
SMITHS GROUP PLC – Q3 TRADING UPDATE

Pioneers of progress – improving our world through smarter engineering

Smiths Group plc ("Smiths" or "the Group") today announces its trading statement for the third quarter of FY2022.

Smiths built on its strong H1 FY22 results by delivering its fourth consecutive quarter of growth in Q3. Organic revenue for the nine months ended 30 April was up +4.2% (H1 FY22: +3.4%). The Group maintains full year guidance of 3% organic revenue growth, recognising the ongoing macroeconomic uncertainty, supply chain challenges and as it cycles a stronger comparator in the fourth quarter.

The third quarter demonstrated ongoing sales momentum with three divisions in growth. As expected, Smiths Detection continues to manage challenges in Aviation OE.

- John Crane grew modestly, but with continued strong order intake in both its Industrials and Energy segments. Performance was tempered by supply chain disruptions and elevated input costs, which impacted margins.
- Smiths Detection declined, driven by the challenging Aviation OE market, but delivered growth in Other Security Systems OE and in aftermarket across both segments.
- Flex-Tek accelerated growth in the third quarter, with ongoing strong demand in its Industrials segment and recovery in Aerospace now well underway.
- Smiths Interconnect delivered strong growth, driven by high demand for its products across all of its end markets.

Following the executive leadership appointments announced on 14 April 2022, the new leadership are now all in place and the organisation has responded well to the changes.

Share buyback

The £742 million share buyback programme, which was announced on 11 November 2021, is on track and we have now returned c.£310m. At the current run-rate and share price, the programme is expected to complete in early calendar 2023.

Paul Keel, Group Chief Executive, commented:

"We delivered our fourth consecutive quarter of growth, demonstrating further progress against our strategy, towards our medium-term target of 4-6% organic revenue growth. As we enter the final quarter of FY2022, macro uncertainty remains high and supply chain and inflationary challenges continue. We are leveraging the Smiths Excellence System to help manage these headwinds, and confirm our full year organic revenue growth guidance of 3%.

We are laser focused on our top priorities of accelerating growth, improving execution and supporting our great people, whose hard work and ingenuity make this progress possible."

FY2022 results

Smiths will publish its results for the year ending 31 July 2022 on Friday 23 September 2022.

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About Smiths Group

For over 170 years, Smiths Group has been pioneering progress by improving the world through smarter engineering. We serve millions of people every year, to help create a safer, more efficient and better-connected world, across four major global markets: Energy, General Industry, Security & Defence, and Aerospace. Listed on the London Stock Exchange, Smiths employs c.14,600 colleagues in over 50 countries. For more information visit www.smiths.com.