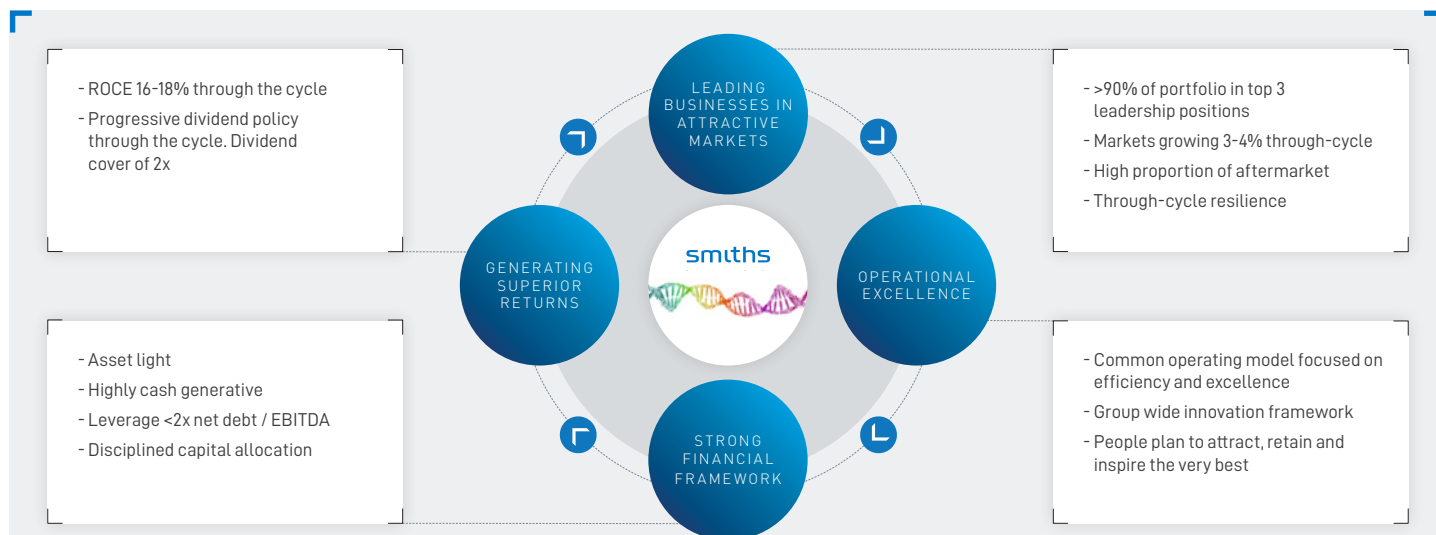
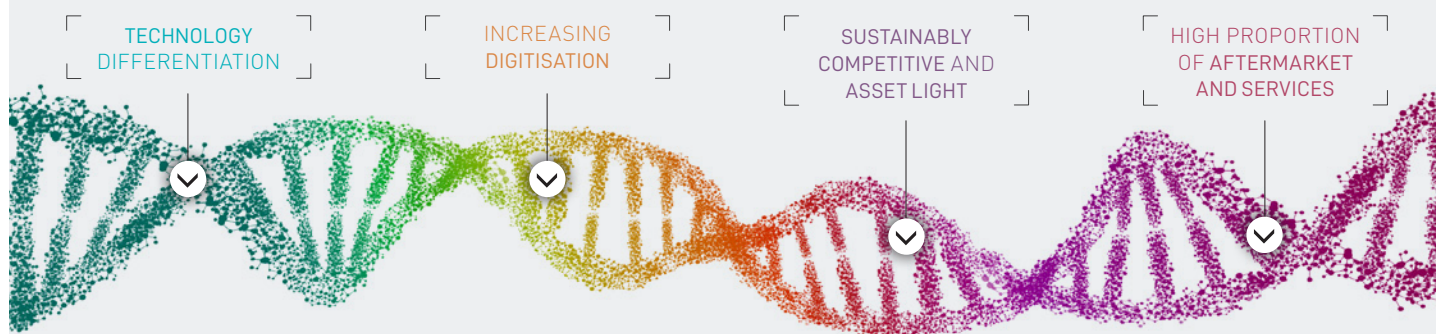


SMITHS GROUP FACT SHEET FY2020

SMITHS IS A LEADING INDUSTRIAL TECHNOLOGY COMPANY.
MAKING A SAFER, CLEANER, MORE EFFICIENT AND BETTER CONNECTED WORLD.



OUR BUSINESSES SHARE THE SAME CHARACTERISTICS, WHICH EMBODY HOW WE CREATE VALUE



TARGETED IN GROWING MARKETS

BY EXECUTING ON OUR STRATEGY, WE ARE CONFIDENT WE WILL ACHIEVE OUR MEDIUM TERM AMBITION:

| OPERATIONAL PERFORMANCE | FY2020 | AMBITION | FINANCIAL PERFORMANCE | FY2020 | AMBITION |
|---------------------------------|--------|----------|--|--------|---------------------------------|
| PORTFOLIO STRENGTH ¹ | 90% | ➤ 90%+ | UNDERLYING REVENUE GROWTH ¹ | (1)% | ➤ Outperform our chosen markets |
| VITALITY INDEX ² | 20% | ➤ ~20% | OPERATING MARGIN ¹ | 15.0% | ➤ 18-20% |
| STOCK TURNS ² | 3.0x | ➤ ~6x | ROCE ² | 11.8% | ➤ 16-18% |
| AFTERMARKET % ¹ | 49% | ➤ 50%+ | WC % SALES ² | 28% | ➤ ~20% |
| | | | CASH CONVERSION ² | 123% | ➤ 100%+ |

ON TRACK TO DELIVER SIGNIFICANT POTENTIAL

1. Continuing operations / 2. Total Group

JOHN CRANE

MISSION-CRITICAL ENGINEERED SOLUTIONS FOR INCREASED EFFICIENCY, EMISSION REDUCTIONS AND ENERGY TRANSFORMATION

REVENUE **£955m**
(37% of continuing Group revenue)

HEADLINE OP **£187m**
(49% of continuing Group headline OP)

MARGIN **21.5%**

AFTERMARKET **67%**

COMPETITIVE STRENGTHS

- A global leader in mission-critical technology for rotating equipment
- Strong proprietary technology and expertise in applied engineering
- Broad installed base in energy and industrials
- Strong aftermarket service offering with more than 200 sales and service centres
- Long-term customer relationships
- Margins at 20%+ through-cycle

GROWTH DRIVERS

- Long-term underlying energy demand, especially in emerging markets
- Pent-up demand for maintenance and upgrades, including environmental safeguarding, in oil & gas and petrochemical
- Expansion in higher-growth markets
- Need for operational improvements in industrial process industries
- Disruptive innovations, including materials science advancements and digital transformation
- Unique footprint which allows John Crane to support and service customers as well as meet local content requirements and align with customer strategies

SMITHS DETECTION

DETECTION AND SCREENING TECHNOLOGIES FOR SAFETY, SECURITY AND FREEDOM OF MOVEMENT

REVENUE **£806m**
(32% of continuing Group revenue)

HEADLINE OP **£82m**
(22% of continuing Group headline OP)

MARGIN **13.9%**

AFTERMARKET **45%**

COMPETITIVE STRENGTHS

- A global market leader with differentiated technologies leveraged across a broad range of markets
- Significant R&D capability
- Operating in regulated markets that require 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 in the aviation market
- Evolving threats to public safety and critical infrastructure
- Global growth in e-commerce
- Equipment replacement cycle, typically 8-10 years
- Growth of transportation infrastructure in Asia, Latin America and Africa

FLEX-TEK

SAFE AND EFFICIENT MOVEMENT OF LIQUIDS AND GASES

REVENUE **£478m**
(19% of continuing Group revenue)

HEADLINE OP **£83m**
(22% of continuing Group headline OP)

MARGIN **17.6%**

AFTERMARKET **51%**

COMPETITIVE STRENGTHS

- High-performance products
- Leading capability in design and manufacture
- A market leader in residential gas tubing products
- High performance flexible tubing for aerospace
- Strong customer relationships
- Mid-teens + margin through-cycle

GROWTH DRIVERS

- Through cycle growth of the US housing construction market
- Expanding international market for corrugated stainless steel tubing for housing
- Long-term increase in commercial aircraft production
- Growth of medical devices, especially for the treatment of sleep apnoea
- Expansion in higher-growth markets

SMITHS INTERCONNECT

HIGH-SPEED, SECURE CONNECTIVITY IN DEMANDING ENVIRONMENTS

REVENUE **£309m**
(12% of continuing Group revenue)

HEADLINE OP **£26m**
(7% of continuing Group headline OP)

MARGIN **10.1%**

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 in space
- Growing urbanised population requiring transport and infrastructure
- Increasing geopolitical uncertainty
- Extension of internet connectivity to improve efficiency and data accuracy (Internet of Things, Industry 4.0)
- Increased focus on healthcare and ageing populations

SMITHS MEDICAL IS ACCOUNTED FOR AS DISCONTINUED OPERATIONS REFLECTING THE PLANNED SEPARATION

SMITHS MEDICAL

REVENUE **£918m**

OPERATING PROFIT **£184m**

MARGIN **15.5%**

CONSUMABLES **80%**

COMPETITIVE STRENGTHS

- A category leader in served segments
- Trusted brands with a reputation for safety
- Strong, defensible intellectual property
- C.80% of revenue 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

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