This document contains certain statements that are forward-looking statements. They appear in a number of places throughout this document and include statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. 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 in respect of this document save as would arise under English law. This presentation contains brands that are trademarks and are registered and/or otherwise protected in accordance with applicable law.
WHAT IT MEANS TO BE SMITHS

A HIGH PERFORMING, DIVERSIFIED TECHNOLOGY COMPANY
SMITHS GROUP TODAY

A HIGH PERFORMING, DIVERSIFIED TECHNOLOGY COMPANY

SMITHS GROUP
- Founded in 1851
- c. 22,000 employees
- Operating in 50 countries
- Serving customers in 200 countries and territories
- Revenue £3.2bn
- Headline OP £589m

JOHN CRANE
Mission-critical solutions for global energy and process industries
27% of Group revenue
32% of Group OP

SMITHS MEDICAL
High-quality, cost-effective medical devices and consumables that are vital to patient care
29% of Group revenue
33% of Group OP

SMITHS DETECTION
A leader in the detection and authentication of security threats and contraband
21% of Group revenue
16% of Group OP

SMITHS INTERCONNECT
Solutions for high-speed, secure connectivity in demanding applications
13% of Group revenue
9% of Group OP

FLEX-TEK
Innovative components to heat and move fluids and gases
10% of Group revenue
10% of Group OP

END MARKETS
- MEDICAL TECHNOLOGY
- SECURITY & DEFENCE
- GENERAL INDUSTRIAL
- OIL & GAS
- SPACE & COMMERCIAL AEROSPACE

Based on reported FY 2017 numbers
CREATING THE FUTURE OF SMITHS

2016
A NEW DIRECTION

2017
SIGNIFICANT PROGRESS

2018
RETURN TO GROWTH

2019
SUSTAINABLE GROWTH

AMBITION
OUTPERFORMING OUR CHOSEN MARKETS
A SMITHS BUSINESS

TARGETED IN GROWING MARKETS

- TECHNOLOGY DIFFERENTIATION
- INCREASING DIGITISATION
- HIGH PROPORTION OF AFTERMARKET AND SERVICES
- SUSTAINABLY COMPETITIVE AND ASSET LIGHT
TARGETED IN GROWING MARKETS

MEDICAL TECHNOLOGY
- Market growth: 3-4%\(^1\)
- Smiths Medical; Smiths Interconnect; Flex-Tek

SECURITY & DEFENCE
- Market growth: 4-6%\(^2\)
- Smiths Detection; Smiths Interconnect

GENERAL INDUSTRIAL
- Market growth: GDP+
- John Crane; Smiths Interconnect; Flex-Tek

OIL & GAS
- Market growth: 1-2%\(^3\)
- John Crane

SPACE & COMMERCIAL AEROSPACE
- Market growth: 4-6%\(^4\)
- Flex-Tek; Smiths Interconnect

OVERALL MARKET GROWTH RATE: 3-4%

Source:
(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)
TOP 3 LEADERSHIP IN TARGETED MARKET SEGMENTS

MARKET ATTRACTIVENESS
- Size
- Growth
- Segment profitability
- Competitor landscape

COMPETITIVE POSITION
- Relative market share
- Relative growth
- Relative profitability

MEDICAL TECHNOLOGY
- Infusion systems
- Vascular access
- Vital care

SECURITY & DEFENCE
- Air transportation
- Ports and borders
- Military
- Urban security

GENERAL INDUSTRIAL
- Pharma
- Chemical
- Processing
- Rail
- Semiconductor test
- Construction

OIL & GAS
- Oil refineries
- Gas processing
- Pipelines

SPACE & COMMERCIAL AEROSPACE
- Aircraft
- Satellites

FIX
EXIT

60%+
75%+
PARALLEL PATH

A WORLD LEADING TECHNOLOGY COMPANY

2016 | 2017 | Medium term

HIGH GRADING THE BUSINESSES

60%+ | 75%+ | 85%+

RISK OF EXECUTION

PORTFOLIO PRIORITISATION

CAPITAL ALLOCATION DECISIONS

RISK ASSESSMENT

2016
2017
Medium term
60%+
75%+
85%+

A WORLD LEADING TECHNOLOGY COMPANY

Outperforming our chosen markets
Achieving world-class competitiveness
Strong financial framework

GROWTH
Out performing our chosen markets

MARGIN
18-20%

ROCE
16-18%

CASH CONVERSION 100%+

INVESTMENT
RETURNS
# 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>
### SMITHS GROUP – H1 2018

<table>
<thead>
<tr>
<th></th>
<th>JOHN CRANE</th>
<th>SMITHS MEDICAL</th>
<th>SMITHS DETECTION</th>
<th>SMITHS INTERCONNECT</th>
<th>FLEX-TEK</th>
<th>GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (£'m)</strong></td>
<td>£428m</td>
<td>£451m</td>
<td>£367m</td>
<td>£135m</td>
<td>£168m</td>
<td>£1,549m</td>
</tr>
<tr>
<td><strong>Revenue growth</strong></td>
<td>+3%</td>
<td>0%</td>
<td>(11)%</td>
<td>(3)%</td>
<td>+10%</td>
<td>(1)%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>£91m</td>
<td>£82m</td>
<td>£59m</td>
<td>£56m</td>
<td>£65m</td>
<td>£247m**</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>21.3%</td>
<td>18.1%</td>
<td>16.2%</td>
<td>10.3%</td>
<td>18.6%</td>
<td>16.0%</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>23.4%</td>
<td>15.8%</td>
<td>10.6%</td>
<td>11.4%</td>
<td>36.4%</td>
<td>15.2%</td>
</tr>
<tr>
<td><strong>Aftermarket % of revenue</strong></td>
<td>66%</td>
<td>82%</td>
<td>48%</td>
<td>n/a</td>
<td>n/a</td>
<td>59%</td>
</tr>
<tr>
<td><strong>R&amp;D % sales</strong></td>
<td>1.4%</td>
<td>6.0%</td>
<td>6.6%</td>
<td>7.7%</td>
<td>0.6%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

* 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.

** Includes £(30)m of corporate costs
REVENUE ANALYSIS* - H1 2018

JOHN CRANE
- Oil & gas: 45%
- Non-oil & gas: 55%

SMITHS MEDICAL
- Infusion systems: 33%
- Vascular access: 33%
- Vital Care: 34%

SMITHS DETECTION
- Air transportation: 23%
- Ports and borders: 8%
- Military: 3%
- Urban security: 66%

SMITHS INTERCONNECT
- Defence: 40%
- Semi-Conductor: 13%
- Medical: 12%
- Space: 16%
- Commercial aerospace: 11%
- Rail, Industrial, Other: 7%

FLEX-TEK
- Construction: 18%
- Fluid Management: 24%
- Heat Solutions: 25%
- Flexible Solutions: 33%
JOHN CRANE*

Mission-critical solutions for global energy and process industries

<table>
<thead>
<tr>
<th>GEOGRAPHIES</th>
<th>COMPETITIVE LANDSCAPE</th>
<th>END MARKETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas 45%</td>
<td>• Flowserve</td>
<td>• c.55% oil &amp; gas</td>
</tr>
<tr>
<td>Europe 26%</td>
<td>• EagleBurgmann</td>
<td>- 85% downstream</td>
</tr>
<tr>
<td>APAC 17%</td>
<td></td>
<td>- 15% midstream</td>
</tr>
<tr>
<td>RoW 12%</td>
<td></td>
<td>- c.45% non-oil &amp; gas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Pharmaceutical</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Chemicals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Pulp &amp; paper</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Water treatment</td>
</tr>
</tbody>
</table>

- **Revenue**: £428m (28% of Group)  
  - **OP**: £91m (33% of Group)  
  - **Margin**: 21.3%

- **Competitive Strengths**:  
  - Market 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

*Pro-forma (i.e. excludes Artificial lift)
High-quality, cost-effective medical devices and consumables that are vital to patient care

**COMPETITIVE STRENGTHS**
- 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

**END MARKETS**
- Infusion systems 33%
- Vascular access 34%
- Vital Care and Specialty products 33%

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

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

**OE/AM**
- OE 18%
- Consumables 82%

---

*Pro-forma (i.e excludes Wallace)*
SMITHS DETECTION*

A leader in the detection and authentication of security threats and contraband

**COMPETITIVE STRENGTHS**
- Global market leader
- Integrated solutions provider
- Unrivalled 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

**REVENUE**
- £367m (24% of Group)
- OP £59m (21% of Group)
- Margin 16.2%

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

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

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

**OE/AM**
- OE 52%
- Aftermarket 48%

*Pro-forma (i.e includes Morpho)*
SMITHS INTERCONNECT*

Solutions for high-speed, secure connectivity in demanding applications

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

END MARKETS
- Defence 40%
- Semi-Conductor 16%
- Medical 12%
- Space 8%
- Commercial aerospace 11%
- Rail, Industrial, Other 13%

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

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.

H1 2018
Revenue
£135m (9% of Group)
OP
£14m (5% of Group)
Margin
10.3%

*Pro-forma (i.e excludes Power and Telecoms)
FLEX-TEK

Innovative components to heat and move fluids and gases

H1 2018

Revenue
£168m
(10% of Group)

OP
£31m
(11% of Group)

Margin
18.6%

COMPETITIVE STRENGTHS
• High-performance products
• Market leading residential gas tubing products
• High performance flexible tubing for aerospace
• Leading capability in 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

SEGMENTS

Construction 33%
Fluid Management 25%
Heat Solutions 24%
Flexible Solutions 18%

GEOGRAPHIES

 Americas 81%
 Europe 10%
 APAC 9%
 RoW 0%

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.