DISCLAIMER

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

- Introduction
  - Andy Reynolds Smith

- FY19 Interim Results
  - John Shipsey

- Strategic Update
  - Andy Reynolds Smith
INTRODUCTION

ANDY REYNOLDS SMITH
CHIEF EXECUTIVE
BUILDING ON OUR STRATEGIC PROGRESS

2016
A NEW DIRECTION

2017
SIGNIFICANT PROGRESS

2018
RETURN TO GROWTH

2019
SUSTAINABLE GROWTH

H1 CY2020
SEPARATION OF MEDICAL

AMBITION
OUTPERFORMING OUR CHOSEN MARKETS
FY19 INTERIM RESULTS

JOHN SHIPSEY
CHIEF FINANCIAL OFFICER
# HEADLINE FINANCIAL RESULTS

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2019</th>
<th>H1 2018</th>
<th>REPORTED CHANGE</th>
<th>REPORTED CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td>1,573</td>
<td>1,542</td>
<td>+2%</td>
<td>+2% underlying, +3% excluding Medical</td>
</tr>
<tr>
<td>OPERATING PROFIT</td>
<td>246</td>
<td>248</td>
<td>(1)%</td>
<td>(2)% underlying, +2% excluding Medical</td>
</tr>
<tr>
<td>OPERATING MARGIN</td>
<td>15.6%</td>
<td>16.1%</td>
<td>(50)bps</td>
<td></td>
</tr>
<tr>
<td>PROFIT BEFORE TAX</td>
<td>216</td>
<td>218</td>
<td>(1)%</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>40.2p</td>
<td>40.7p</td>
<td>(1)%</td>
<td>(2)% underlying</td>
</tr>
<tr>
<td>FREE CASH-FLOW³</td>
<td>71</td>
<td>113</td>
<td>(37)%</td>
<td>74% cash conversion</td>
</tr>
<tr>
<td>ROCE</td>
<td>14.5%</td>
<td>15.2%</td>
<td>(70)bps</td>
<td></td>
</tr>
<tr>
<td>DIVIDEND PER SHARE</td>
<td>14.1</td>
<td>13.8p</td>
<td>+2.2%</td>
<td></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; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.

2 Restated for IFRS 15

3 Statutory
H1 UNDERLYING REVENUE UP 2%\(^1,3\)

\(\£m\)

<table>
<thead>
<tr>
<th></th>
<th>H1 2018</th>
<th>IFRS 15</th>
<th>H1 2018 RESTATED</th>
<th>FX</th>
<th>ACQUISITIONS &amp; DISPOSALS(^2)</th>
<th>H1 2018 PROFORMA</th>
<th>JOHN CRANE</th>
<th>SMITHS DETECTION</th>
<th>FLEX-TEK</th>
<th>SMITHS INTERCONNECT</th>
<th>SMITHS MEDICAL</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1 2018</strong></td>
<td>1,549</td>
<td>(7)</td>
<td>1,542</td>
<td>21</td>
<td>(15)</td>
<td>1,548</td>
<td>29</td>
<td>(12)</td>
<td>10</td>
<td>10</td>
<td>(12)</td>
<td>1,573</td>
</tr>
<tr>
<td></td>
<td>+7%</td>
<td>(3)%</td>
<td>+6%</td>
<td>+7%</td>
<td>(3)%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>+3% underlying ex. Medical</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>+2% underlying</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Underlying modifies headline performance to: adjust prior year to reflect an equivalent period of ownership for divested businesses; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.
2 Includes disposals and HY2019 performance from acquisitions that do not have comparators for the prior year
3 Restated for IFRS15
H1 REVENUE BY DIVISION¹,²

**JOHN CRANE**

+7%  
£449m

Strong growth led by OE and AM

<table>
<thead>
<tr>
<th>Division</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas</td>
<td>c.+9%</td>
</tr>
<tr>
<td>Non-Oil &amp; Gas</td>
<td>c.+4%</td>
</tr>
<tr>
<td>OE</td>
<td>+7%</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>+8%</td>
</tr>
</tbody>
</table>

**SMITHS DETECTION**

(3)%  
£361m

Programme phasing

<table>
<thead>
<tr>
<th>Division</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Transportation</td>
<td>(7)%</td>
</tr>
<tr>
<td>P&amp;B, Defence and Urban Security</td>
<td>+3%</td>
</tr>
</tbody>
</table>

**SMITHS MEDICAL**

(3)%  
£430m

Legacy issues and adverse pricing

<table>
<thead>
<tr>
<th>Programme</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Transportation</td>
<td>(7)%</td>
</tr>
<tr>
<td>P&amp;B, Defence and Urban Security</td>
<td>+3%</td>
</tr>
</tbody>
</table>

**SMITHS INTERCONNECT**

+6%  
£184m

Continued good growth driven by Heat Solutions and Construction

<table>
<thead>
<tr>
<th>% Change</th>
<th>£Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>+7%</td>
<td>£149m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Change</th>
<th>£Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>+7%</td>
<td>£149m</td>
</tr>
</tbody>
</table>

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>+7%</td>
<td>£149m</td>
</tr>
</tbody>
</table>

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¹ Underlying modifies headline performance to: adjust prior year to reflect an equivalent period of ownership for divested businesses; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.

² Restated for IFRS15
H1 UNDERLYING OPERATING PROFIT DOWN (2)%\(^1,2\)

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; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.

2. Restated for IFRS15
H1 OPERATING PROFIT BY DIVISION\textsuperscript{1,2}

**SMITHS GROUP PLC Interim Results 2019**

**JOHN CRANE**
- OP £97m  +5%
- Margin 21.7%
  - Improving volumes
  - Investing for future growth

**FLEX-TEK**
- OP £33m  +3%
- Margin 18.0%
  - Continued strong performance
  - One-off non cash costs

**SMITHS DETECTION**
- OP £55m  (9)%
- Margin 15.2%
  - Lower volumes
  - Segment mix and pricing

**SMITHS INTERCONNECT**
- OP £18m  +19%
- Margin 11.9%
  - Higher volumes
  - Restructuring benefits

**SMITHS MEDICAL**
- OP £71m  (12)%
- Margin 16.5%
  - Lower volumes and adverse pricing
  - Impact of Notified Body transition
  - Operating inefficiencies

---

\textsuperscript{1} Underlying modifies headline performance to: adjust prior year to reflect an equivalent period of ownership for divested businesses; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.

\textsuperscript{2} Restated for IFRS15
### CASH-FLOW REFLECTING H2 WEIGHTED PROFILE

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2019</th>
<th>H1 20182</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING PROFIT1,2</td>
<td>246</td>
<td>248</td>
</tr>
<tr>
<td>CAPEX, DEPRECIATION AND AMORTISATION</td>
<td>(10)</td>
<td>2</td>
</tr>
<tr>
<td>WORKING CAPITAL</td>
<td>(68)</td>
<td>(19)</td>
</tr>
<tr>
<td>OTHER</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>OPERATING CASH-FLOW1</td>
<td>180</td>
<td>241</td>
</tr>
<tr>
<td>INTEREST &amp; TAXATION1</td>
<td>(77)</td>
<td>(69)</td>
</tr>
<tr>
<td>PENSION</td>
<td>(15)</td>
<td>(30)</td>
</tr>
<tr>
<td>OTHER INVESTMENT AND NON-HEADLINE</td>
<td>(17)</td>
<td>(29)</td>
</tr>
<tr>
<td>FREE CASH-FLOW</td>
<td>71</td>
<td>113</td>
</tr>
</tbody>
</table>

1 Headline excludes non operating items as defined in note 3 of the accounts
2 Restated for IFRS15
### STRONG BALANCE SHEET

<table>
<thead>
<tr>
<th>£m</th>
<th>31.07.2018</th>
<th>31.01.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt</td>
<td>893</td>
<td>938</td>
</tr>
<tr>
<td>FX</td>
<td>21</td>
<td>(44)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>71</td>
<td>(122)</td>
</tr>
<tr>
<td>Divestitures</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Debt/EBITDA</td>
<td>1.5x</td>
<td>1.8x</td>
</tr>
</tbody>
</table>

1. Weighted average debt maturity: 5.7 years
2. Weighted average interest rate: 3.3%
3. Stable credit rating (BBB+/Baa2)
4. Pro-forma Net Debt/EBITDA (inc. United Flexible acquisition): 1.8x

1 Refers to gross debt
DISCIPLINED CAPITAL ALLOCATION

CASH GENERATION

INVESTMENT IN ORGANIC GROWTH

VALUE CREATIVE M&A

PROGRESSIVE DIVIDEND

Cash R&D % sales 5.1%

United Flexible acquisition completed in February 2019

Interim dividend growth 2.2%
2019 OUTLOOK REAFFIRMED

- Sustained growth of at least 2%
  - Smiths Medical and Smiths Detection to deliver growth in H2
  - Other divisions: continued growth, albeit against a strong H2 comparator

- Continued focus on operational excellence and cash generation
STRATEGIC UPDATE

ANDY REYNOLDS SMITH
CHIEF EXECUTIVE
CREATING TWO STRONGER COMPANIES

- Distinct management, strategies and focus

- **Smiths** - concentrated on growing as a leading industrial technology group united by shared business characteristics and common operating model

- **Medical** – capitalising on its leading positions, large programme of new product launches and value creating opportunities in its rapidly changing market

MAXIMISING SHAREHOLDER VALUE
UK DEMERGER – PROGRESS

To be completed during H1 CY2020

Building on an improving trajectory

Good progress made on key workstreams, including:

- Pensions
- Tax
- Capital structure
- Dividend

Near-term milestones:

- Medical CEO appointment
- H2 return to growth
- Ongoing NPD including Large Volume Pump

A BETTER POSITIONED, FOCUSED BUSINESS
A FOCUSED MEDICAL DEVICES COMPANY...

WELL POSITIONED TO MAXIMISE VALUE CREATIVE OPPORTUNITIES
...WITH ATTRACTIVE FUNDAMENTALS

Leading brands in attractive markets

- Category leader with trusted brands (CADD®, ViaValve®, Acapella®)
- Large installed base globally
- A growing market with good long-term drivers
- Regulated market with strong intellectual property rights

Well invested for the future

- R&D up 40%\(^1\)
- Strong pipeline of new products: 29 new products launched in the last 18 months
- Significant new opportunities e.g. large volume pump
- Focused portfolio: disposed of 2 non-core businesses in H1 2019

Strong financial characteristics

- c.80% recurring revenue from disposables
- Attractive gross margins across all segments
- High cash generation and low working capital % of sales

New product launches

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>6</td>
<td>22</td>
<td>7</td>
</tr>
</tbody>
</table>

50% +
gross margin

\(^1\) Average of R&D % sales between FY2011-2015 vs FY2016-FY2018
SMITHS - A LEADING INDUSTRIAL TECHNOLOGY COMPANY

- ROCE 16-18% through the cycle
- Progressive dividend policy covered by FCF

- >90% of portfolio in top 3 leadership positions
- Underlying markets growing 3-4% p.a.
- High proportion of aftermarket
- Through-cycle resilience

- Asset light
- Highly cash generative
- Leverage below 2x net debt/EBITDA
- Disciplined capital allocation

- Common operating model focused on efficiency and excellence
- People plan to attract, retain and inspire the very best
- Group wide innovation framework

- Generating Superior Returns
- Operational Excellence
- Leading Businesses in Attractive Markets
- Strong Financial Framework
SMITHS – OUR DNA

- TECHNOLOGY DIFFERENTIATION
- INCREASING DIGITISATION
- SUSTAINABLY COMPETITIVE AND ASSET LIGHT
- HIGH PROPORTION OF AFTERMARKET AND SERVICES

TARGETED IN GROWING MARKETS
LEADING BUSINESSES IN ATTRACTIVE MARKETS

- **FY2016**: 60%+
- **FY2018**: 80%+
- **AMBITION**: 90%+

CONTINUED STRENGTHENING OF THE PORTFOLIO

- **DISPOSALS**: c.£535m of proceeds
- **ACQUISITIONS**: 6 for c.£885m

TARGETED ORGANIC INVESTMENT

DISCIPLINED APPROACH TO ACQUISITIONS AND DISPOSALS

1 Includes Smiths Medical
2 % of revenue in top 3 leadership position
**OPERATIONAL EXCELLENCE**

Smiths Excellence System - embedded **operating model** driving speed and efficiency
- Improving execution – reduction in WC % sales 28%- 26% (FY2016-FY2018)
- Reducing costs – reduction in cost of poor quality from 2.1% to 1.7% (FY2017-FY2018)

**I³** Group-wide innovation framework
- R&D has increased by 25% (FY2016-FY2018)
- New Vitality Index measure at 13%, with 20% ambition

**Global People Plan**
- Attract, retain, develop, engage and inspire the best people

---

1 Includes Smiths Medical
A STRONG FINANCIAL FRAMEWORK

HISTORICAL PERFORMANCE EXCLUDING SMITHS MEDICAL

GROWTH
(underlying revenue growth)

FY 2016: -2%
FY 2017: 0%
FY 2018: 3%
H1 2019: 3%

MARGIN\(^1\)

FY 2016: 14.1%
FY 2017: 15.3%
FY 2018: 16.7%

+260 bps

CASH (Free Cash Flow)\(^2\)

FY 2016: £85m
FY 2017: £180m
FY 2018: £149m

Cash conversion consistently above 100%

RETURN (ROCE\(^1\) %)

FY 2016: 13.7%
FY 2017: 14.9%
FY 2018: 15.3%

+160 bps despite the dilutive impact of Morpho

---

1 Both FY 2016 and FY 2017 have been adjusted for the restructuring and pension administration costs that are now recorded as headline items for comparability
2 Free Cash Flow not adjusted for interest, tax that could be apportioned to Smiths Medical
DRIVING LONG-TERM, SUSTAINABLE VALUE

- Value creative investment
- Strong dividend covered by FCF
- 100%+ cash conversion
- Outperforming our markets
- 18-20% margin
- Generating superior returns
- Leading businesses in attractive markets
- Operational excellence
- Strong financial framework
FURTHER STRATEGIC PROGRESS

- **2016**: A NEW DIRECTION
- **2017**: SIGNIFICANT PROGRESS
- **2018**: RETURN TO GROWTH
- **2019**: SUSTAINABLE GROWTH
- **H1 CY2020**: SEPARATION OF MEDICAL
- **AMBITION**: OUTPERFORMING OUR CHosen MARKETS
QUESTIONS & ANSWERS
APPENDIX
## INCOME STATEMENT

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2019</th>
<th>H1 2018(^2)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,573</td>
<td>1,542</td>
<td>+2%</td>
</tr>
<tr>
<td>Headline(^1) operating profit</td>
<td>246</td>
<td>248</td>
<td>(1)%</td>
</tr>
<tr>
<td>Morpho integration costs</td>
<td>(5)</td>
<td>(12)</td>
<td></td>
</tr>
<tr>
<td>Legacy liabilities</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Pension settlement gain/(losses)/ GMP</td>
<td>(29)</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td>(17)</td>
<td>(15)</td>
<td></td>
</tr>
<tr>
<td>Acquisition and disposals costs/ provision release</td>
<td>(3)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Profit/ (loss) from divestitures</td>
<td>17</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td><strong>Total non-headline items</strong></td>
<td>(33)</td>
<td>(18)</td>
<td></td>
</tr>
<tr>
<td>Statutory operating profit</td>
<td>213</td>
<td>230</td>
<td>(7)%</td>
</tr>
<tr>
<td>PBT - Headline(^1)</td>
<td>216</td>
<td>218</td>
<td>(1)%</td>
</tr>
<tr>
<td>- Statutory continuing</td>
<td>174</td>
<td>200</td>
<td>(13)%</td>
</tr>
<tr>
<td>EPS - Headline(^1)</td>
<td>40.2p</td>
<td>40.7p</td>
<td>(1)%</td>
</tr>
<tr>
<td>- Statutory continuing</td>
<td>30.3p</td>
<td>26.3p</td>
<td>+15%</td>
</tr>
</tbody>
</table>

---

1. Headline excludes non operating items as defined in note 3 of the accounts
2. Restated for IFRS 15
## RESTATEMENT EXCLUDING SMITHS MEDICAL – H1 2019

<table>
<thead>
<tr>
<th>£m</th>
<th>Smiths Group</th>
<th>Smiths Medical</th>
<th>Smiths Group excluding Smiths Medical</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (£m)</strong></td>
<td>1,573</td>
<td>430</td>
<td>1,143</td>
</tr>
<tr>
<td><strong>Underlying(^1,3) revenue growth (%)</strong></td>
<td>+2%</td>
<td>(3)%</td>
<td>+3%</td>
</tr>
<tr>
<td><strong>Headline(^2) operating profit (£m)</strong></td>
<td>246</td>
<td>71</td>
<td>175</td>
</tr>
<tr>
<td><strong>Underlying(^1,3) operating profit growth (%)</strong></td>
<td>(2)%</td>
<td>(12)%</td>
<td>+2%</td>
</tr>
<tr>
<td><strong>Headline(^2) operating margin (%)</strong></td>
<td>15.6%</td>
<td>16.5%</td>
<td>15.3%</td>
</tr>
<tr>
<td><strong>Reported change in headline(^2,3) operating margin</strong></td>
<td>(50)bps</td>
<td>(190)bps</td>
<td>+10bps</td>
</tr>
</tbody>
</table>

---

1. Underlying modifies headline performance to: adjust prior year to reflect an equivalent period of ownership for divested businesses; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses.
2. Headline excludes non operating items as defined in note 3 of the accounts
3. Restated for IFRS15
ORGANIC GROWTH: R&D INVESTMENT

CASH COSTS

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£80m</td>
<td>£70m</td>
</tr>
<tr>
<td>£80m</td>
<td>5.1% of revenue</td>
<td>4.6% of revenue2</td>
</tr>
<tr>
<td></td>
<td>4.8% of revenue excluding Medical</td>
<td></td>
</tr>
</tbody>
</table>

Income statement costs (expensed and amortised)

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£69m</td>
<td>£67m</td>
</tr>
<tr>
<td>£69m</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3% growth

1 Reported
2 Restated for IFR15
### FX SENSITIVITY

<table>
<thead>
<tr>
<th>Currency</th>
<th>H1 2019 average rate</th>
<th>H1 2018 average rate</th>
<th>% change</th>
<th>21/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>1.29</td>
<td>1.33</td>
<td>+3%</td>
<td>1.31</td>
</tr>
<tr>
<td>EUR</td>
<td>1.12</td>
<td>1.12</td>
<td>-</td>
<td>1.15</td>
</tr>
</tbody>
</table>

- For each $0.10 move, the annual operating profit impact is c.£20m
- For each €0.10 move, the annual operating profit impact is c.£10m
JOHN CRANE: Mission-critical solutions for global energy and process industries

| Revenue | £449m (29% of Group) |
| Headline OP | £97m (35% of Group) |
| Margin | 21.7% |
| ROCE | 23.0% |
| R&D % sales | 1.9% |

**COMPETITIVE STRENGTHS**
- A strong presence 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

**GROWTH DRIVERS**
- 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 operational improvements in non-oil and gas process industries
- Disruptive innovations including material science advancements and digital transformation

**GEOGRAPHIES**
- Americas 42%
- Europe 25%
- APAC 19%
- RoW 14%

**OE/AM**
- Aftermarket 68%
- Original Equipment 32%

**END MARKETS**
- c.56% OIL & GAS
  - 85% downstream
  - 15% midstream
- c.44% NON-OIL & GAS
  - Pharmaceutical
  - Chemicals
  - Pulp & paper
  - Water treatment

**COMPETITIVE LANDSCAPE**
- Competitors range from large multinationals through to small, more focused companies across the product portfolio
- Examples include: Flowserve, EagleBurgmann, Danaher, Hydac, Rexnord
SMITHS DETECTION: A global leader in the detection and identification of security threats and contraband

COMPETITIVE STRENGTHS
- A global leader with differentiated technologies leveraged across markets
- Significant R&D capability
- Operating in several regulated markets requiring product certification
- Increasing digitisation and aftermarket revenue
- Long-term customer relationships

GROWTH DRIVERS
- Persistent and evolving terror threats
- Changing security regulations for air cargo and passengers
- Growing urbanisation and need to protect people and assets
- Global trade, e-commerce and passengers numbers
- Equipment replacement cycle, typically 7-10 years
- Growth of security infrastructure in emerging markets

COMPETITIVE LANDSCAPE
- Competitors range from large multinationals through to small, more focused companies across the product portfolio
- Example include: Nuctech, Rapiscan, L3-SDS

Revenue
£361m
(23% of Group)

Headline OP
£55m
(20% of Group)

Margin
15.2%

ROCE
11.8%

R&D % sales
8.8%

GEOGRAPHIES
- Americas 41%
- Europe 25%
- APAC 18%
- RoW 16%

OE/AM
- Original Equipment 50%
- Aftermarket 50%

END MARKETS
- Air Transportation 63%
- Ports & Borders 12%
- Defence 3%
- Urban Security 22%
FLEX-TEK: Innovative components to heat and move fluids and gases

**COMPETITIVE STRENGTHS**
- High-performance products
- Leading capability in design and manufacture
- Increasing pace of innovation
- Strong customer relationships
- Culture, safety and quality

**GROWTH DRIVERS**
- Steady growth of US housing construction
- Continued increase in large commercial aircraft production
- International expansion

**Geographies**
- Americas 82%
- Europe 9%
- APAC 9%
- RoW 0%

**Revenue**
- £184m (12% of Group)

**Headline OP**
- £33m (12% of Group)

**Margin**
- 18.0%

**ROCE**
- 33.3%

**R&D % sales**
- 0.7%

**Competitive Landscape**
- Competitors range from large multinationals through to small, more focused companies across the product portfolio
- Examples include: Parker-Hannifin, Eaton Zoppas and Nibe

**End Markets**
- Construction 34%
- Fluid Management 24%
- Heat Solutions 25%
- Flexible Technologies 17%
SMITHS INTERCONNECT: Solutions for high-speed, secure connectivity in demanding applications

**Revenue**
- £149m (9% of Group)

**Headline OP**
- £18m (7% of Group)

**Margin**
- 11.9%

**ROCE**
- 12.9%

**R&D % sales**
- 7.4%

**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

**GROWTH DRIVERS**
- Increased connectivity
- Growing urbanised population requiring transports and infrastructure
- Increasing geopolitical uncertainty
- Ageing population and rising need for healthcare services

**GEOGRAPHIES**
- Americas 60%
- Europe 20%
- APAC 18%
- RoW 2%

**END MARKETS**
- Defence 43%
- Semiconductor 18%
- Medical 11%
- Space 6%
- Commercial Aerospace 9%
- Rail, Industrial, Other 13%

**COMPETITIVE LANDSCAPE**
- Competitors range from large multinationals through to small, more focused companies across the product portfolio
- Examples include Amphenol, TE Connectivity, Molex
SMITHS MEDICAL: High-quality, cost-effective medical devices and consumables that are vital to patient care globally

<table>
<thead>
<tr>
<th>Revenue</th>
<th>£430m</th>
<th>(27% of Group)</th>
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<tbody>
<tr>
<td>Headline OP</td>
<td>£71m</td>
<td>(26% of Group)</td>
</tr>
<tr>
<td>Margin</td>
<td>16.5%</td>
<td></td>
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<tr>
<td>ROCE</td>
<td>11.9%</td>
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<tr>
<td>R&amp;D % sales</td>
<td>5.8%</td>
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<thead>
<tr>
<th>COMPETITIVE STRENGTHS</th>
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<tbody>
<tr>
<td>• Category leader in our chosen markets</td>
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<tr>
<td>• Trusted brands with a reputation for quality and safety</td>
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<tr>
<td>• Strong, defensible intellectual property</td>
</tr>
<tr>
<td>• Over 80% of revenue is from single-use devices and proprietary consumables</td>
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<tr>
<td>• Strong customer relationships and extensive global sales network</td>
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<table>
<thead>
<tr>
<th>GROWTH DRIVERS</th>
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<tbody>
<tr>
<td>• Ageing populations with increasing personalised healthcare and patient expectation/</td>
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<tr>
<td>quality of life</td>
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<tr>
<td>• Increasing incidence of chronic diseases</td>
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<tr>
<td>• Increasing need for connected systems and data analytics</td>
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<tr>
<td>• Growth of alternate site and home-based healthcare</td>
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<tr>
<td>• Growing healthcare spend in developing markets</td>
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<table>
<thead>
<tr>
<th>COMPETITIVE LANDSCAPE</th>
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<tbody>
<tr>
<td>• Competitors range from large multinationals through to small, more focused</td>
</tr>
<tr>
<td>companies across the product portfolio</td>
</tr>
<tr>
<td>• Examples include: Medtronic, Becton-Dickinson, Baxter, B Braun</td>
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<table>
<thead>
<tr>
<th>GEOGRAPHIES</th>
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</thead>
<tbody>
<tr>
<td>Americas 56%</td>
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<tr>
<td>Europe 24%</td>
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<tr>
<td>APAC 17%</td>
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<tr>
<td>RoW 3%</td>
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<table>
<thead>
<tr>
<th>OE/AM</th>
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</thead>
<tbody>
<tr>
<td>Consumables 83%</td>
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<tr>
<td>Original Equipment 17%</td>
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<tr>
<th>END MARKETS</th>
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<tbody>
<tr>
<td>Infusion systems 35%</td>
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<tr>
<td>Vascular access 32%</td>
</tr>
<tr>
<td>Vital Care and Specialty products 33%</td>
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