This document contains certain statements that are forward-looking statements. They appear in a number of places throughout this document 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 document and, unless otherwise required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements. Nothing in this document 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
ON TRACK FOR GROWTH IN FY18

2016: A NEW DIRECTION
2017: SIGNIFICANT PROGRESS
2018: RETURN TO GROWTH
2019: SUSTAINABLE GROWTH
AMBITION: OUTPERFORMING OUR CHOSEN MARKETS
### 2018 FULL YEAR OUTLOOK REAFFIRMED

<table>
<thead>
<tr>
<th></th>
<th>OUTLOOK AT FY17</th>
<th>H1 FY18 UNDERLYING(^1) REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Crane</td>
<td>Improving trends</td>
<td>+3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Return to growth with good momentum</td>
</tr>
<tr>
<td>Smiths Medical</td>
<td>Gradual improvement</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Back to flat with programme of product launches</td>
</tr>
<tr>
<td>Smiths Detection</td>
<td>Strong H2</td>
<td>(11)%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Programme phasing with strong order book</td>
</tr>
<tr>
<td>Smiths Interconnect</td>
<td>Further good progress</td>
<td>(3)%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Growth in key market segments</td>
</tr>
<tr>
<td>Flex-Tek</td>
<td>Strong growth</td>
<td>+10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continued strong growth</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>Growth in FY2018</strong></td>
<td>(1)%</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Improving trend</strong></td>
</tr>
</tbody>
</table>

---

1. Underlying modifies headline performance to: adjust prior year to reflect an equivalent period of ownership for divested businesses; include restructuring and pension administration costs as headline for both years; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.
GROUP H1 HIGHLIGHTS

- Underlying\(^1\) revenue broadly flat, improving trend
- Underlying\(^1\) operating profit down 2%, impacted by programme phasing in Detection, as well as increased R&D costs in Medical to support growth
- Continued focus on working capital with improved stock turns at 3.6x
- Good cash generation with cash conversion of 98%
- Investing for sustainable growth, R&D at 4.6% of sales
- Further progress on portfolio high grading
- Interim dividend up 1.8%

1. Underlying modifies headline performance to: adjust prior year to reflect an equivalent period of ownership for divested businesses; include restructuring and pension administration costs as headline for both years; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.
PERFORMANCE REVIEW

JOHN SHIPSEY
CHIEF FINANCIAL OFFICER
## FINANCIAL RESULTS

<table>
<thead>
<tr>
<th>£M</th>
<th>H1 2018</th>
<th>H1 2017</th>
<th>REPORTED CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,549</td>
<td>1,617</td>
<td>(4)% (1)% underlying</td>
</tr>
<tr>
<td>Operating profit</td>
<td>247</td>
<td>277</td>
<td>(11)% (2)% underlying</td>
</tr>
<tr>
<td>Operating margin</td>
<td>16.0%</td>
<td>17.1%</td>
<td>(110)bps (20)bps underlying</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>217</td>
<td>248</td>
<td>(12)% (2)% underlying</td>
</tr>
<tr>
<td>EPS</td>
<td>40.4p</td>
<td>45.7p</td>
<td>(11)% (2)% underlying</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>113</td>
<td>176</td>
<td>(36)% 98% cash conversion</td>
</tr>
<tr>
<td>ROCE</td>
<td>15.2%</td>
<td>16.3%</td>
<td>(110)bps +10bps ex Morpho</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>13.80p</td>
<td>13.55p</td>
<td>+2%</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; include restructuring and pension administration costs as headline for both years; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.
H1 UNDERLYING\(^1\) REVENUE BROADLY FLAT

\[
\begin{align*}
\text{£m} & \quad \text{H1 2017} & \quad \text{FX} & \quad \text{A&D} & \quad \text{John Crane} & \quad \text{Medical} & \quad \text{Detection} & \quad \text{Interconnect} & \quad \text{Flex-Tek} & \quad \text{H1 2018} \\
1,617 & \quad (49) & \quad (8) & \quad 14 & \quad (1) & \quad (35) & \quad (4) & \quad 15 & \quad \text{1,549}
\end{align*}
\]

\(\text{£(10)m – underlying}\(^1\) revenue (1)\%\)

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; include restructuring and pension administration costs as headline for both years; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.
# H1 Revenue¹: Improving Trends

<table>
<thead>
<tr>
<th>Division</th>
<th>Q1 Revenue</th>
<th>Q2 Revenue</th>
<th>Aftermarket</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Crane</td>
<td>+3%</td>
<td>£428m</td>
<td>66%</td>
</tr>
<tr>
<td>Smiths Medical</td>
<td>0%</td>
<td>£451m</td>
<td>82%</td>
</tr>
<tr>
<td>Smiths Detection</td>
<td>(11)%</td>
<td>£367m</td>
<td>48%</td>
</tr>
<tr>
<td>Smiths Interconnect</td>
<td>(3)%</td>
<td>£135m</td>
<td></td>
</tr>
<tr>
<td>Flex-Tek</td>
<td>+10%</td>
<td>£168m</td>
<td></td>
</tr>
</tbody>
</table>

### Key Trends:
- **John Crane:** Return to growth with +3% revenue, £428m.
- **Smiths Medical:** Back to flat with 0% revenue, £451m.
- **Smiths Detection:** Programme phasing with (11)% revenue, £367m.
- **Smiths Interconnect:** Completing restructuring with (3)% revenue, £135m.
- **Flex-Tek:** Continued strong growth with +10% revenue, £168m.

### Segment Performance:
- **John Crane: Oil & gas** c.+4%, **Non-oil & gas** c.+3%.
- **Smiths Medical: Infusion Systems** 0%, **Vascular Access** (1)%, **Vital Care** 0%.
- **Smiths Detection: Air Transportation** +8%, **Ports & Borders** (26)%.
- **Smiths Interconnect: Construction** +4%, **Fluid Management** +14%, **Heat Solutions** +14%, **Flexible Solutions** +8%.

### Notes:
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; include restructuring and pension administration costs as headline for both years; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.
2. *Vital Care includes Specialty Products.

---

Smiths Group plc Interim Results 2018 | 11
UNDERLYING OPERATING PROFIT DOWN 2%\(^1\)

£(4)m, underlying operating profit declined (2)\%
### H1 OPERATING PROFIT BY DIVISION

<table>
<thead>
<tr>
<th>Division</th>
<th>OP</th>
<th>Margin</th>
<th>Improvement/Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JOHN CRANE</strong></td>
<td>£91m</td>
<td>21.3%</td>
<td>+5% +30bps</td>
</tr>
<tr>
<td><strong>SMITHS MEDICAL</strong></td>
<td>£82m</td>
<td>18.1%</td>
<td>(5%)</td>
</tr>
<tr>
<td><strong>SMITHS DETECTION</strong></td>
<td>£59m</td>
<td>16.2%</td>
<td>(13%)</td>
</tr>
<tr>
<td><strong>SMITHS INTERCONNECT</strong></td>
<td>£14m</td>
<td>10.3%</td>
<td>(1%)</td>
</tr>
<tr>
<td><strong>FLEX-TEK</strong></td>
<td>£31m</td>
<td>18.6%</td>
<td>+15% +80bps</td>
</tr>
</tbody>
</table>

- **JOHN CRANE**: Improving volumes, Strong aftermarket growth
- **SMITHS MEDICAL**: Investing in new product launches with higher R&D costs
- **SMITHS DETECTION**: Programme phasing, Higher proportion of aftermarket, Morpho synergies on track
- **SMITHS INTERCONNECT**: Improvement in gross margin, Lower volumes, Completing restructuring
- **FLEX-TEK**: Continued strong performance, Higher volumes, Operational efficiencies

---

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; include restructuring and pension administration costs as headline for both years; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.
GROUP TAX RATE

- Full benefit of the new US tax legislation in 2019
- 2018 revised lower guidance - revaluation of deferred tax assets now a non-headline item

Headline effective tax rate

- Initial guidance
- Post US tax reform

<table>
<thead>
<tr>
<th>Year</th>
<th>Initial Guidance</th>
<th>Post US Tax Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>26.5%</td>
<td>25.5 - 26.5%</td>
</tr>
<tr>
<td>2018</td>
<td>25.5 - 26.5%</td>
<td>22.0 - 24.0%</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## CASH FLOW

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2018</th>
<th>H1 2017</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit¹</td>
<td>247</td>
<td>277</td>
<td></td>
</tr>
<tr>
<td>Capex including capitalised R&amp;D</td>
<td>(46)</td>
<td>(51)</td>
<td>Supporting our asset light model</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>48</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>Working capital</td>
<td>(18)</td>
<td>27</td>
<td>Build up to support the growth in H2</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td><strong>Operating cash flow¹</strong></td>
<td>241</td>
<td>320</td>
<td></td>
</tr>
<tr>
<td>Interest &amp; taxation¹</td>
<td>(69)</td>
<td>(68)</td>
<td></td>
</tr>
<tr>
<td>Pension</td>
<td>(30)</td>
<td>(44)</td>
<td>£50m estimated for the full year</td>
</tr>
<tr>
<td>Other</td>
<td>(29)</td>
<td>(32)</td>
<td></td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>113</td>
<td>176</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>(117)</td>
<td>(114)</td>
<td></td>
</tr>
<tr>
<td>Acquisitions &amp; divestitures</td>
<td>(9)</td>
<td>320</td>
<td></td>
</tr>
<tr>
<td>FX and other</td>
<td>19</td>
<td>(39)</td>
<td></td>
</tr>
<tr>
<td><strong>Movement in net debt</strong></td>
<td>6</td>
<td>343</td>
<td></td>
</tr>
<tr>
<td><strong>Closing net debt</strong></td>
<td>961</td>
<td>635</td>
<td>Net debt/EBITDA 1.5x</td>
</tr>
</tbody>
</table>

¹. Headline excludes non operating items as defined in note 3 of the accounts
PENSION: CONTINUOUS IMPROVEMENT

- Accounting surplus increased to £237m
- Further action to decrease the risk with a £207m buy-in agreement in October
- Cash contributions for the year expected to be c.£50m, down from £105m last year
## FX SENSITIVITY

<table>
<thead>
<tr>
<th>Currency</th>
<th>H1 2018 average rate</th>
<th>H1 2017 average rate</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>1.33</td>
<td>1.26</td>
<td>+6%</td>
</tr>
<tr>
<td>EUR</td>
<td>1.12</td>
<td>1.16</td>
<td>(3)%</td>
</tr>
</tbody>
</table>

### Translation impact

<table>
<thead>
<tr>
<th></th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£(49)m or (3)%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>£(10)m or (4)%</td>
</tr>
</tbody>
</table>

- For each $0.10 move, the annual operating profit impact is c.£30m
- For each €0.10 move, the annual operating profit impact is c.£8m
- At current rates, headwind on operating profit of c.£(35)m or 6%
STRATEGIC UPDATE

ANDY REYNOLDS SMITH
CHIEF EXECUTIVE
THE STRATEGY ON TRACK

2016 | H1 2018 | MEDIUM TERM

- HIGH GRADING THE BUSINESSES
  - 60%+
  - 75%+
  - 85%+

- RISK OF EXECUTION

- PORTFOLIO PRIORITISATION

- CAPITAL ALLOCATION DECISIONS

- RISK ASSESSMENT

- TECHNOLOGY DIFFERENTIATION

- INCREASING DIGITISATION

- TARGETED IN GROWING MARKETS

- HIGH PROPORTION OF AFTERMARKET AND SERVICES

- SUSTAINABLY COMPETITIVE AND ASSET LIGHT

RISK OF EXECUTION

PORTFOLIO PRIORITISATION
MEDIUM TERM AMBITION

### OPERATIONAL PERFORMANCE

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive position</td>
<td>Top 3</td>
</tr>
<tr>
<td>R&amp;D % sales</td>
<td>5-6%</td>
</tr>
<tr>
<td>Vitality index</td>
<td>~20%</td>
</tr>
<tr>
<td>Stock turns</td>
<td>~6x</td>
</tr>
<tr>
<td>Aftermarket %</td>
<td>60%+</td>
</tr>
</tbody>
</table>

### FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic revenue growth</td>
<td>Outperforming our chosen markets</td>
</tr>
<tr>
<td>Operating margin</td>
<td>18-20%</td>
</tr>
<tr>
<td>ROCE</td>
<td>16-18%</td>
</tr>
<tr>
<td>WC % sales</td>
<td>~20%</td>
</tr>
<tr>
<td>Cash conversion</td>
<td>100%+</td>
</tr>
</tbody>
</table>
GOOD MOMENTUM – JOHN CRANE

- Further improvement in underlying markets
- Expansion of installed base and good aftermarket demand
- Continue to build on John Crane’s scalable leading positions in attractive growth markets
- Continued good growth in H2
• Return to growth for the year
• Significant programme of new product launches on track
  - Further 12 products to launch in H2
  - Gradual ramp up of revenue from launch
  - Improved sales effectiveness
  - New products well received by customers and users
STRONG GROWTH DRIVERS – SMITHS DETECTION

• Good growth driven by Air Transportation
• European regulation – 60% still to be awarded
• Strong order book: 9 India airports, Middle East, Scandinavia, Canada, air cargo customers
• Sunset phase of key programmes in Military continuing
• Roland Carter appointed President, Smiths Detection
SMITHS INTERCONNECT & FLEX-TEK

- Improved H2
- Exiting certain products and customers
- Completing restructuring

- Continued good growth
- Benefiting from the Osram heating solutions acquisition
INVESTING FOR SUSTAINABLE GROWTH

- Increase in R&D as a percentage of sales, +10bps
- Focus on new product development, growth acceleration
- Guidance for 2018: in line with 2017

<table>
<thead>
<tr>
<th></th>
<th>Expensed</th>
<th>Capitalised</th>
<th>Customer Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2018</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Aura 120 NS – A narrow section gas seal targeted at methane emission
- HemoDraw® Plus, closed blood sampling system
- CORAL, predictive maintenance solution
- DeltaVen®, Closed System Catheter
- Jelco®, Seriva PIVC
- SpaceNXT HC, a range of higher reliability microwave components qualified for space applications

- 8648VRS Crude Oil Pipeline with unique secondary sealing technology
FOCUSING ON OPERATIONAL EXCELLENCE

SMITHS EXCELLENCE SYSTEM IN ACTION

HEMEL HEMPSTEAD (SMITHS DETECTION)

Designed and applied best practice production line model
- Improved safety
- 70% reduction in production assembly time
- 35% reduction in inventory to date

STOCK TURNS\(^1\) (X)

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>FY 2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4</td>
<td>3.5</td>
<td>3.6</td>
<td></td>
</tr>
</tbody>
</table>

1. 12 month rolling average
2018 OUTLOOK

Return to growth for the Group

- Continued growth in John Crane
- Smiths Medical return to growth
- Smiths Detection strong H2
- Smiths Interconnect improved H2
- Flex-Tek continued strong growth

At current rates, continued FX headwind

Continued focus on operational excellence and cash generation

Further portfolio high grading and active portfolio management
QUESTIONS & ANSWERS
## STATUTORY INCOME STATEMENT

<table>
<thead>
<tr>
<th>(£m)</th>
<th>H1 2018</th>
<th>H1 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,549</td>
<td>1,617</td>
<td>(4)%</td>
</tr>
<tr>
<td>Headline(^1) operating profit</td>
<td>247</td>
<td>277</td>
<td>(11)%</td>
</tr>
<tr>
<td>Restructuring costs (Fuel For Growth)</td>
<td>-</td>
<td>(15)</td>
<td></td>
</tr>
<tr>
<td>Morpho integration costs</td>
<td>(12)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Legacy liabilities (Asbestos/CSST)</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Pension admin costs</td>
<td>-</td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>Pension settlement gain</td>
<td>4</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td>(15)</td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>Acquisition costs/ provision release</td>
<td>2</td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>Profit from divestitures</td>
<td>(1)</td>
<td>126</td>
<td></td>
</tr>
<tr>
<td>Total non-headline items</td>
<td>(18)</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Statutory operating profit</td>
<td>229</td>
<td>377</td>
<td>(39)%</td>
</tr>
<tr>
<td>PBT - Headline(^1)</td>
<td>217</td>
<td>248</td>
<td>(12)%</td>
</tr>
<tr>
<td>- Statutory continuing</td>
<td>199</td>
<td>346</td>
<td>(42)%</td>
</tr>
<tr>
<td>EPS - Headline(^1)</td>
<td>40.4p</td>
<td>45.7p</td>
<td>(11)%</td>
</tr>
<tr>
<td>- Statutory continuing</td>
<td>26.0p</td>
<td>76.5p</td>
<td>(66)%</td>
</tr>
</tbody>
</table>

1. Headline excludes non operating items as defined in note 3 of the accounts
## RESTRUCTURING PROGRAMMES AND PENSION ADMIN COSTS

<table>
<thead>
<tr>
<th>HY 2017 (£m)</th>
<th>John Crane</th>
<th>Medical</th>
<th>Detection</th>
<th>Interconnect</th>
<th>Flex-Tek</th>
<th>Central costs</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Headline¹ operating profit – reported</strong></td>
<td>90</td>
<td>99</td>
<td>54</td>
<td>26</td>
<td>30</td>
<td>(22)</td>
<td>277</td>
</tr>
<tr>
<td><strong>Restructuring programmes</strong></td>
<td>(3)</td>
<td>(6)</td>
<td>(1)</td>
<td>(2)</td>
<td>(1)</td>
<td>(2)</td>
<td>(15)</td>
</tr>
<tr>
<td><strong>Pension admin costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(4)</td>
<td></td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Headline¹ operating profit – adjusted basis</strong></td>
<td>87</td>
<td>93</td>
<td>53</td>
<td>24</td>
<td>29</td>
<td>(28)</td>
<td>258</td>
</tr>
</tbody>
</table>

---

1. Headline excludes non operating items as defined in note 3 of the accounts
CASH FLOW SUPPORTING STRONG BALANCE SHEET

<table>
<thead>
<tr>
<th>£m</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt</td>
<td></td>
</tr>
<tr>
<td>31.07.2017</td>
<td>967</td>
</tr>
<tr>
<td>FX</td>
<td>24</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>113</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(15)</td>
</tr>
<tr>
<td>Divestitures</td>
<td>6</td>
</tr>
<tr>
<td>Dividend</td>
<td>(117)</td>
</tr>
<tr>
<td>Other</td>
<td>(5)</td>
</tr>
<tr>
<td>31.01.2018</td>
<td>961</td>
</tr>
</tbody>
</table>

- Weighted average debt maturity: 5.9 years\(^1\)
- Weighted average interest rate: 3.4%\(^1\)
- Stable credit rating (BBB+/Baa2)

1. Refers to gross debt

Net Debt/EBITDA: 1.5x
JOHN CRANE: Mission-critical solutions for global energy and process industries

COMPETITIVE STRENGTHS
- Leader in mechanical seals
- Broad installed base
- One of the largest global service networks, with c. 200 service centres.
- Significant aftermarket stickiness and value over the product life-cycle
- Strong proprietary technology
- Expertise in applied engineering
- Long term customer relationships

GROWTH DRIVERS
- Operational improvements in non-oil and gas process industries
- Pent-up demand for maintenance and upgrades in oil and gas and petrochemical
- Expansion in high-growth markets
- Material science advancements and digital transformation of industry

END MARKETS
- C.55% OIL & GAS
  - 85% downstream
  - 15% midstream
- C.45% NON-OIL & GAS
  - Pharmaceutical
  - Chemicals
  - Pulp & paper
  - Water treatment

Revenue
£428m
(28% of Group)

OP
£91m
(33% of Group)

Margin
21.3%

OE/AM
- Aftermarket 66%
- OE 34%

GEOGRAPHIES
- Americas 45%
- Europe 26%
- APAC 17%
- RoW 12%
SMITHS MEDICAL: High-quality, cost-effective medical devices and consumables that are vital to patient care

- Category leadership
- Trusted brands with a reputation for quality and safety
- Proprietary consumables
- Strong, defensible intellectual property
- Strong customer relationships
- Extensive global sales network

GROWTH DRIVERS
- Expansion of developing markets
- Ageing populations
- Increasing personalised medicine and patient expectation/quality of life
- Rise of chronic diseases
- Increasing connectivity
- Growth of alternate site and home-based healthcare
- Clinically relevant innovation

COMPETITIVE LANDSCAPE
- Becton-Dickinson
- B Braun
- Teleflex
- ICU
- Fresenius
- AngioDynamics

GEOGRAPHIES
- Americas 56%
- Europe 26%
- APAC 17%
- RoW 1%

OE/AM
- Consumables 82%
- OE 18%

END MARKETS
- Infusion systems 33%
- Vascular access 34%
- Vital Care and Specialty products 33%
SMITHS DETECTION: A leader in the detection and authentication of security threats and contraband

COMPETITIVE STRENGTHS
- Global leader
- Integrated solutions provider
- Leading R&D capability
- Growing aftermarket revenue
- Operating in several regulated markets requiring product certification
- Differentiated technologies leveraged across markets

GROWTH DRIVERS
- Evolving threat environment
- Changing security regulations
- Recapitalisation cycles
- Growth of security infrastructure in emerging markets
- Globalisation of trade
- Growing number of passengers
- Software-driven solutions providing functionality, networking and systems integration

COMPETITIVE LANDSCAPE
- L3
- Rapiscan
- Nuctech
- Leidos (Reveal)

Revenue
£367m (24% of Group)

OP
£59m (21% of Group)

Margin
16.2%

GEOGRAPHIES
- Americas 39%
- Europe 27%
- APAC 17%
- RoW 17%

OE/AM
- OE 52%
- Aftermarket 48%

END MARKETS
- Air transportation 66%
- Ports and borders 8%
- Military 3%
- Urban security 23%
COMPETITIVE STRENGTHS

- Innovative and technically differentiated offerings
- Ultra-high reliability solutions used in demanding applications
- Customer intimacy, responsiveness and product customisation
- Global presence, reach and support

GROWTH DRIVERS

- Growth in high data rate applications
- Continued proliferation of electronics
- Demand for greater connectivity and mobility
- Increasing sophistication of customer needs in high-growth markets
- Increasing geopolitical uncertainty

COMPETITIVE LANDSCAPE

- Competitors range from large multinationals through to small, more focused companies across the product portfolio.
- Examples include Amphenol, TE Connectivity, Yokowo and Cobham.

GEOGRAPHIES

- Americas 59%
- Europe 24%
- APAC 13%
- RoW 4%

END MARKETS

- Defence 40%
- Semi-conductor 16%
- Medical 12%
- Space 8%
- Commercial aerospace 11%
- Rail, Industrial, Other 13%
**COMPETITIVE STRENGTHS**
- High-performance products
- Leading residential gas tubing products
- High performance flexible tubing for aerospace
- Leading capability in the design and manufacture
- Strong customer relationships

**GROWTH DRIVERS**
- Steady growth of US housing construction market
- Continued increase in large commercial aircraft production
- Growth of medical devices and their increased use of flexible tubing
- Growing presence in Europe and Asia with further expansion potential

**COMPETITIVE LANDSCAPE**
- **Fluid management** - Parker and Eaton for flex assemblies and numerous smaller competitors for metal products.
- **Construction** – c.7-8 competitors.
- **Flexible solutions** – c.5-6 competitors for industrial ducting and medical.
- **Heat** - numerous smaller competitors for specialty products including Zoppas and Nibe.

**FLEX-TEK:** Innovative components to heat and move fluids and gases

**Revenue**
- £168m (10% of Group)

**OP**
- £31m (11% of Group)

**Margin**
- 18.6%

**GEOGRAPHIES**
- Americas 81%
- Europe 10%
- APAC 9%
- RoW 0%

**SEGMENTS**
- Construction 33%
- Fluid Management 25%
- Heat Solutions 24%
- Flexible Solutions 18%