

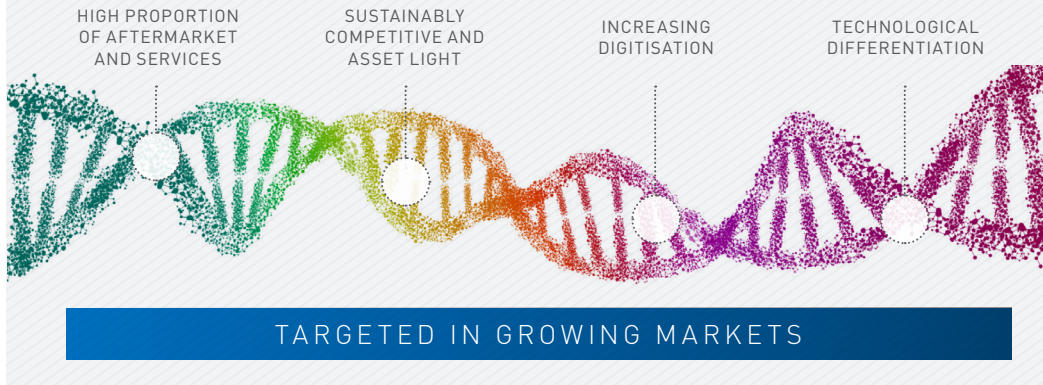
SMITHS GROUP FACT SHEET FY2018

PUSHING BOUNDARIES TO DELIVER INNOVATIVE SOLUTIONS FOR THE WORLD'S CHALLENGES. OUR AMBITION IS TO ESTABLISH SMITHS AS ONE OF THE WORLD'S LEADING TECHNOLOGY COMPANIES.

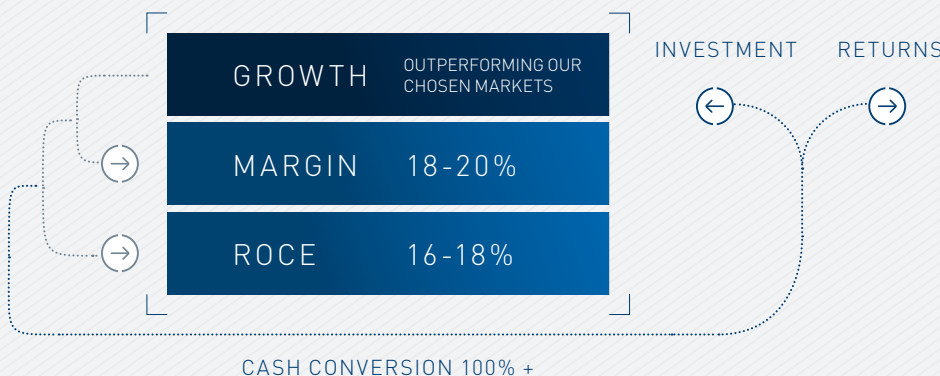
OUR STRATEGY



CHARACTERISTICS OF A SMITHS BUSINESS



FOCUSED ON GROWTH AND RETURNS



SMITHS IN NUMBERS

REVENUE
£3,213m

OPERATING PROFIT
£544m

MARGIN
16.9%

CASH CONVERSION
99%






ROCE
14.6%

EPS
90.7p

DPS
44.55p

JOHN CRANE	SMITHS MEDICAL	SMITHS DETECTION	SMITHS INTERCONNECT	FLEX-TEK
Mission-critical solutions for global energy and process industries	High-quality, cost-effective medical devices and consumables that are vital to patient care globally	A global leader in the detection and identification of security threats and contraband	Solutions for high-speed, secure connectivity in demanding applications	Innovative components to heat and move fluids and gases
REVENUE £881m (27% of Group revenue)	REVENUE £885m (28% of Group revenue)	REVENUE £793m (25% of Group revenue)	REVENUE £300m (9% of Group revenue)	REVENUE £354m (11% of Group revenue)
HEADLINE OP £202m (34% of Group OP)	HEADLINE OP £156m (26% of Group OP)	HEADLINE OP £134m (22% of Group OP)	HEADLINE OP £42m (7% of Group OP)	HEADLINE OP £67m (11% of Group OP)
MARGIN 22.9%	MARGIN 17.6%	MARGIN 16.9%	MARGIN 14.1%	MARGIN 18.9%
AFTERMARKET 67%	AFTERMARKET 82%	AFTERMARKET 44%		
<p>COMPETITIVE STRENGTHS</p> <ul style="list-style-type: none"> - A global leader in flow control for rotating equipment - Strong proprietary technology and expertise in applied engineering - Broad installed base in Oil & Gas and Non-Oil & Gas - Strong aftermarket service offering with c.200 sales and service centres - Long-term customer relationships <p>GROWTH DRIVERS</p> <ul style="list-style-type: none"> - 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 operation improvements in non-oil & gas industries - Disruptive innovations including materials science advancements and digital transformation 	<p>COMPETITIVE STRENGTHS</p> <ul style="list-style-type: none"> - A category leader in our chosen markets - Trusted brands with a reputation for quality and safety - Strong, defensible intellectual property - c.80% of revenue from single-use devices and proprietary consumables - Strong customer relationships and extensive global sales network <p>GROWTH DRIVERS</p> <ul style="list-style-type: none"> - 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 homebased healthcare - Growing healthcare spend in developing markets 	<p>COMPETITIVE STRENGTHS</p> <ul style="list-style-type: none"> - A global market leader with differentiated technologies leveraged across a broad range of markets - Significant R&D capability - Operating in several regulated markets requiring product certification - Increasing digitisation and aftermarket revenue - Long-term customer relationships <p>GROWTH DRIVERS</p> <ul style="list-style-type: none"> - Persistent and evolving terror threats - Changing security regulations for air cargo and passengers - Growing urbanisation and the need to protect people and assets - Global trade, e-commerce and passenger numbers - Equipment replacement cycle, typically 7-10 years - Growth of security infrastructure in emerging markets 	<p>COMPETITIVE STRENGTHS</p> <ul style="list-style-type: none"> - 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 <p>GROWTH DRIVERS</p> <ul style="list-style-type: none"> - Increased connectivity supporting growth in space applications and in commercial aerospace - Growing urbanised population requiring transportation and infrastructure - Increasing geopolitical uncertainty - Ageing population and rising need for connected healthcare services 	<p>COMPETITIVE STRENGTHS</p> <ul style="list-style-type: none"> - High performance products - Leading capability in design and manufacture - Market leading residential gas tubing products - High performance flexible tubing for aerospace - Strong customer relationships <p>GROWTH DRIVERS</p> <ul style="list-style-type: none"> - Steady growth of the US housing construction market - Expanding international market for corrugated stainless steel tubing for residential housing - Continued increase in large commercial aircraft production - Growth of medical devices, especially for the treatment of sleep apnoea - Expansion in higher-growth markets

END MARKETS

 <p>MEDICAL TECHNOLOGY</p> <p>Market growth: 3-4%¹</p> <p>Smiths Medical; Smiths Interconnect; Flex -Tek</p>	 <p>SECURITY & DEFENCE</p> <p>Market growth: 4-6%²</p> <p>Smiths Detection; Smiths Interconnect</p>	 <p>GENERAL INDUSTRIAL</p> <p>Market growth: gdp+</p> <p>John Crane; Smiths Interconnect; Flex-Tek</p>	 <p>OIL & GAS</p> <p>Market growth: 1-2%³</p> <p>John Crane</p>	 <p>SPACE & COMMERCIAL AEROSPACE</p> <p>Market growth: 4-6%⁴</p> <p>Flex-Tek; Smiths Interconnect</p>
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OVERALL MARKET GROWTH RATE: 3-4%

(1) Health Research International 2016; BMI 2017; McKinsey analysis
(2) IHS Markit; Frost & Sullivan; Markets and Markets; Smiths Detection analysis

(3) BP Energy Outlook 2017
(4) Bishop Report, Markets and Markets, Boeing Current Market Outlook (2017-2036)

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