuring benefits</td>
</tr>
</tbody>
</table>

1 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.
### SMITHS MEDICAL ¹,²

<table>
<thead>
<tr>
<th><strong>REVENUE</strong></th>
<th><strong>£874m</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Infusion systems</td>
<td>-</td>
</tr>
<tr>
<td>- Vascular access</td>
<td>(3)%</td>
</tr>
<tr>
<td>- Vital Care</td>
<td>+3%</td>
</tr>
</tbody>
</table>

- Improving trajectory
- H2 revenue +2%

| **OPERATING PROFIT & MARGIN** | **£147m** | (6)% |
|-------------------------------|-----------|
| Margin | 16.8% |

- Impacted by operational inefficiencies
- H2 profit +2%
- H2 margin improved to 17.0%

---

1. 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.
2. Restated for IFRS 15
## TOTAL GROUP CASH-FLOW

<table>
<thead>
<tr>
<th>£m</th>
<th>FY2019</th>
<th>FY2018&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>574</td>
<td>544</td>
</tr>
<tr>
<td>Capex, depreciation and amortisation</td>
<td>(26)</td>
<td>(12)</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>(104)</td>
<td>(16)</td>
</tr>
<tr>
<td>Other</td>
<td>30</td>
<td>22</td>
</tr>
<tr>
<td><strong>OPERATING CASH-FLOW&lt;sup&gt;1&lt;/sup&gt;</strong></td>
<td>474</td>
<td>538</td>
</tr>
<tr>
<td>Interest&lt;sup&gt;1&lt;/sup&gt;</td>
<td>(58)</td>
<td>(64)</td>
</tr>
<tr>
<td>Taxation&lt;sup&gt;1&lt;/sup&gt;</td>
<td>(99)</td>
<td>(65)</td>
</tr>
<tr>
<td>Pension</td>
<td>(36)</td>
<td>(45)</td>
</tr>
<tr>
<td>Other investment and non-headline</td>
<td>(47)</td>
<td>(62)</td>
</tr>
<tr>
<td><strong>FREE CASH-FLOW</strong></td>
<td>234</td>
<td>302</td>
</tr>
</tbody>
</table>

1. Headline excludes non operating items as defined in note 3 of the accounts
2. Restated for IFRS15
Working capital as a % sales maintained at 26%

Good underlying performance:
- DSO/DPO\(^1\) gap reduced by 3 days

Temporarily impacted by:
- Increase in current receivables
  • Strong sales in June/July now being collected
- Higher inventory
  • Short term deferral in Smiths Detection deliveries
  • John Crane strong order book

\(^1\) DSO = debtor days, DPO = creditor days
TOTAL GROUP - STRONG BALANCE SHEET

- Weighted average debt maturity: 5.2 years\(^1\)
- Weighted average interest rate: 3.2%\(^1\)
- Stable credit rating (BBB+/Baa2)

<table>
<thead>
<tr>
<th>£m</th>
<th>31.07.2018</th>
<th>31.07.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt</td>
<td>893</td>
<td>1,197</td>
</tr>
<tr>
<td>FX</td>
<td>(41)</td>
<td>(64)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>234</td>
<td>(178)</td>
</tr>
<tr>
<td>Divestitures</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Debt/EBITDA</td>
<td>1.4x</td>
<td>1.8x</td>
</tr>
</tbody>
</table>

1 Refer to gross debt
DISCIPLINED CAPITAL ALLOCATION

CASH GENERATION

INVESTMENT IN ORGANIC GROWTH

VALUE CREATIVE M&A

PROGRESSIVE DIVIDEND

4.5% cash R&D % sales¹
Vitality at 13%²

United Flexible for $345m

Full year dividend growth 3%

¹ Continuing Operations
² Total Group
FY2020 OUTLOOK

- A year of further progress
- Growth H1 weighted
- FX tailwind at current rates
- Improved operational excellence and cash generation
UPDATE ON SEPARATION OF SMITHS MEDICAL

ANDY REYNOLDS SMITH
CHIEF EXECUTIVE
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 MEDICAL

JEHANZEB NOOR
CEO – SMITHS MEDICAL
SMITHS MEDICAL – HIGH POTENTIAL BUSINESS IN GROWING MARKETS

Leading brands in attractive markets
- Trusted brands
- Leading global positions
- £7.5bn existing market
- Sustainable growth fundamentals
- Regulated market with strong IP

Invested for the future
- R&D up 40%¹
- NPIs: over 30 in the past 24 months
- Strong pipeline, including LVP
- c.£2bn market extension
- Building a world class team

Strong financial characteristics
- >80% recurring revenue
- 50%+ gross margins
- High cash generation and low working capital

WITH FURTHER OPPORTUNITIES

¹ Average cash R&D 2012-2015 vs 2016-2019
Faster, commercially focused NPIs
- Expand addressable market

ACCELERATED GROWTH

PRODUCT INNOVATION
CHANNEL EXPANSION
GEOGRAPHIC EXPANSION
COMMERCIAL EXCELLENCE

DRIVE ABOVE MARKET GROWTH

BUILDING ON AN IMPROVING TRAJECTORY
NEAR-TERM MARGIN OPPORTUNITIES

ENHANCED PERFORMANCE

- Maximise operating leverage
- Enhance COGS efficiencies
- Optimise G&A and organisation effectiveness

OP MARGIN OF 20%+
CASH CONVERSION OF 90%+

DELIVERING ATTRACTIVE RETURNS

PROCUREMENT

SUPPLY CHAIN

MANUFACTURING

G&A AND ORGANISATION
ACCELERATING THE TRANSFORMATION

Underpinned by the attractive fundamentals of the business

Plans in place to execute on:

- Building on the **growth** trajectory
- Improving **operating margin**, focused on costs and processes and functional capabilities using the Smiths Excellence System
- Accelerating **execution**
SMITHS GROUP

ANDY REYNOLDS SMITH
CHIEF EXECUTIVE
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

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

**Leading Businesses in Attractive Markets**
- ROCE 16-18% through the cycle
- Progressive dividend policy covered by FCF

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

**Generating Superior Returns**
- Common operating model focused on efficiency and excellence
- Group wide innovation framework
- People plan to attract, retain and inspire the very best
### OPERATIONAL PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio strength¹</td>
<td>&gt;90%</td>
<td>90%+</td>
</tr>
<tr>
<td>Vitality index²</td>
<td>13%</td>
<td>~20%</td>
</tr>
<tr>
<td>Stock turns²</td>
<td>3.4x</td>
<td>~6x</td>
</tr>
<tr>
<td>Aftermarket %¹,³</td>
<td>49%</td>
<td>50%+</td>
</tr>
</tbody>
</table>

### FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying revenue growth¹</td>
<td>+3%</td>
<td>Outperform our chosen markets</td>
</tr>
<tr>
<td>Operating margin¹</td>
<td>17.1%</td>
<td>18-20%</td>
</tr>
<tr>
<td>ROCE²</td>
<td>14.4%</td>
<td>16-18%</td>
</tr>
<tr>
<td>WC % sales²</td>
<td>26%</td>
<td>~20%</td>
</tr>
<tr>
<td>Cash conversion²</td>
<td>83%</td>
<td>100%+</td>
</tr>
</tbody>
</table>

### ON TRACK TO DELIVER SIGNIFICANT POTENTIAL

1. Continuing operations
2. Total Group
3. Aftermarket changed from 60% to 50% to reflect the change of the Group’s profile following Smiths Medical being accounted for as discontinued operations
LEADING BUSINESSES IN ATTRACTIVE GROWING MARKETS

CONTINUED STRENGTHENING OF THE PORTFOLIO

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

7 ACQUISITIONS
- for c. £900m

= 18 TRANSACTIONS
- total value c. £1.4bn

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 PERFORMANCE**

**IMPROVING GROWTH TRAJECTORY**
(underlying revenue growth)

- FY 2016: -2%
- FY 2017: 0%
- FY 2018: 3%
- FY 2019: 3%

**ENHANCED MARGINS**
(operating margin)

- FY 2016: 14.1%
- FY 2017: 15.3%
- FY 2018: 16.7%
- FY 2019: 17.1%

**STRONG CASH GENERATION**

- FY 2016: 100%
- FY 2019: 102%

**ATTRACTIVE RETURNS**
(ROCE %)

- FY 2016: 13.7%
- FY 2017: (2.7)
- FY 2018: 1.1
- FY 2019: 3.6

---

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

Strong dividend covered by FCF

100%+ cash conversion

LEADING BUSINESSES IN ATTRACTIVE MARKETS

OPERATIONAL EXCELLENCE

STRONG FINANCIAL FRAMEWORK

GENERATING SUPERIOR RETURNS

Outperforming our markets

18-20% margin
<table>
<thead>
<tr>
<th>£m</th>
<th>FY2019</th>
<th>FY2018</th>
<th>Reported change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,498</td>
<td>2,328</td>
<td>+7%</td>
</tr>
<tr>
<td>Headline(^2) operating profit</td>
<td>427</td>
<td>388</td>
<td>+10%</td>
</tr>
<tr>
<td>Amortisation of acquisition related intangible assets</td>
<td>(42)</td>
<td>(26)</td>
<td></td>
</tr>
<tr>
<td>Legacy pension scheme arrangements</td>
<td>(30)</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Post acquisition integration costs and fair value adjustment unwind</td>
<td>(23)</td>
<td>(21)</td>
<td></td>
</tr>
<tr>
<td>Acquisition and disposal related transaction costs and provision releases</td>
<td>(6)</td>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>Non-headline litigation provision movements</td>
<td>-</td>
<td>(8)</td>
<td></td>
</tr>
<tr>
<td>Profit on disposal of businesses</td>
<td>-</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Total non-headline items</td>
<td>(101)</td>
<td>(46)</td>
<td></td>
</tr>
<tr>
<td>Statutory operating profit</td>
<td>326</td>
<td>342</td>
<td>(5)%</td>
</tr>
<tr>
<td>PBT - Headline(^2)</td>
<td>376</td>
<td>333</td>
<td>+13%</td>
</tr>
<tr>
<td>- Statutory continuing</td>
<td>304</td>
<td>287</td>
<td>(6)%</td>
</tr>
</tbody>
</table>

1 Continuing operations
2 Headline excludes non operating items as defined in note 3 of the accounts
3 Restated for IFRS 15
ORGANIC GROWTH: R&D INVESTMENT\(^1\)

### Income statement costs (expensed and amortised)

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income statement costs</td>
<td>£93m</td>
<td>£85m</td>
</tr>
</tbody>
</table>

### Cash costs

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash costs</td>
<td>£111m</td>
<td>£96m</td>
</tr>
</tbody>
</table>

*4.5% of revenue in FY2019 and 4.1% in FY2018*

---

1 Continuing operations
## FX SENSITIVITY

For each $0.10 move, the annual operating profit impact is c.£15m

For each €0.10 move, the annual operating profit impact is c.£10m

<table>
<thead>
<tr>
<th>Currency</th>
<th>FY2019 average rate</th>
<th>FY2018 average rate</th>
<th>19/09/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>1.29</td>
<td>1.35</td>
<td>1.25</td>
</tr>
<tr>
<td>EUR</td>
<td>1.13</td>
<td>1.13</td>
<td>1.13</td>
</tr>
</tbody>
</table>

1  Continuing operations
## REVENUE AND OPERATING PROFIT\(^1\) H1/H2 SPLIT

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 Revenue</th>
<th>H2 Revenue</th>
<th>FY2019 Revenue</th>
<th>H1 Operating profit</th>
<th>H2 Operating profit</th>
<th>FY2019 Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Crane</td>
<td>449</td>
<td>496</td>
<td>945</td>
<td>97</td>
<td>123</td>
<td>220</td>
</tr>
<tr>
<td>Smiths Detection</td>
<td>361</td>
<td>437</td>
<td>798</td>
<td>55</td>
<td>72</td>
<td>127</td>
</tr>
<tr>
<td>Flex-Tek</td>
<td>184</td>
<td>252</td>
<td>436</td>
<td>33</td>
<td>51</td>
<td>84</td>
</tr>
<tr>
<td>Smiths Interconnect</td>
<td>149</td>
<td>170</td>
<td>319</td>
<td>18</td>
<td>29</td>
<td>47</td>
</tr>
<tr>
<td>Central costs</td>
<td></td>
<td></td>
<td>(28)</td>
<td>(23)</td>
<td>(51)</td>
<td></td>
</tr>
<tr>
<td>Continuing operations</td>
<td>1,143</td>
<td>1,355</td>
<td>2,498</td>
<td>175</td>
<td>252</td>
<td>427</td>
</tr>
</tbody>
</table>

1 Headline excludes non operating items as defined in note 3 of the accounts
## SUSTAINABILITY

<table>
<thead>
<tr>
<th>ENVIRONMENTAL</th>
<th>SOCIAL</th>
<th>GOVERNANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>⇒ FY2007 to FY2019 reductions</td>
<td>⇒ Our People are our most important sources of sustainable competitive advantage:</td>
<td>⇒ Average tenure on the Board c.4 years</td>
</tr>
<tr>
<td>• Greenhouse Gas (GHG): (58)%</td>
<td>• Safety first:</td>
<td></td>
</tr>
<tr>
<td>• Energy: (37)%</td>
<td>• RIR 0.41 (FY2018: 0.39)</td>
<td></td>
</tr>
<tr>
<td>• Water: (52)%</td>
<td>• LTIR 0.18 (FY2018: 0.17)</td>
<td></td>
</tr>
<tr>
<td>• Non recycle waste: (60)%</td>
<td>⇒ Engagement score 73 (FY2018:73) translating into tangible actions to make Smiths a better place to work for</td>
<td></td>
</tr>
<tr>
<td>⇒ Further commitment to reduce our impact on the environment</td>
<td>⇒ Customers &amp; suppliers</td>
<td></td>
</tr>
<tr>
<td>⇒ Technology and innovation as a solution for our customers.</td>
<td>• We adhere to our code of business ethics as well as provide regular anti-bribery and corruption training</td>
<td></td>
</tr>
<tr>
<td><em>Example of the Aura™ range for John Crane which reduces methane emissions</em></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>⇒ Diversity of the Board:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Gender (20%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ethnicity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Geographies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>⇒ Diverse expertise: MedTech, engineering, automotive, financial services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>⇒ Regular sites visits</td>
</tr>
</tbody>
</table>
JOHN CRANE: Mission-critical solutions for global energy and process industries

**Revenue**
- **£945m** (38% of Continuing Group)

**Headline OP**
- **£220m** (46% of Continuing Group)

**Margin**
- 23.3%

**ROCE**
- 23.4%

**R&D % sales**
- 1.7%

**COMPETITIVE STRENGTHS**
- A strong presence in flow control for rotating equipment
- Strong proprietary technology and expertise in applied engineering
- Broad installed base
- Strong aftermarket service offering with c.200 sales and service centres
- Long-term customer relationships
- Margins at 20%+ through-cycle

**GROWTH DRIVERS**
- Oil & gas markets recovering driven by underlying energy demand
- Expansion in high-growth markets
- Pent-up demand for maintenance and upgrades in oil & gas and petrochemical
- Need for operational improvements in non-oil and gas process industries
- Disruptive innovations including material science advancements and digital transformation

**GEOGRAPHIES**

- Americas 42%
- Europe 25%
- APAC 19%
- RoW 14%

**OE/AM**

- **Aftermarket 66%**
- **Original Equipment 34%**

**END MARKETS**
- c.61% **ENERGY**
- Mainly downstream exposure
- c.39% **INDUSTRIALS**
  - Pharmaceutical
  - Chemicals
  - Pulp & paper
  - Water treatment

**COMPETITIVE LANDSCAPE**
- Competitors range from large multinationals through to small, more focused companies across the product portfolio
- Examples include: Flowserve, EagleBurgmann, Danaher, Hydac, Rexnord
SMITHS DETECTION: A global leader in the detection and identification of security threats and contraband

<table>
<thead>
<tr>
<th>Revenue</th>
<th>£798m</th>
</tr>
</thead>
<tbody>
<tr>
<td>(32% of Continuing Group)</td>
<td></td>
</tr>
<tr>
<td>Headline OP</td>
<td>£127m</td>
</tr>
<tr>
<td>(27% of Continuing Group)</td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>16.0%</td>
</tr>
<tr>
<td>ROCE</td>
<td>11.5%</td>
</tr>
<tr>
<td>R&amp;D % sales</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

### COMPETITIVE STRENGTHS
- A global leader with differentiated technologies leveraged across markets
- Significant R&D capability
- Operating in several regulated markets requiring product certification
- Increasing digitisation and aftermarket revenue
- Long-term customer relationships
- Mid-teens + margin through-cycle

### GROWTH DRIVERS
- Persistent and evolving terror threats
- Changing security regulations for air cargo and passengers
- Growing urbanisation and need to protect people and assets
- Global trade, e-commerce and passengers numbers
- Equipment replacement cycle, typically 7-10 years
- Growth of security infrastructure in emerging markets

### COMPETITIVE LANDSCAPE
- Competitors range from large multinationals through to small, more focused companies across the product portfolio
- Example include: Nuctech, Rapiscan, L3-SDS

### GEOGRAPHIES
- Americas 38%
- Europe 27%
- APAC 17%
- RoW 18%

### OE/AM
- Original Equipment 54%
- Aftermarket 46%

### END MARKETS
- Aviation 65%
- Other Security Systems 35%
FLEX-TEK: Innovative components to heat and move fluids and gases

### COMPETITIVE STRENGTHS
- High-performance products
- Leading capability in design and manufacture
- Increasing pace of innovation
- Strong customer relationships
- Culture, safety and quality
- Mid-teens + margin through-cycle

### GROWTH DRIVERS
- Steady growth of US housing construction through cycle
- Continued increase in large commercial aircraft production
- International expansion

### COMPETITIVE LANDSCAPE
- Competitors range from large multinationals through to small, more focused companies across the product portfolio
- Examples include: Parker-Hannifin, Eaton Zoppas and Nibe

### REVENUE
- £436m (17% of Continuing Group)

### HEADLINE OP
- £84m (17% of Continuing Group)

### MARGIN
- 19.2%

### ROCE
- 23.3%

### R&D % sales
- 0.6%

### GEOGRAPHIES
- Americas 81%
- Europe 11%
- APAC 7%
- RoW 1%

### OE/AM
- Original Equipment 49%
- Aftermarket 51%

### END MARKETS
- Aerospace 28%
- Industrials 72%
SMITHS INTERCONNECT: Solutions for high-speed, secure connectivity in demanding applications

<table>
<thead>
<tr>
<th>Revenue</th>
<th>£319m (13% of Continuing Group)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headline OP</td>
<td>£47m (10% of Continuing Group)</td>
</tr>
<tr>
<td>Margin</td>
<td>14.7%</td>
</tr>
<tr>
<td>ROCE</td>
<td>12.8%</td>
</tr>
<tr>
<td>R&amp;D % sales</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

### COMPETITIVE STRENGTHS
- Innovative and technically differentiated offerings
- Ultra-high reliability solutions used in demanding applications
- Strong research and engineering capabilities
- Customer intimacy, responsiveness and product customisation
- Global presence, reach and support
- Mid-teens + margin through-cycle

### GROWTH DRIVERS
- Increased connectivity
- Growing urbanised population requiring transports and infrastructure
- Increasing geopolitical uncertainty
- Ageing population and rising need for healthcare services

### COMPETITIVE LANDSCAPE
- Competitors range from large multinationals through to small, more focused companies across the product portfolio
- Examples include Amphenol, TE Connectivity, Molex

### GEOGRAPHIES
- Americas 61%
- Europe 19%
- APAC 17%
- RoW 3%

### OE/AM
- Original Equipment 98%
- Aftermarket 2%
SMITHS MEDICAL: High-quality, cost-effective medical devices and consumables that are vital to patient care globally

**COMPETITIVE STRENGTHS**
- Category leader in our chosen markets
- Trusted brands with a reputation for quality and safety
- Strong, defensible intellectual property
- Over 80% of revenue is from single-use devices and proprietary consumables
- Strong customer relationships and extensive global sales network
- Margins 20%+ through-cycle

**GROWTH DRIVERS**
- Ageing populations with increasing personalised healthcare and patient expectation/quality of life
- Increasing incidence of chronic diseases
- Increasing need for connected systems and data analytics
- Growth of alternate site and home-based healthcare
- Growing healthcare spend in developing markets

**COMPETITIVE LANDSCAPE**
- Competitors range from large multinationals through to small, more focused companies across the product portfolio
- Examples include: Medtronic, Becton-Dickinson, Baxter, B Braun

<table>
<thead>
<tr>
<th>Revenue</th>
<th>£874m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headline OP</td>
<td>£147m</td>
</tr>
<tr>
<td>Margin</td>
<td>16.8%</td>
</tr>
<tr>
<td>ROCE</td>
<td>11.7%</td>
</tr>
<tr>
<td>R&amp;D % sales</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

**GEOGRAPHIES**
- Americas 57%
- Europe 24%
- APAC 17%
- RoW 2%

**OE/AM**
- Consumables 83%
- Original Equipment 17%

**END MARKETS**
- Infusion systems 35%
- Vascular access 33%
- Vital Care and Specialty products 32%