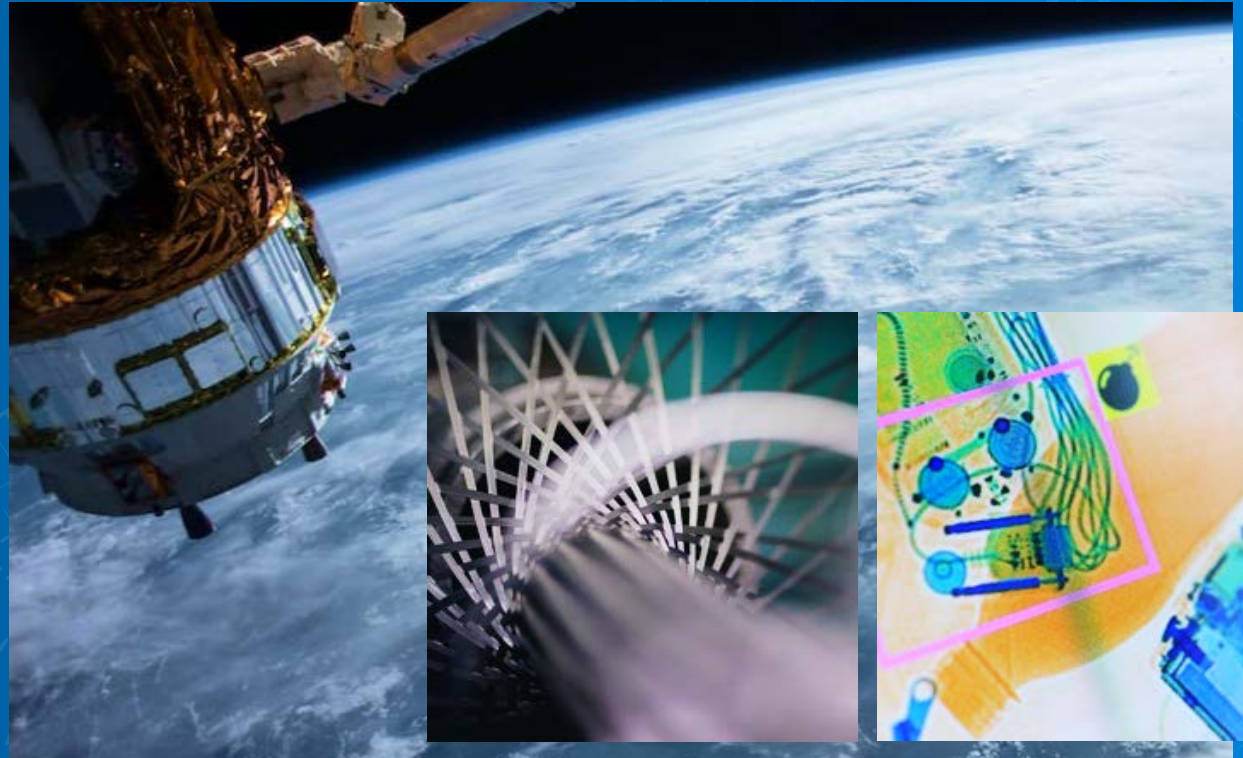


smiths

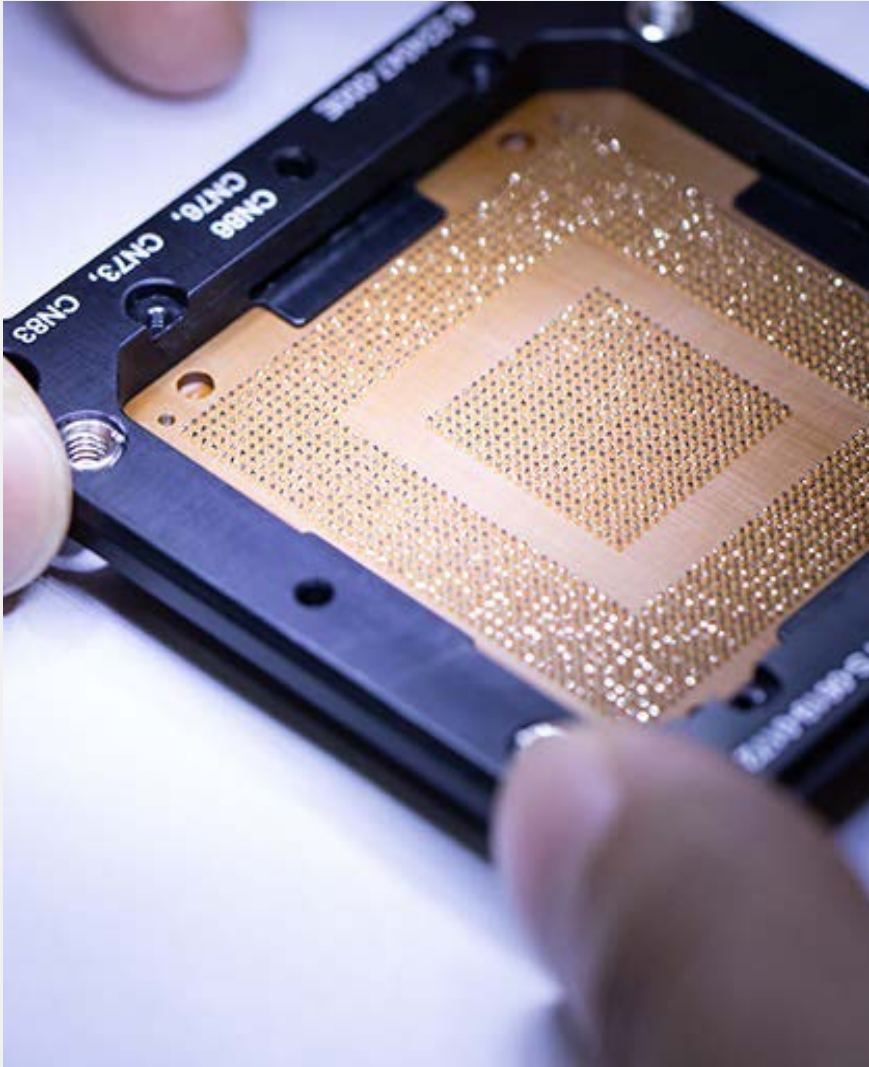
PIONEERS OF PROGRESS

Smiths Group plc
Capital Markets Event
10 November 2022

IMPROVING OUR WORLD
THROUGH SMARTER
ENGINEERING



Agenda



Progress towards our near, medium, and longer-term commitments
Paul Keel, Chief Executive Officer

Divisional deep dives Pat McCaffrey, President Flex-Tek
Julian Fagge, President Smiths Interconnect

Sustainability at Smiths
John Ostergren, Chief Sustainability Officer

Financial progress
Clare Scherrer, Chief Financial Officer

Q&A – webcast live at 16.00 GMT, 10 November
Technology expo – live with digital modules available on-line

Progress towards our near, medium, and longer-term commitments

Chief Executive Officer

Paul Keel



Opening Thoughts

Our value creation thesis is unchanged:

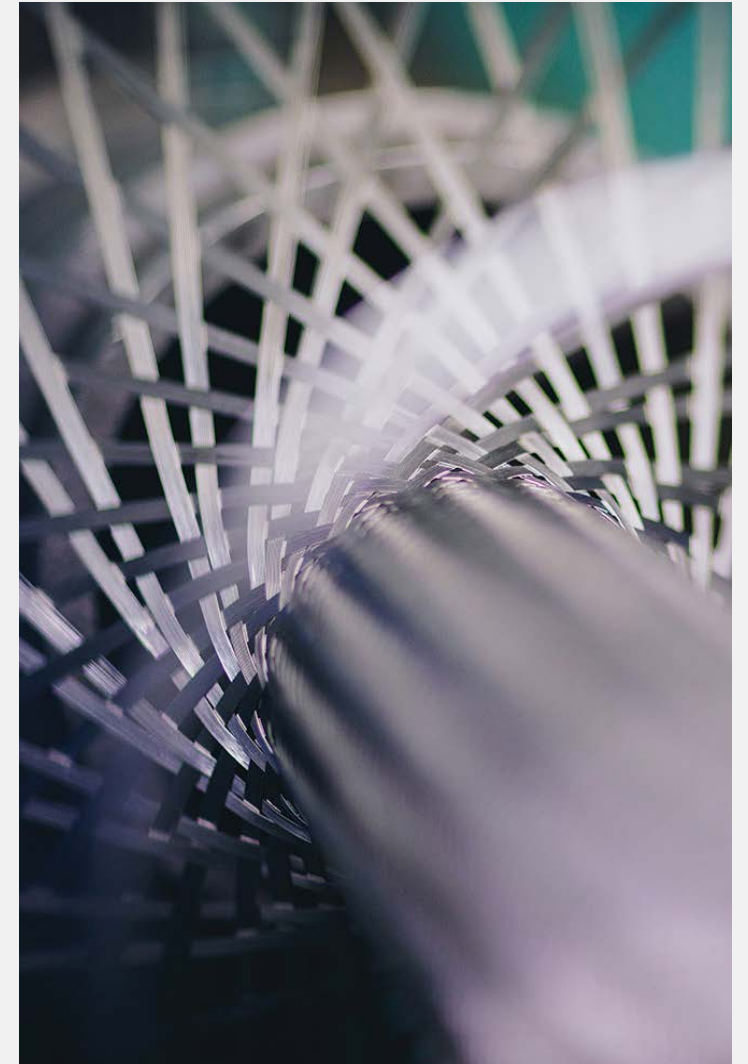
- Smiths is an intrinsically strong company capable of more
- Higher performance creates greater value for all stakeholders
- There is clear evidence of progress already, with further potential to come

Our momentum and improving execution will drive further gains in FY23, even with an uncertain macro outlook.

- With six straight quarters of accelerating growth, we carry good momentum
- Initiatives underway deliver earnings leverage and de-risk uncertainty

Our balanced portfolio supports delivery of our medium-term commitments

Our fundamental strengths and participation in secular megatrends support achievement of our long-term potential



Smiths Value Engine

OUR PURPOSE



PIONEERS OF PROGRESS

Improving our world through smarter engineering

OUR STRENGTHS



World-Class Engineering



Leading Positions in Critical Markets



Global Capabilities



Robust Financial Framework

OUR PRIORITIES



Growth

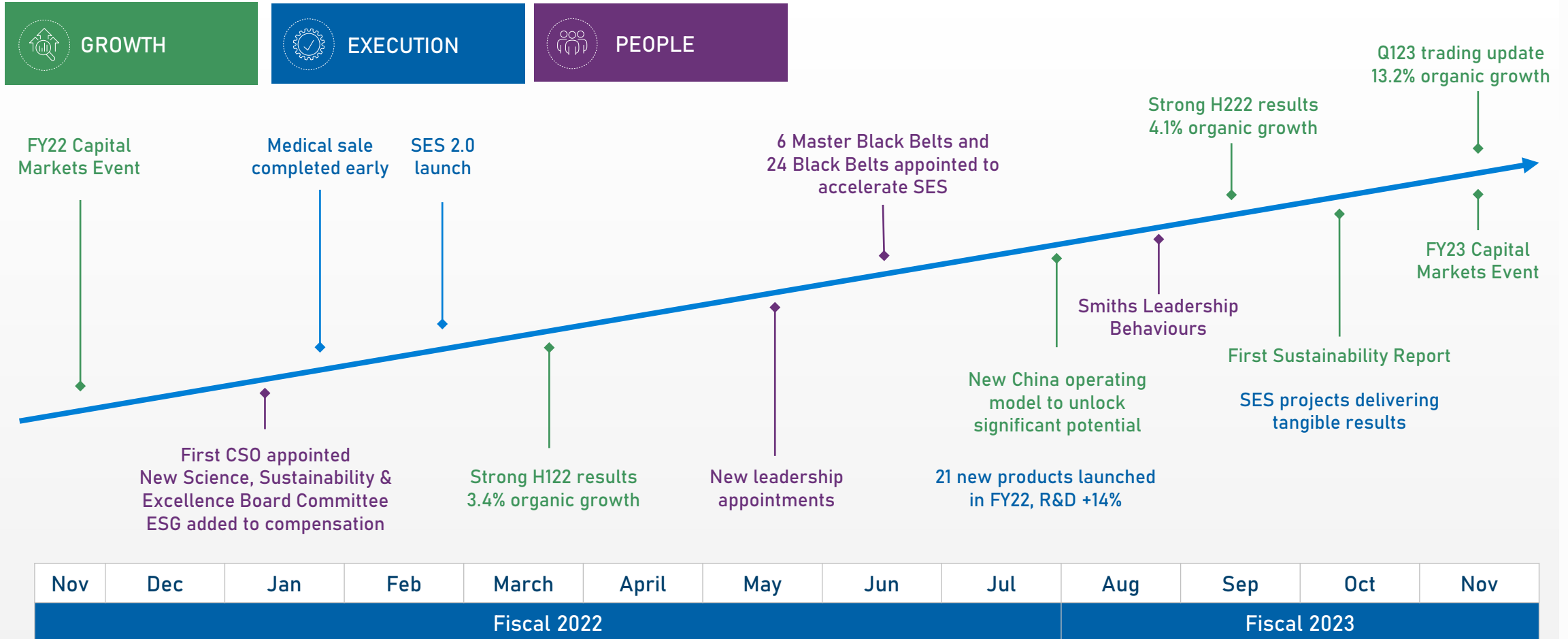


Execution



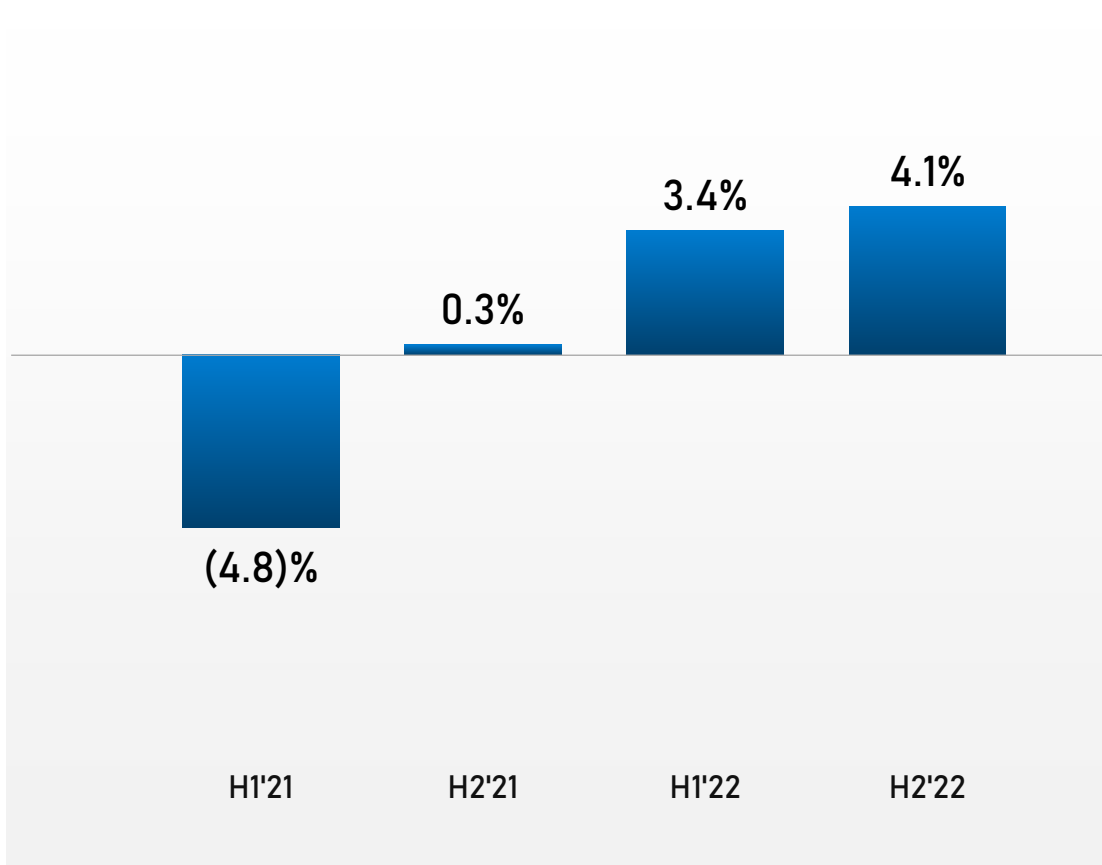
People

Progress since our last Capital Markets Event

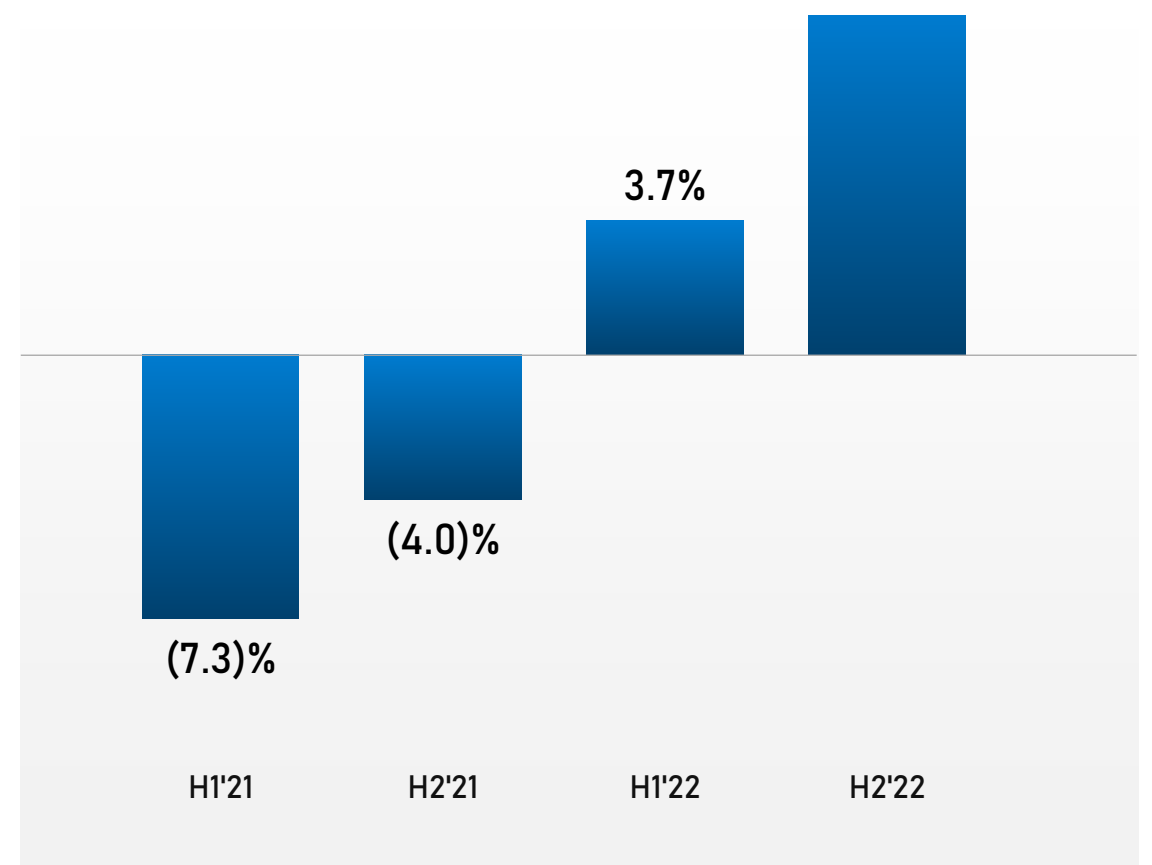


Accelerating Growth

Organic¹ revenue growth



Reported revenue growth



Agenda



**Continued momentum
in the near term**





**Delivery of medium-
term commitments**



**Reaching our long-term
potential**

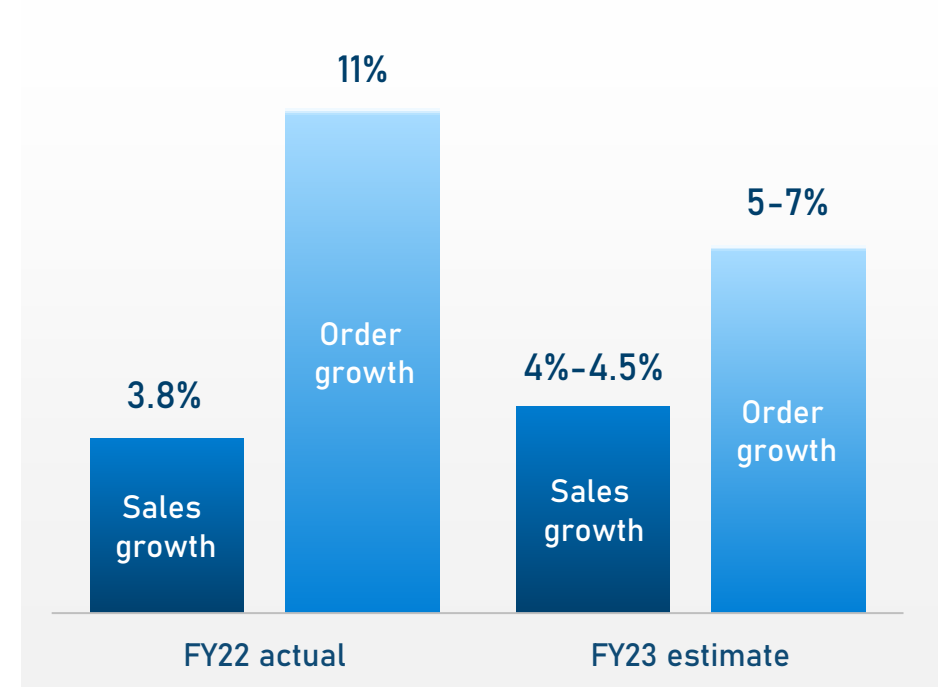
Strong Momentum

End market growth

Smiths business	FY22 Growth	Business FY23 outlook vs. FY22	Primary end markets	End market FY23 outlook
 John crane	3.7%	Accelerating growth	<ul style="list-style-type: none"> ▪ Energy ▪ Industrial 	++
smiths detection	(9.4)%	Return to growth	<ul style="list-style-type: none"> • Aviation • Other Security 	++
 FLEX-TEK	16.1%	Growth (below FY22 record levels)	<ul style="list-style-type: none"> ▪ Industrial ▪ Aerospace 	+
smiths interconnect	13.9%	Growth (below FY22 record levels)	<ul style="list-style-type: none"> • Industrial • Security • Aerospace 	+

Strong demand continues in most end markets; FY23 growth will accelerate further from strong FY22

Smiths organic sales growth vs. order growth



Order growth continues, still above accelerating revenue growth

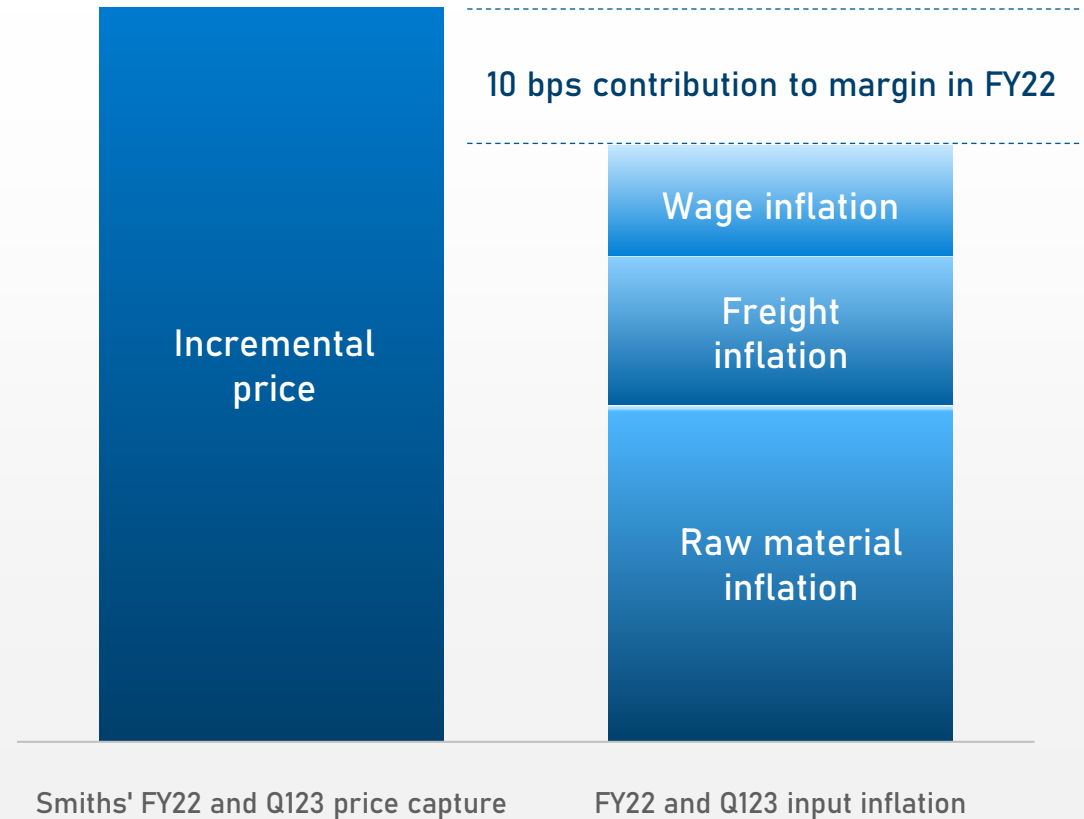
Smiths Group high-value model supports accretive price capture

R&D as % sales

Quartile	R&D % Sales
Smiths	4.2%
Top quartile	4%-6.5%
2 nd quartile	2.5%-3.5%
Median	2.5%
3 rd quartile	1% -2.5%
Bottom quartile	0-1%



Smiths price vs. input inflation



Smiths Detection's return to growth has a positive impact for Smiths Group

Drivers of Smiths Detection growth



3 of 4 of Smiths Detection's segments delivered revenue growth in FY22



A number of large tender wins in aviation, urban security, ports & borders and defence

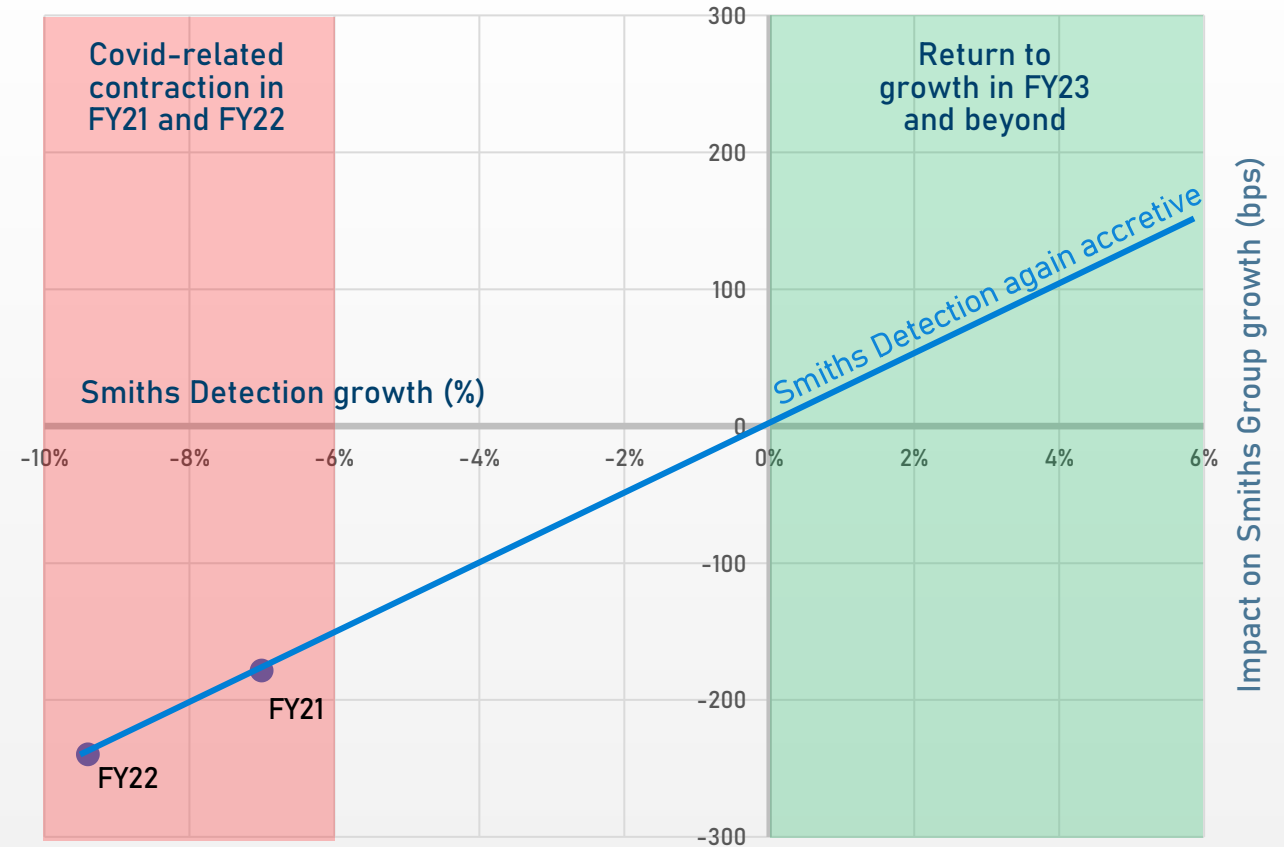


4 of 4 segments delivered order growth in FY22



Strong Q1, highly accretive to Smiths Group

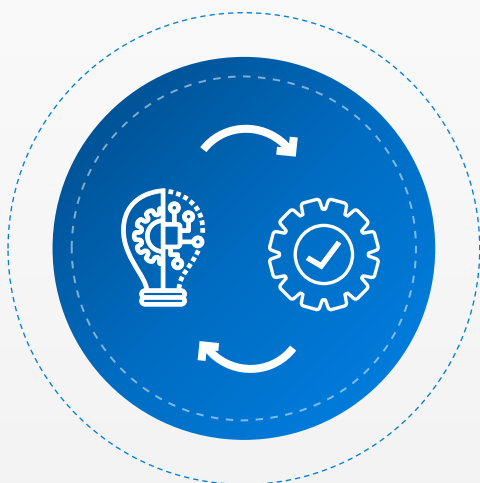
Impact of Smiths Detection growth (%) on Smiths Group growth (bps)



SES, restructuring, and supply chain actions will deliver earnings leverage and de-risk uncertainty

SES

- SES is central to how we solve problems and deliver results
- Full-time team including 6 Master Black Belts and 24 Black Belts
- Brought the SES Academy in house to amplify impact
- 29 Black Belt projects underway



In FY23, SES will deliver:

- ~£20m in operating profit
 - Growth
 - Productivity
- ~£20m in operating cash

Additional operating excellence



- Expanding presence in priority markets; continue to manage price and supply chain



- Optimising manufacturing footprint to better respond to customer demand



- Streamline end-to-end value chain; improve supply efficiency and enhance customer service to convert orders to revenue



- Reduce overhead costs to address contraction in FY22 and to amplify operating leverage with return to growth in FY23



- Non-headline charge of £35-40m
- Annualised benefit of £25-30m
- ~50% captured in FY23

Maintaining FY23 guidance

FY23 summary

- Strong demand in most end markets, with order growth above accelerating sales levels
- Our high-value business model enabling price capture in excess of input cost inflation
- Smiths Detection back in growth
- SES and other initiatives delivering enhanced operating leverage and de-risking macro uncertainty
- Strong start in Q1

Expect to deliver
4.0-4.5% organic
revenue growth with
moderate margin
improvement in
FY2023

Agenda



Continued momentum
in the near term



Delivery of medium-
term commitments



Reaching our long-term
potential

Industrial technology group with multi-dimensional resilience and growth potential



Balanced portfolio and end market exposure

- Leading positions in long-term, attractive growth markets
- Geographic diversity across both developed and developing markets
- Attractive mix of OE and recurring after-market sales



Focused industrial technology portfolio with similar operating models and shared fundamentals

- New products and differentiated technology drives competitive advantage
- SES as common approach for innovation, execution and continuous improvement
- Shared fundamentals - common purpose, strengths and priorities



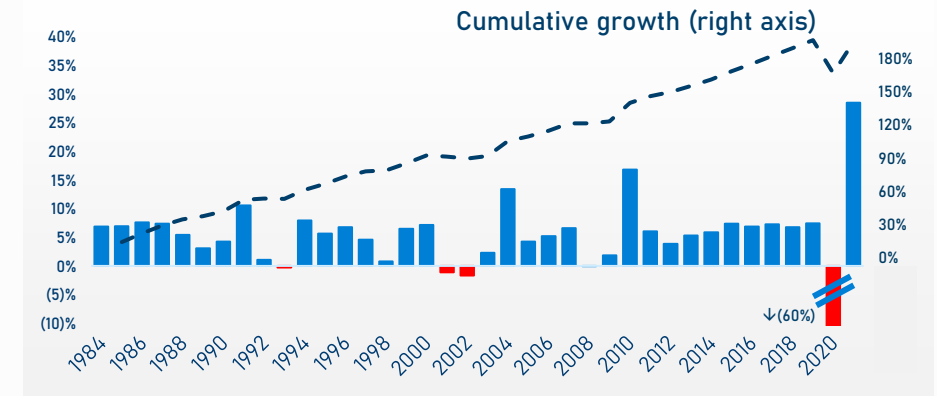
Financial stability

- Strong balance sheet
- High margins, ROCE and cash generation
- Accelerating growth

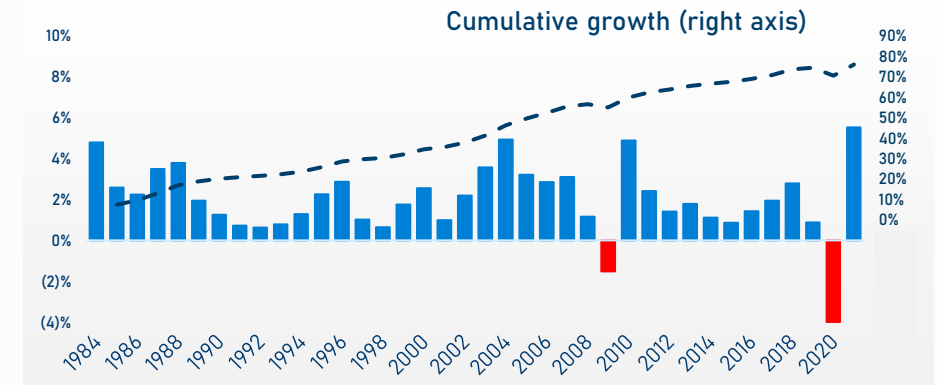
Our markets are attractive – both resilient and expanding

Customer end market	% Smiths FY22 sales	Medium term market outlook
General Industrial	42%	<ul style="list-style-type: none"> Strong demand continues in most end markets
Semiconductor	<3%	<ul style="list-style-type: none"> Double digit growth in FY22 and Q1 FY23 Cognisant of softening macro forecasts, we expect growth to moderate in FY23 but remain positive
Construction	<17%	
Safety & Security	31%	<ul style="list-style-type: none"> Aviation security market is returning to growth after unprecedented COVID shock Other security markets returned to growth in FY22 Sustained passenger volume growth provides long-term support
Energy	21%	<ul style="list-style-type: none"> Energy markets strong, buoyed by rising prices, post-covid demand, and Ukraine invasion Global energy demand has declined only twice in the past 40 years¹
Aerospace	6%	<ul style="list-style-type: none"> Aircraft, space, and defence all growing Global aircraft orders expected to grow ~6% per annum over the next five years³

Global aviation passenger volume¹ (annual change)

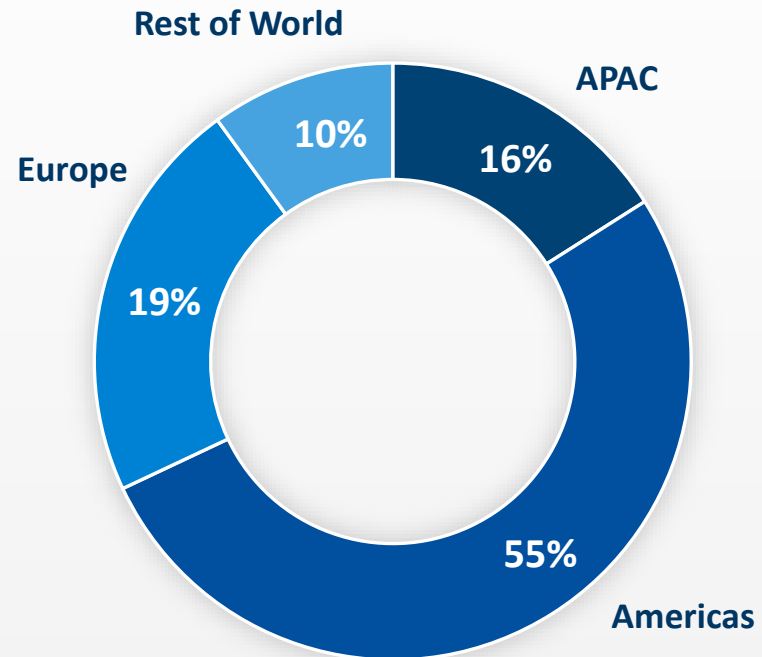


Global energy demand² (annual change)



Portfolio balanced geographically

FY22 Smiths revenue by geography



Worldwide capabilities to serve global customer



Localised supply chains

- Sourcing, manufacture and delivery typically in same region
- Shorter cycle times, reduces raw transportation, currency and tariff risk



Balanced positions across the US and Europe

- 47% sales in the US, 19% in Europe
- H2 2022 translation benefit of 530 bps

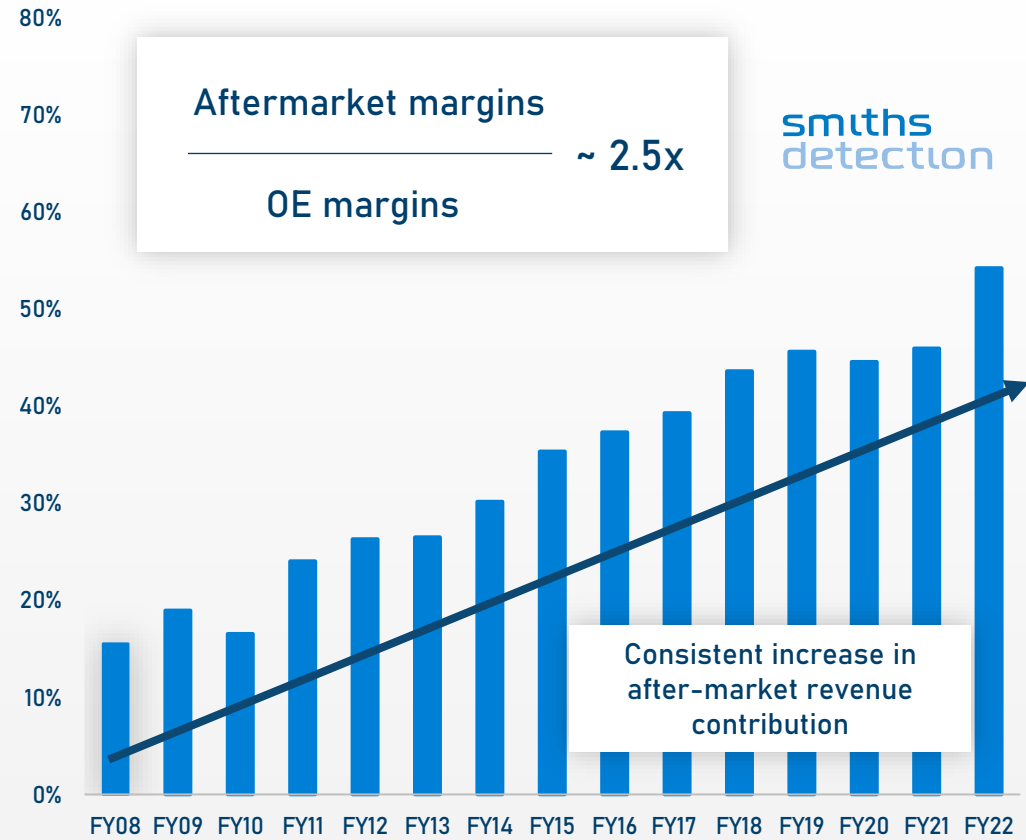


Diverse exposure to developing markets

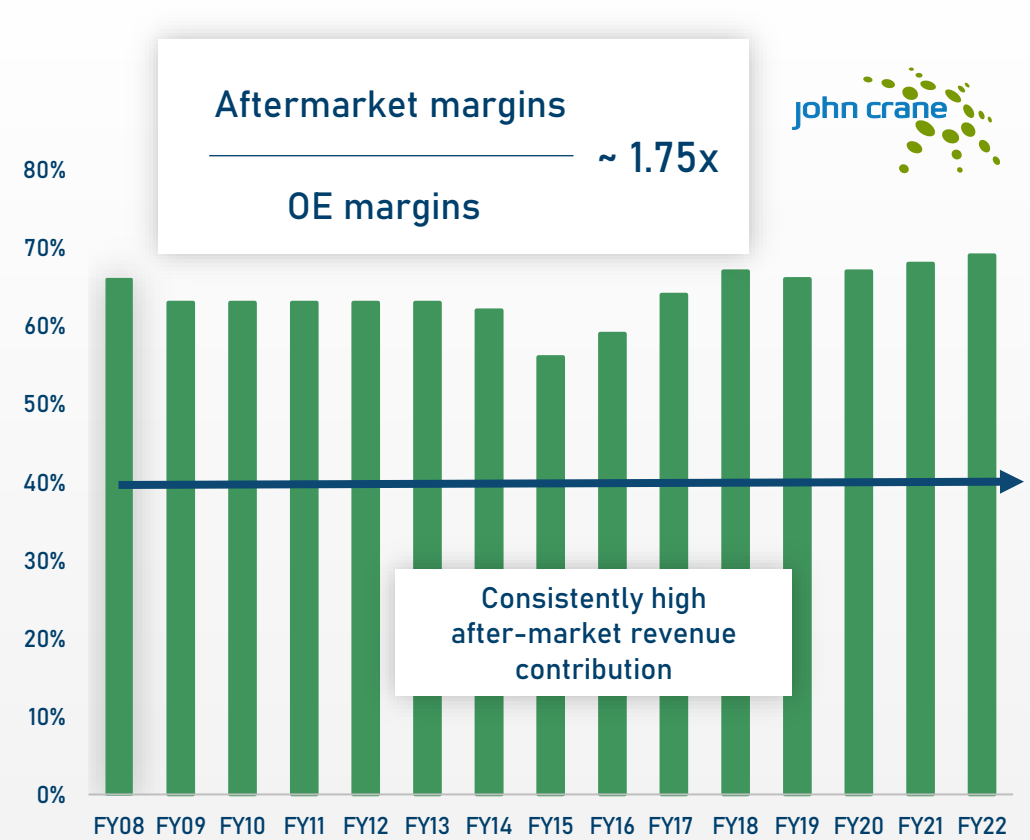
- 20% of sales, accessing growth while mitigating risk
- New operating model for Smiths China

Aftermarket revenues – growing, recurring, and margin expanding

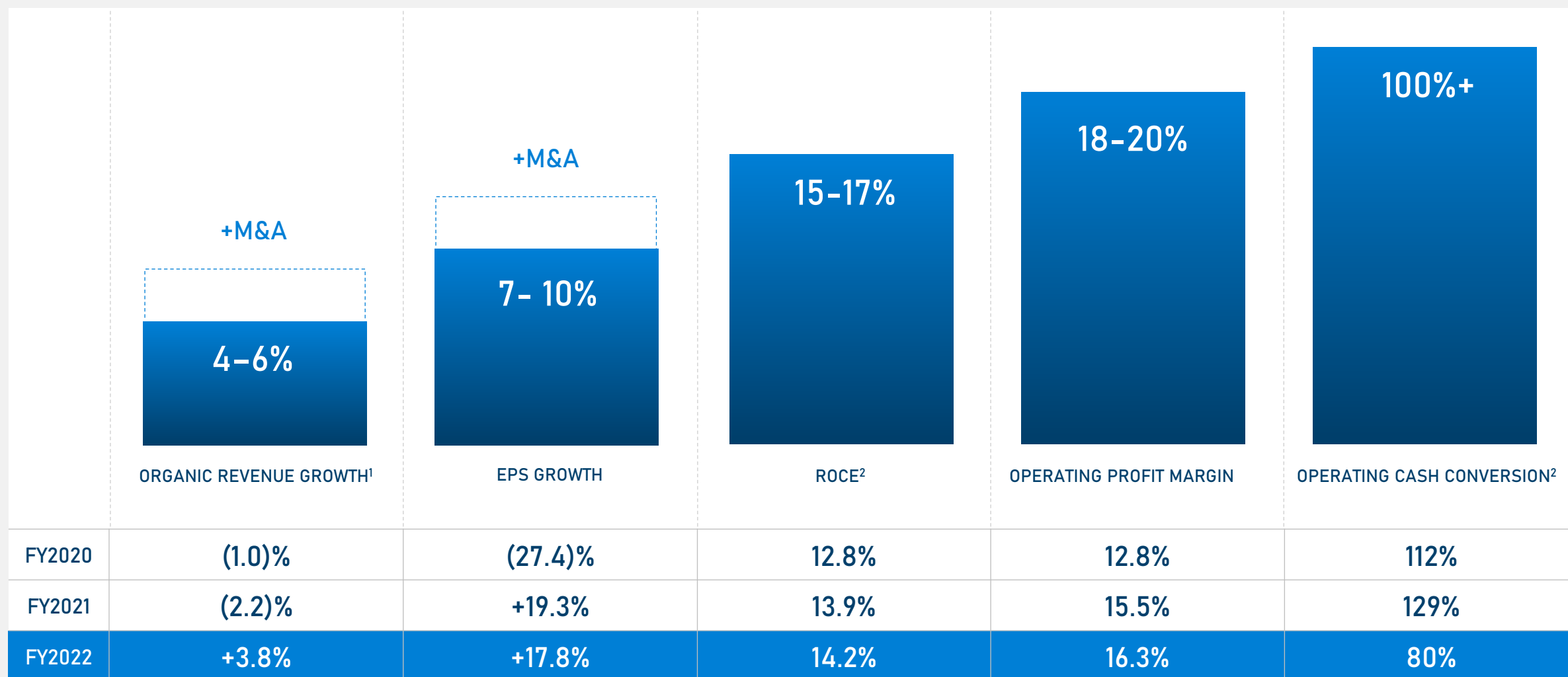
Aftermarket revenue as % total



Aftermarket revenue as % total



Clear progress towards medium-term financial targets



Agenda



Continued momentum
in the near term



Delivery of medium-
term commitments



Reaching our long-term
potential

Our fundamental strengths underpin achievement of our long-term potential

OUR STRENGTHS



World-Class Engineering

- 171-year track record of innovating across multiple markets
- R&D investment consistently above competition; strongest NPD pipeline in years
- Unmatched global service network of 2000+ specialists and 300+ sites



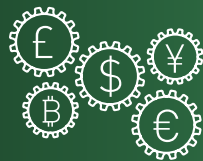
Leading Positions in Critical Markets

- Top 3 position in most key segments
- Serving securely attractive, long-term growth markets
- Sophisticated global customers reward differentiation



Global Capabilities

- Presence in more than 50 countries
- 1,300 sales reps, 1,900 service technicians and 2,300 engineers
- Sales balanced by geography as well as business, providing stability and growth



Robust Financial Framework

- Recurring, higher margin after-market revenues
- High margins and ROCE
- Low asset intensity and consistently strong cash generation
- Accelerating growth

Powerful megatrends propel long-term growth, which Smiths is uniquely positioned to access



Energy transition

- Fundamentally an engineering opportunity
- Particular opportunity for John Crane and Flex-Tek, as well as Detection and Interconnect
- \$100 trillion in investment over next 30 years¹



Insatiable demand for data

- Global data consumption doubling every 4 years³
- Transmission data rates doubling every 3.5 years⁴
- 1,800 satellite launches in 2022, vs. 129 10 years ago⁵



Ever-rising security needs

- Passenger air travel growing 3.8% per annum, freight growing 4.3%²
- Consumer, business and government demands continually increasing
- Regulatory requirements amplify demand



Sustainability

- Central to our Purpose
- A top priority for all stakeholders – customers, colleagues, communities, and shareholders
- Fully integrated strategy; growth, execution and people delivering significant value

Agenda



Continued momentum
in the near term



Delivery of medium-
term commitments



Reaching our long-term
potential

Executing our strategy and delivering our commitments



Growth

- Taking full advantage of the steady growth enabled by our diverse market exposure
- Developing high-impact new products, including compelling green technologies
- Building out priority market adjacencies
- Supplementing organic growth with disciplined M&A



Execution

- Embedding the Smiths Excellence System across our company
- Accelerating pace and establishing a more consistent operating rhythm
- Executing against our ESG commitments
- Steadily expanding margins, returns, and cash flow



People

- Building upon our world-class safety record
- Accelerating talent development through our Smiths Leadership Behaviours
- Creating an ever-more diverse and inclusive culture
- Living Smiths Values each and every day

Smiths Value Engine

OUR PURPOSE



PIONEERS OF PROGRESS

Improving our world through smarter engineering

OUR STRENGTHS



World-Class Engineering



Leading Positions in Critical Markets



Global Capabilities



Robust Financial Framework

OUR PRIORITIES



Growth



Execution



People

Organic Revenue Growth

4-6% (+M&A)

EPS Growth

7-10% (+M&A)

ROCE

15-17%

Operating Profit Margin

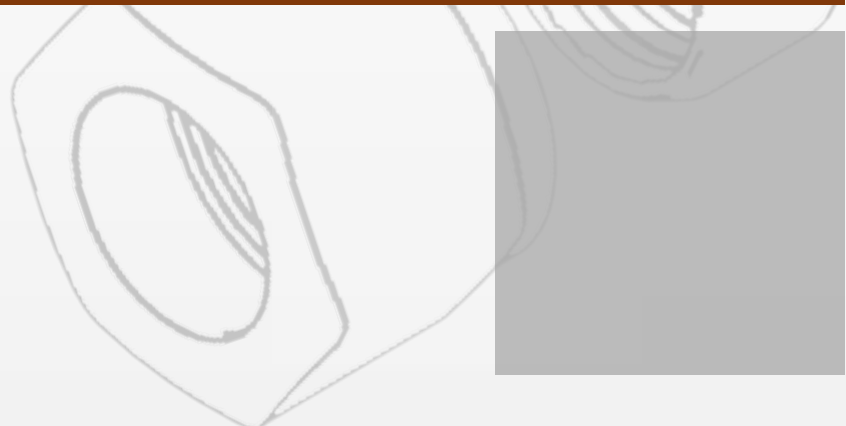
18-20%

Operating Cash Conversion

100%+

Deep Dive

Flex-Tek



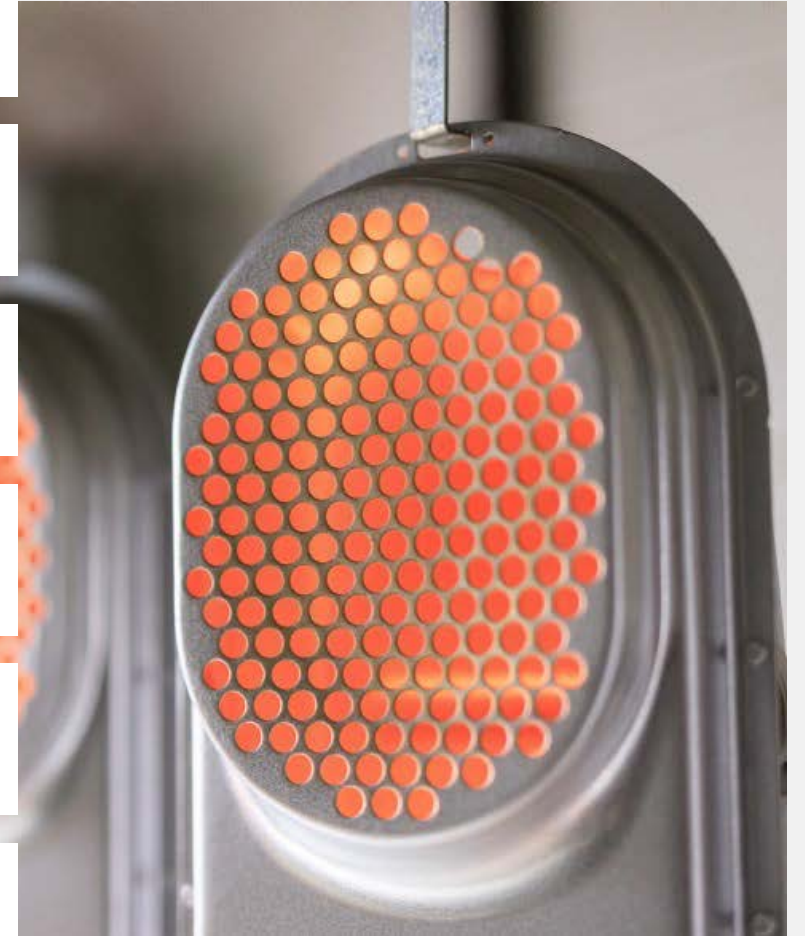
Pat McCaffrey, President, Flex-Tek

- Flex-Tek Operations Manager, 1996 - 1999
- Flex-Tek (Industrial Hose) General manager, 1999 -2002
- Flex-Tek (Heat Solutions) President, 2002 - 2008
- Flex-Tek COO, 2008 - 2019
- Flex-Tek President, 2019 - present



Executive Summary

- Leading provider of solutions for safe and efficient fluid management
- Strong positions in attractive markets: construction, aerospace, and general industrial (including medical hoses and industrial heating)
- Competitive advantage from deep customer relationships, superior products, agile manufacturing, and a high-performance culture
- Strong track record of profitable organic growth augmented by disciplined, effective M&A
- Five-year CAGR: 13.9% revenue, 15.3% operating profit
- Well positioned for further growth



Flex-Tek: solutions for the safe, efficient movement and heating of fluids

Key data

FY2022 revenue

£647m (25% of Smiths)

FY2022 operating profit

£133m (29% of Smiths)

FY2022 operating margin

20.6%

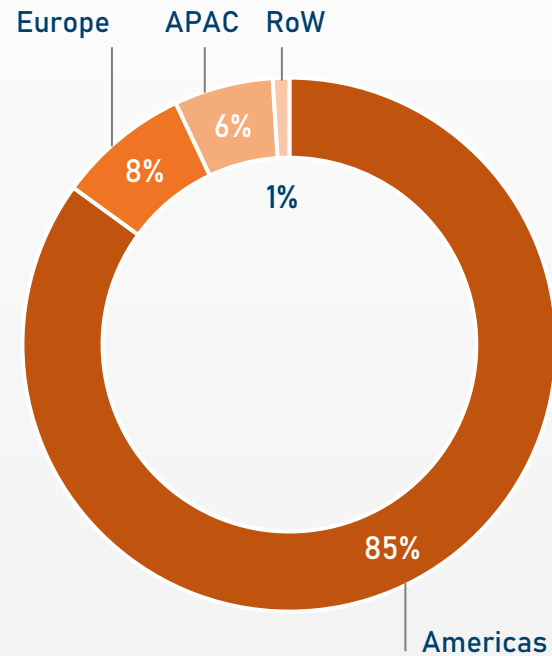
FY2022 organic revenue growth

16.1%

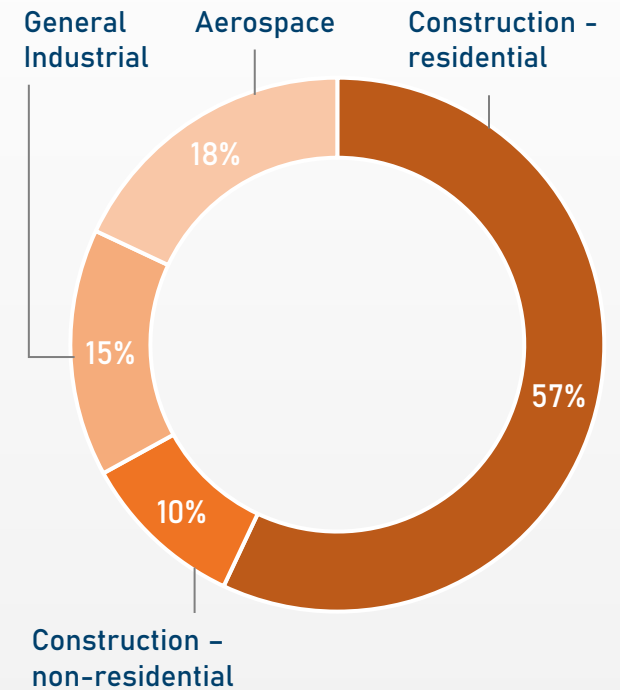
FY2022 ROCE

25.6%

Revenue breakdown by geographical region, % of Flex-Tek total



Revenue breakdown by end markets, % of Flex-Tek total



Flex-Tek: a strong business with great positions in attractive markets



Market growth drivers

- Continued strong demand for new housing construction, despite near-term flattening
- Long-term increase in commercial and military aircraft production
- Growing adoption rates for continuous positive airway pressure (CPAP) machines drives growth for medical hoses
- Customer focus on efficient performance and environmental safeguarding
- Demand for sustainable electrical heating solutions



Key customers

- Construction and General Industrial: network of well-established national and regional distributors as well as Original Equipment Manufacturers (OEMs)
- Aerospace: strong OEM relationships with every major aircraft and engine manufacturer
- Industrial: leading CPAP and ventilator machine manufacturers, space and aviation OEMs



Competitive strengths

- Leading capability in design, manufacture and cost engineering
- Strong customer relationships and brand reputation
- Innovation leader in ducting, gas piping, and heating
- Track record of accretive M&A
- High-performance culture drives sustainable and consistent growth



Competitive landscape

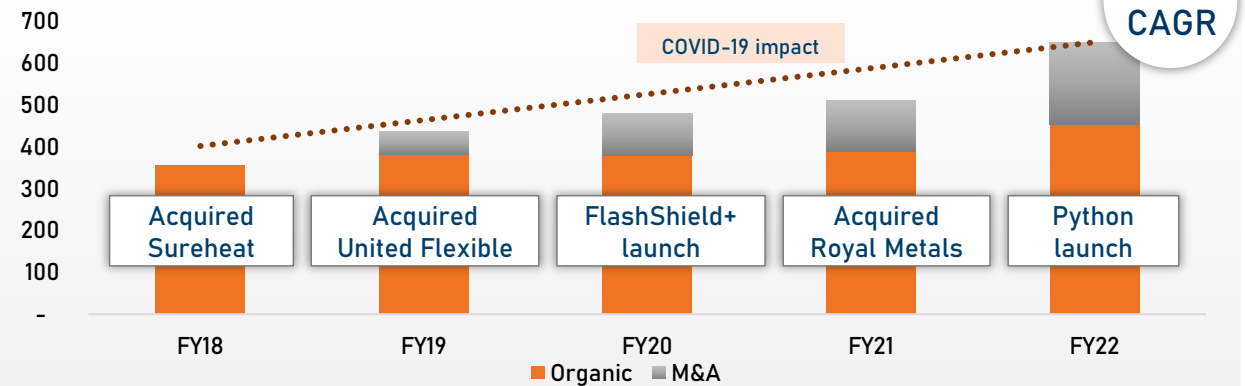
- Fragmented competition in most of our end markets
- Top three player in most of our segments
- Third party certifications in aerospace and construction
- Competitor examples include: Parker-Hannifin, Eaton, Omega Flex, Warren, and Watlow

The Flex-Tek growth story

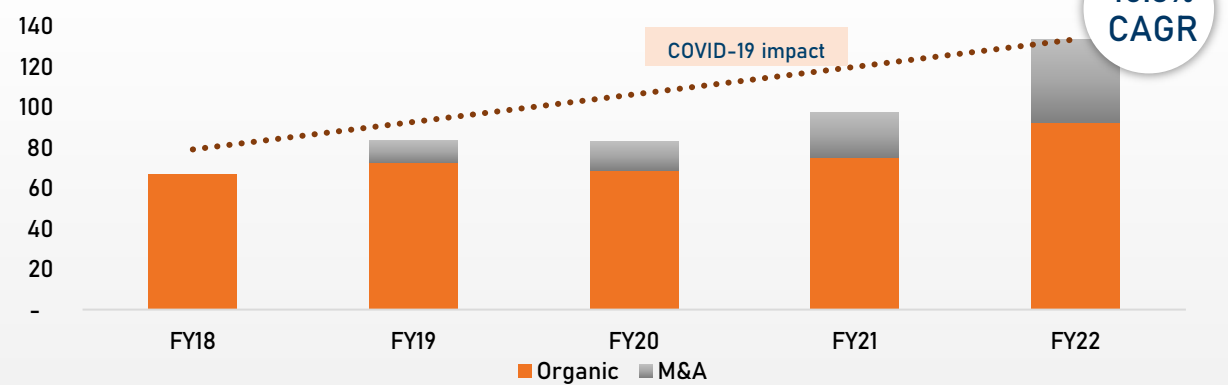
Five-year track record

- Double digit growth CAGR for revenue and profit
- 6% organic revenue CAGR
7.1% organic operating profit CAGR
- Organic growth supplemented by bolt-on acquisitions
- 96% average cash conversion
- 5-year average ROCE: 27%

Revenue growth (£m)



Operating profit growth (£m)



How Flex-Tek delivers growth

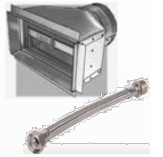


Focus

- Accelerating access to product adjacencies and geographical growth
- New platforms to support energy transition (e.g. hydrogen delivery)
- Product and service adjacencies
- Enhancing efficiency
- New heating focused products
- Near-term market resilience
- Significant opportunity to internationalise
- Adding capacity in higher-demand US construction regions
- Balanced exposure across Construction, Aerospace, and Industrial

Examples

- Industrial heating (Sureheat – 2017)
- Aerospace (United Flexible – 2019)
- HVAC portfolio (Royal Metal – 2021)



- Partnering with Midrex on H2GreenSteel project for carbon emissions reduction in iron ore processing



- FlashShield+ launched 2020
- Refrigerant line sets launched in early 2022







- Construction demand remains strong in key regions
- A growing aerospace segment. Global aircraft orders expected to grow ~6% per annum over the next five years¹

Construction

Construction products include:



Key customers	Route to market	Smiths relative position
   	<ul style="list-style-type: none"> 85% HVAC wholesale distributors 15% HVAC OEMs 95% North American sales 	<ul style="list-style-type: none"> Innovation leader in our segments Top three player in all segments

Our markets:

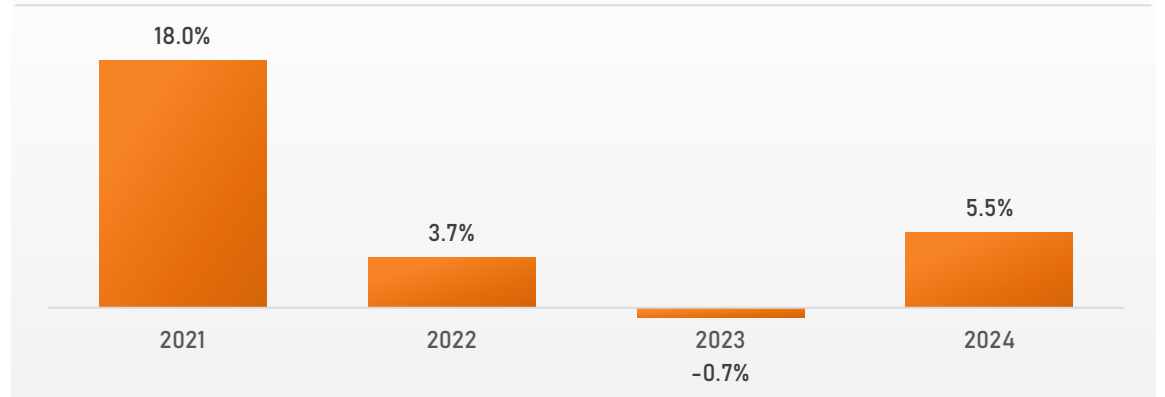
Geographies

- 9 manufacturing locations: 7 US, 1 Mexico, 1 Canada
- Primarily North American sales, strongest penetration in areas where central heat and air systems are popular

Macro market trends

- Multi-unit housing starts remain strong with Q2 up 17.5% YoY and up 37% pre-pandemic
- Housing starts remain differentiated by region: the South made up 54% of new starts YTD 2022 in the US and grew 4% vs. the same period in 2021

Housing starts growth in our operating areas (millions)¹



New business initiatives within Construction

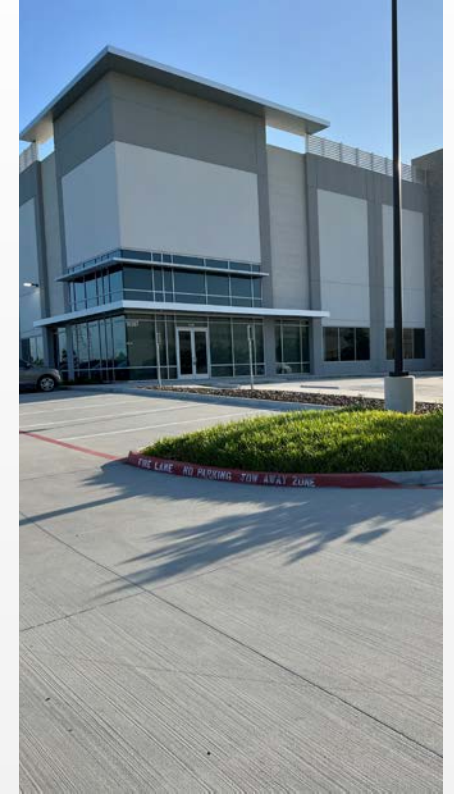
Python refrigerant line sets

- New product launch for £300m market segment: replaces copper lines in HVAC systems
- All six sizes are fully commissioned, two launched in November (four being sold currently)
- Accretive to Flex-Tek margins
- Customer feedback very positive on product benefits, sales ramping up with wholesale customers
- New production lines already running at 80-90% of expected capability and improving



New duct plant in Houston

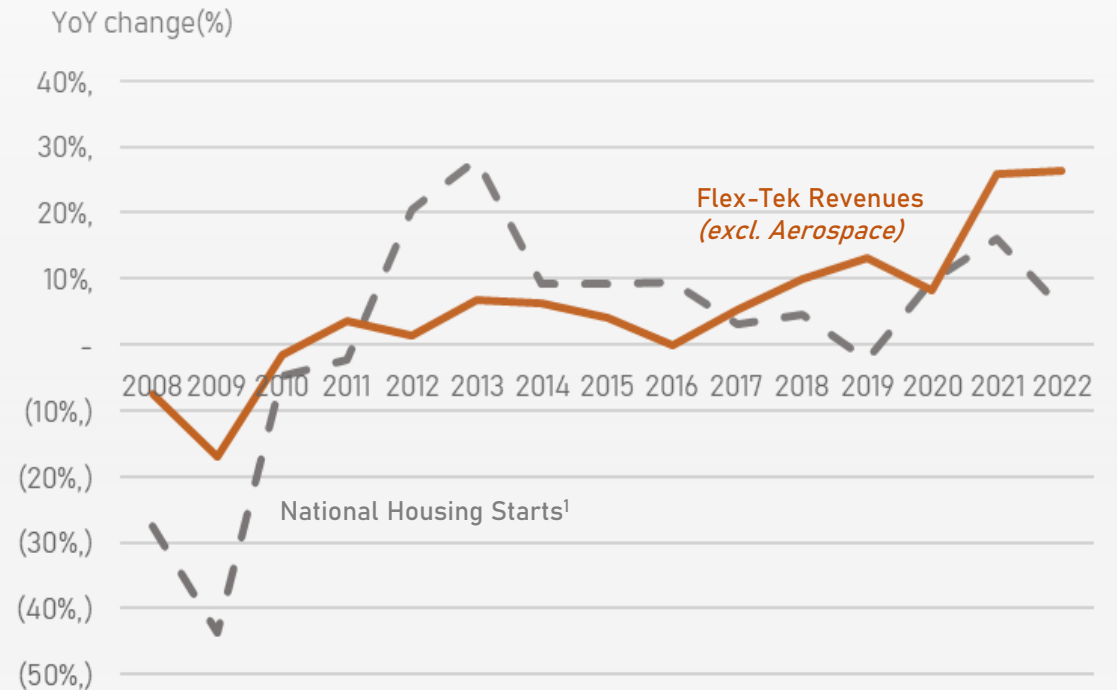
- Synergy initiative from Royal Metal acquisition
- High demand from regional customers
- 120,000 sq. ft, with sufficient capacity to drive £50m in annual revenue
- Both flex duct and metal duct being produced and sold (cross-selling across combined customer base)
- Core machines in place, staffing up as sales and production increase



Confident of further growth in Construction

- The residential HVAC metal ducting segment in the US is worth approximately ~£0.8bn annually with the South accounting for c. 60% of the market
- Flex-Tek sales concentrated in the South
- Deficit in US housing inventory still evident
- Track record of resilience in slower construction markets
- New business initiatives such as regional expansion within the US and new product launches adding 250 bps incremental growth in FY23




Flex-Tek revenues demonstrate resilience and forward momentum



General Industrial: heating and industrial hoses

Industrial products include:



Key customers	Route to market	Smiths relative position
  	<ul style="list-style-type: none"> • 35% wholesale distributors • 65% OEM • 80% US sales 	<ul style="list-style-type: none"> • Top three in high end medical hose • A leader in high temperature, high pressure heating applications

Our markets

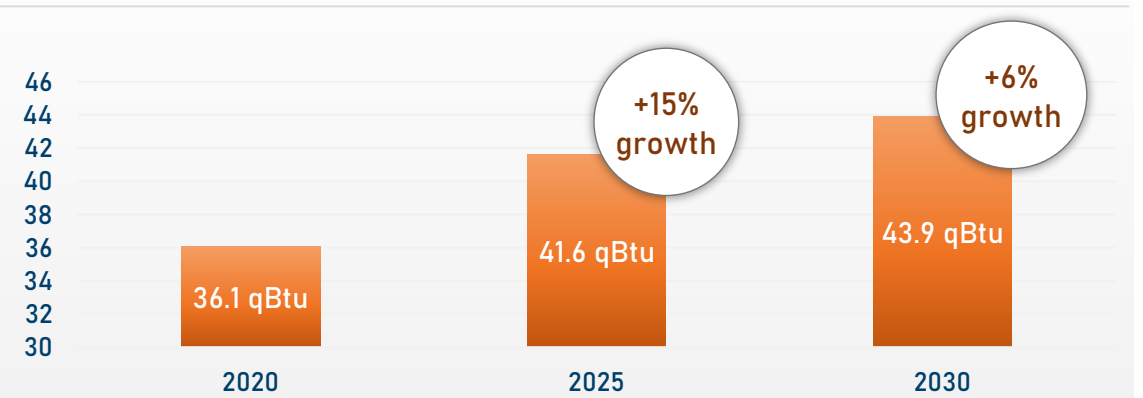
Geographies

- 9 manufacturing locations: 5 US, 3 in Europe, and 1 in China
- Opportunities to expand further into Europe

Macro market trends

- Continuing trend of electricity growing as a primary energy source
- Growing global use of CPAP machines: Flex-Tek 5-year revenue CAGR FY22-FY27 expected to be >7%
- New opportunities for medical and automotive hoses manufactured in China

Industrial electricity energy use (quadrillion Btu) ¹

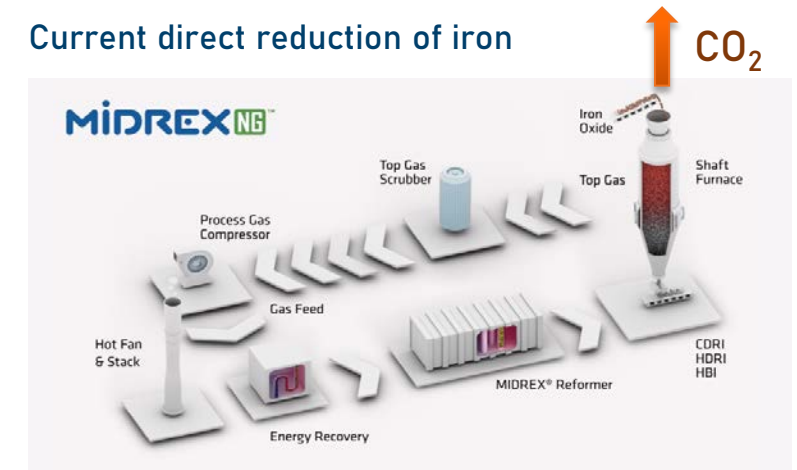


New business initiative within Industrial

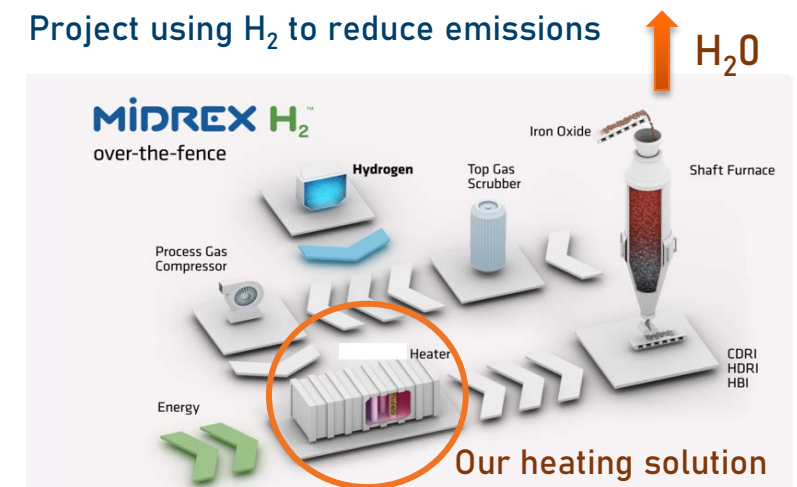
Midrex/ green steel project

- Conversion of direct reduced iron (DRI) using H_2 via electric heating systems rather than burning natural gas reduces carbon emissions in iron ore production by 95%
- Annual carbon reduction from one plant equivalent to ~860,000 fewer passenger vehicles on the road
- H2GS/Midrex agreement¹ finalised 6th October
- Purchase order expected by March 2023: adds 250 bps of incremental growth at accretive margins for FY24 and FY25
- First project is for one steel plant, multiple plants under consideration for development
- Heating elements being tested at Midrex. First of its kind in the world – joint working to overcome design challenges

Current direct reduction of iron



Project using H_2 to reduce emissions



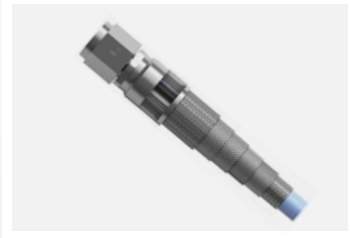
Aerospace

Aerospace products include:

Rigid tubing



Flexible tubing



Hybrid assemblies



Our markets:

Geographies

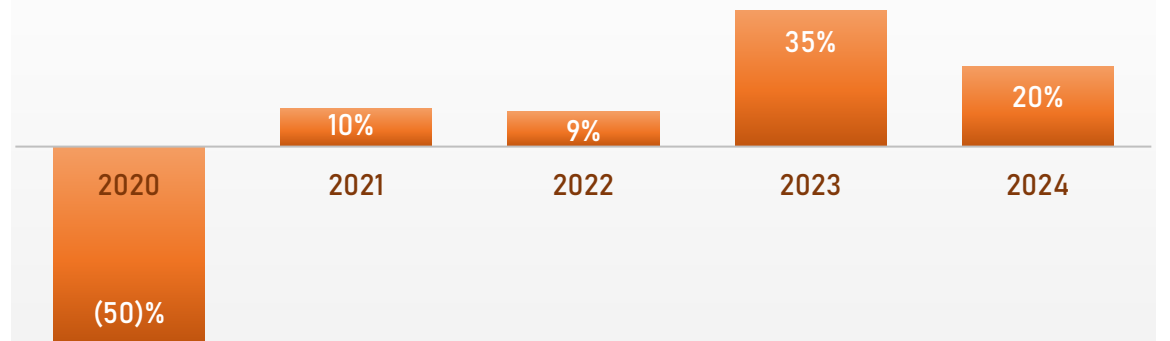
- 5 manufacturing locations: 3 US, 1 France, 1 India
- Serving major airframe and engine makers globally

Macro market trends

- Revenue Passenger Kilometres (RPK) now growing double digits, expected to reach pre-COVID level in 2024 with a long-term growth CAGR of 4.1%¹
- Driven by fleet replacement and growth in Asia, 40,000 new aircraft needed in next 20 years (double that of the last 20 years)

Key customers	Route to market	Smiths relative position
	<ul style="list-style-type: none"> • Supply globally • Commercial 55%, Military 45% • Direct to airframe and engine OEMs 	<ul style="list-style-type: none"> • Top three in high-integrity flexible tubing • Middle position in high-integrity metal tubing

Commercial aircraft production forecast (YoY growth)¹



New business initiatives within Aerospace

"One Aero" operating model

- Consistent, single customer-facing team for global customer care
- Enhanced, integrated business development team
- Centre of excellence for tooling design and build
- Production automation enhancements and lean manufacturing projects

Expanding development work through service and solutions

- Won 9 development hoses for GE 9X (Boeing 777x)
- Supported three high visibility retrofit campaigns; A350, A320, F100
- Continuing to build relationship with Aerojet (Space, RL10)

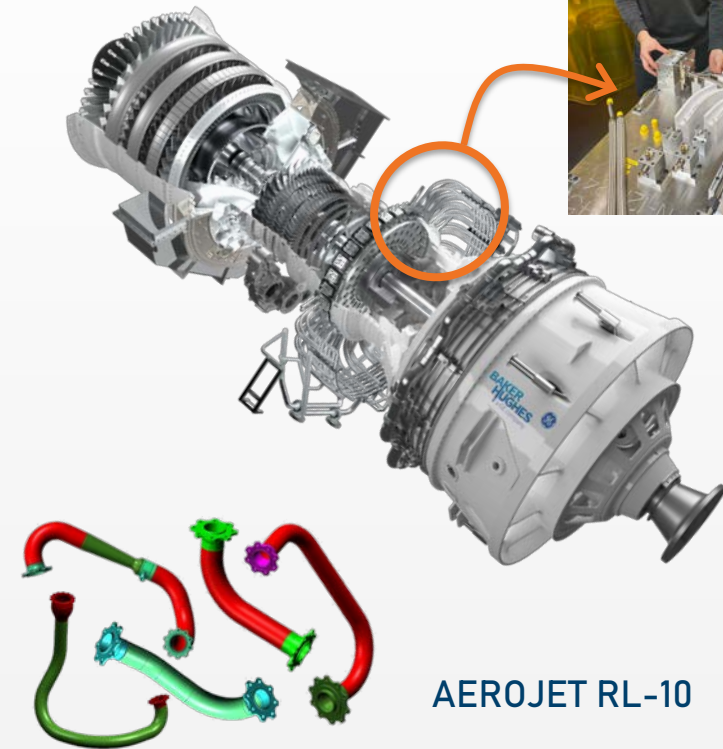
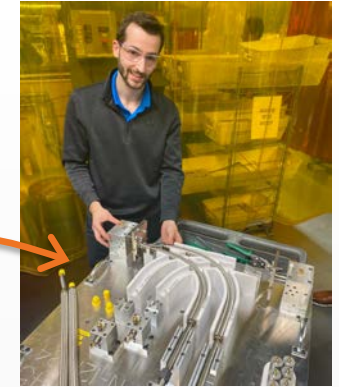
R&D to further expand portfolio

- On-going conversations with Airbus to focus on growth opportunities by shortening R&D time

Sales growth

- FY22 14.6% YoY





LM900 natural gas
fuel lines



Role of M&A

Flex-Tek is pursuing a disciplined approach to M&A. Recent acquisitions have:

- Expanded technology capability (e.g. SureHeat high voltage heating)
- Brought profitable growth and delivered synergies
- Delivered Royal Metals sales growth of 48% and profit growth of 70% since acquisition
- Facilitated entry into attractive adjacencies (e.g. Royal Metal Products – HVAC ducting; United Flexible – flexible aerospace products)

Acquisition	Date	Deal Size (£m)	 Synergies	 Improves existing positions	 Access to new adjacencies &/or geographies	 Post-acquisition performance
SureHeat	August 2017	15	✓	✓✓	✓	✓✓
United Flexible	October 2018	272	✓✓✓	✓✓	✓✓	✓
Royal Metal Products	February 2021	78	✓✓	✓✓✓	✓✓	✓✓✓

Closing Remarks

- We are confident about delivering further growth – resilient in most market conditions
- Proven track record of consistent growth, margin expansion and successful M&A
- Well-positioned with strong customer relationships in attractive markets and able to move into higher-growth adjacencies
- Driven to innovate; well-placed and committed to expanding regionally within the US and internationally
- Lean structure, strong culture, great people

Deep Dive

Smiths Interconnect



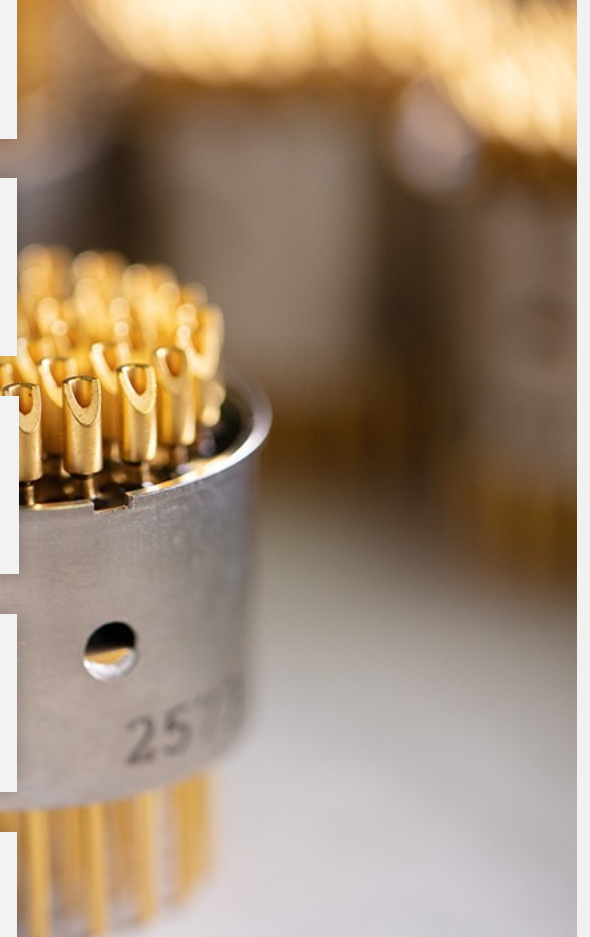
Julian Fagge, President, Smiths Interconnect

- PwC, 1996 - 1999
- Procter & Gamble, 1999 - 2011
- Royal Caribbean, 2011 - 2013
- Smiths Group, 2013 - present
 - Group Controller
 - Group Director, Strategy and M&A
 - President, Smiths Interconnect



Executive Summary

- At the forefront of cutting-edge connectivity with leading products, technologies and capabilities
- Over the past few years, we have successfully transformed the business and have built strong positions in fast growing market segments with structurally attractive characteristics
- FY22 was a year of significant progress: +14% organic revenue growth, operating margin 18%, ROCE 16.3%
- Improvements to our manufacturing efficiency, operational capabilities, automation and supply chains are helping us to respond more quickly to customer needs
- Well positioned for further growth



Smiths Interconnect: advancing the world through cutting-edge connectivity

Key data

FY2022 revenue

£363m (+13.9%¹) (14% of Smiths)

FY2022 operating profit

£65m (+39.7%¹) (14% of Smiths)

FY2022 operating margin

18.0% (+330bps¹)

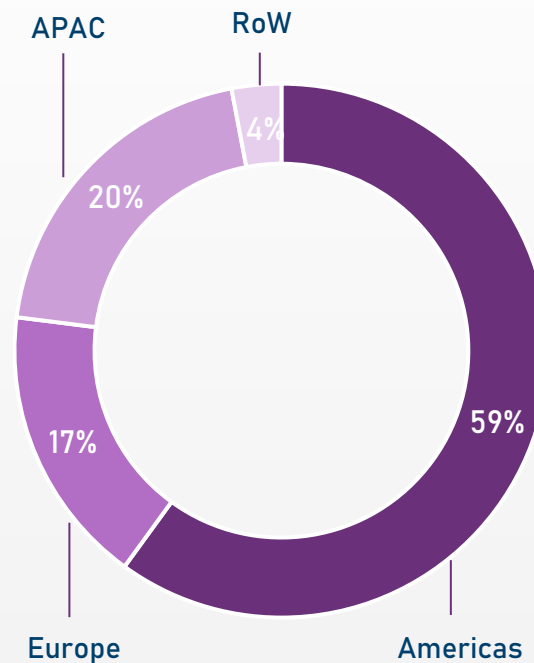
FY2022 ROCE

16.3%

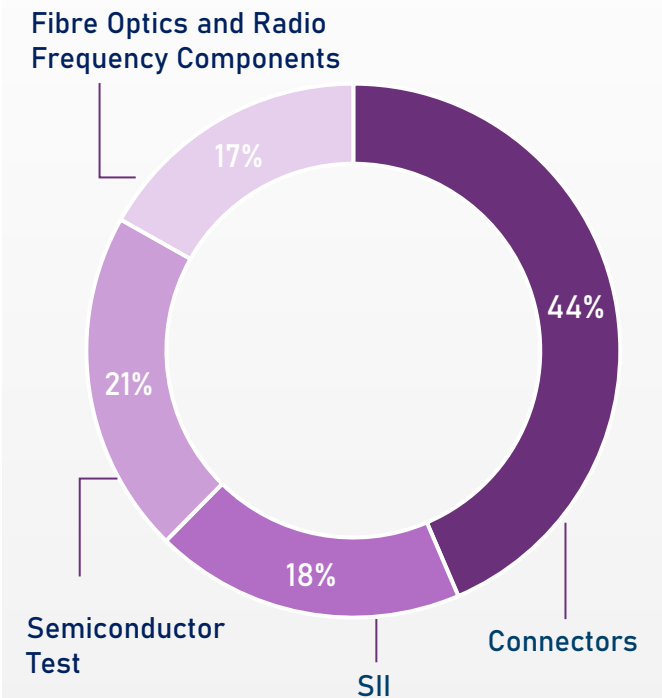
FY2022 R&D % sales

5.6%

Revenue breakdown by geographical region, % of Smiths Interconnect total



Revenue breakdown by business segment, % of Smiths Interconnect total



Smiths Interconnect: strong positions with competitive advantage in our core segments



Demand drivers

- The insatiable demand for data
- The growth of connectivity driven by mega-trends: Internet of Things, Big Data, Internet of Space, Metaverse and Industry 4.0
- The need to access data everywhere / anytime



Key customers

- Global leaders in our core markets including:
- US defence primes
- Medical device companies
- Semiconductor design and manufacturing customers



Competitive strengths

- Broad portfolio of products, and technologies
- R&D, engineering and design capabilities
- Experts in product customisation
- Customer intimacy
- Global reach and support



Competitive landscape

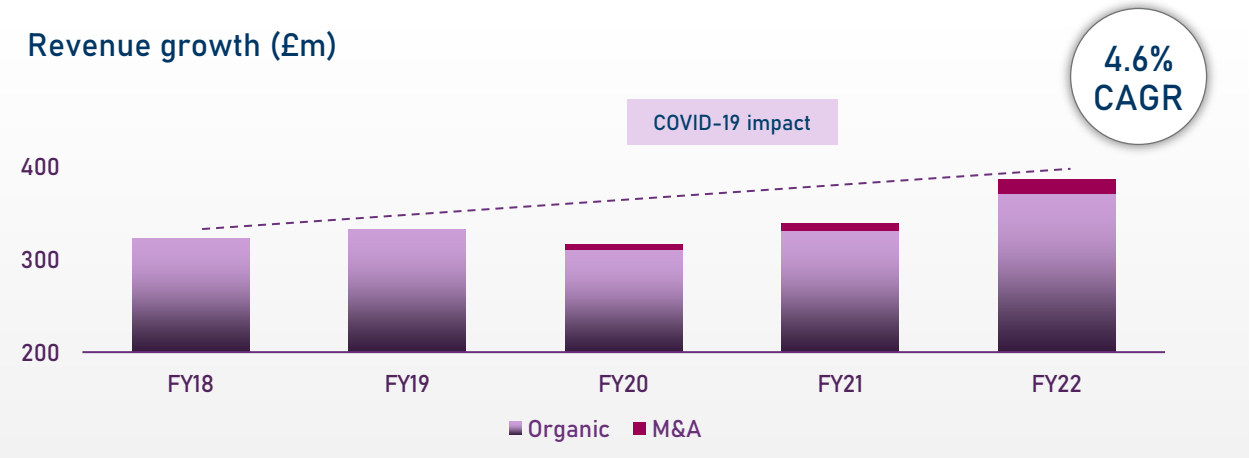
- Large multinationals to small, more focused companies across the product portfolio

The Smiths Interconnect growth story

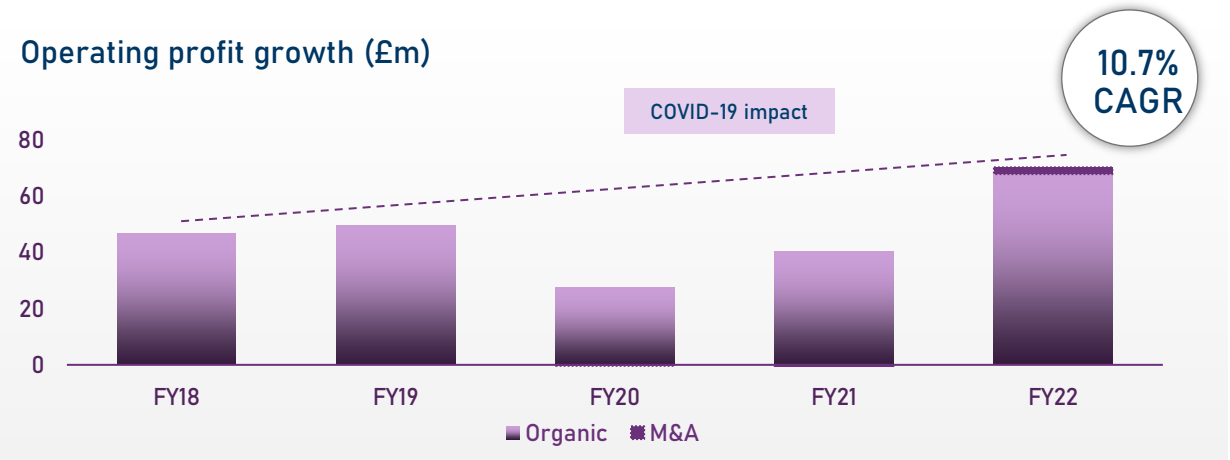
Five-year track record

- Revenue growth: 4.6% CAGR
- Operating profit: 10.7% CAGR
- Operating margin growth to 18.0%
- 103% average cash conversion
- 16.3% return on capital employed

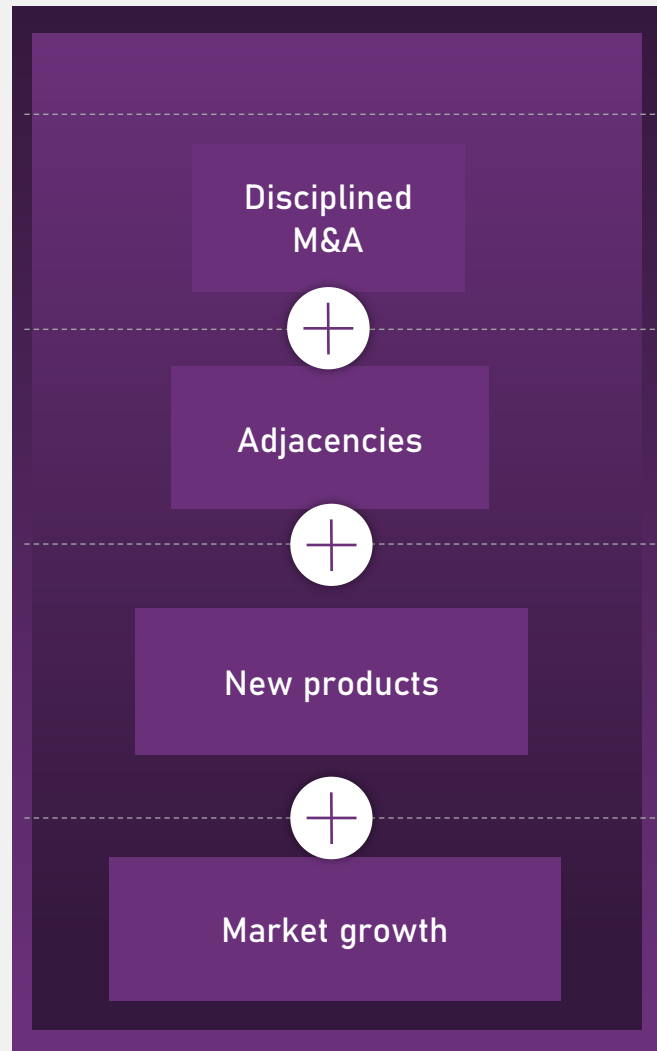
Revenue growth (£m)



Operating profit growth (£m)



How Smiths Interconnect delivers growth



Focus

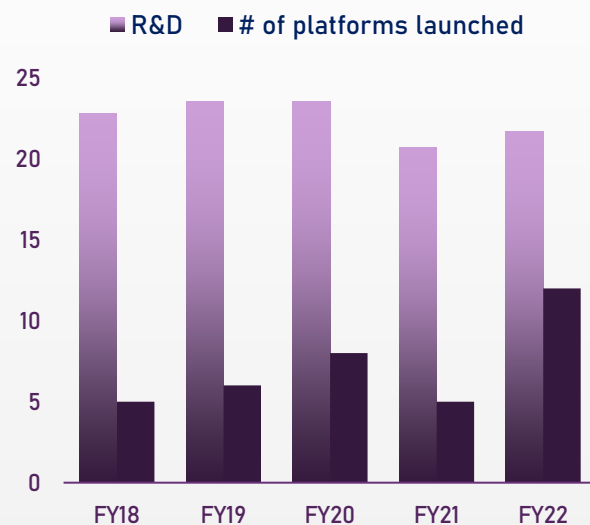
- Add new technologies
 - Access market adjacencies
-
- Add incremental revenue streams
 - Move up the value-chain
-
- Increase investment in NPD
 - Add new product platforms
-
- Markets expected to grow average 4-6%
 - Strong growth expected in space and semi-test
 - Geographic expansion opportunities

Examples

- Optical products (Reflex Photonics - 2020)
-
- Optical transceivers / sub-assemblies
 - Medical cable assemblies
 - Electric vehicle charging
-
- New product vitality of 43%
 - High integrity, high performing products e.g.
 - High-density connectors and interposers
 - DaVinci high speed, digital test sockets
-
- Accelerate growth in Asia
 - Fast-growing space opportunity

Investing for growth

R&D investment (£m) and # of new product platforms launched



5.6%

Increasing R&D
spend % sales

>40%

Gross Vitality

Staying at the forefront of innovation

- The world of connectivity is advancing at a fast rate
- We have differentiated technologies and capabilities:
 - Hyperboloid connectors: a superior performing contact technology
 - Spring probe contacts: superior miniaturised contact performance with high durability
 - Optical transceivers: optimum size, weight and power for space and defense applications
- High degree of customer intimacy to customise products for specific requirements



Examples

SpaceAble optical transceivers (SatCom)

- Launched in September 2018
- High speed data transmission for satellites

Cable assemblies (Medical)

- Launched in March 2022
- Advanced cable assembly delivering durable performance

DaVinci Micro (semi-test)

- Launched in July 2022
- High-speed, digital test sockets for chips used in small mobile devices

Intercompact PCB connector (rail)

- Launched in November 2021
- PCB connector delivering advanced electrical and performance requirements

Connectors

We design connectors that:

- Deliver high-performance for space and defence
- Enable the safe operation of high-speed trains
- Deliver robust performance in life-saving medical equipment



Space –
NXS series



Railways and metros –
Intercompact series



Medical – disposable
Hypergrip series

We have a global position:

- Across North America, Europe and Asia
- 6 manufacturing sites and 6 R&D centres

Growth is supported by strong macro-economic trends

- Increased demand for high-speed, reliable, connectivity
- Growing urban populations requiring transport and infrastructure
- Digitisation, automation and internet connectivity

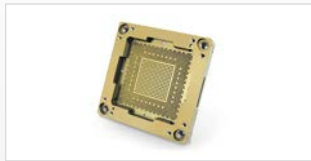
Key customers	Route to market	Smiths relative position
<ul style="list-style-type: none"> • Defence, aerospace and space primes • Major medical device companies • Manufacturers of transport systems • Industrial OEMs 	<ul style="list-style-type: none"> • Direct with dedicated key account management and technical support • Specialised distributors • Dedicated customer service and field application support 	<ul style="list-style-type: none"> • High integrity, high performing specialised products • Reliability in harsh environments



Semiconductor Test

We design test products that:

- Test sophisticated semiconductor chips and electronic circuits used in applications such as gaming, data centres, industrial and computing devices



High speed test
DaVinci series



Volta series probe head
for wafer level testing



High speed test
DaVinci Micro

Key customers	Route to market	Smiths relative position
<ul style="list-style-type: none"> • Integrated device manufacturers • Fabless design players • Outsourced Semiconductor Assembly and Test providers 	<ul style="list-style-type: none"> • Direct for key accounts • Distributors for small players • Local service and field application engineers • Strong customer intimacy 	<ul style="list-style-type: none"> • Top 3 segment position • Technology leadership in high-speed test sockets • Strategic partners to key customers

We have a global position:

- With concentration in North America and Asia
- Two plants in Suzhou, China and Tijuana, Mexico
- Close proximity to global customers both design and manufacture

Growth is supported by strong macro-economic trends

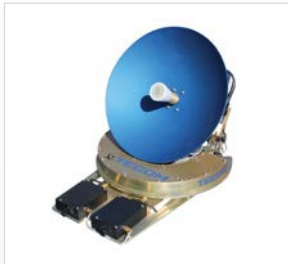
- Accelerating demand for semiconductor chips
- Growth of high-speed, digital chips for connected devices and data-intensive applications
- Demand for small powerful chips for mobile devices
- Some cyclical slow-down expected in 2023 but we expect to see profitable growth in FY23



SII

We design integrated microwave solutions, antennae and communication devices that:

- Deliver RF systems for advanced applications
- Provide situational awareness and protection from inbound threats on aircraft and vessels



Antenna systems
KASream
5000 MK II



Reference
Generator for
radar
applications

We are predominantly US focused

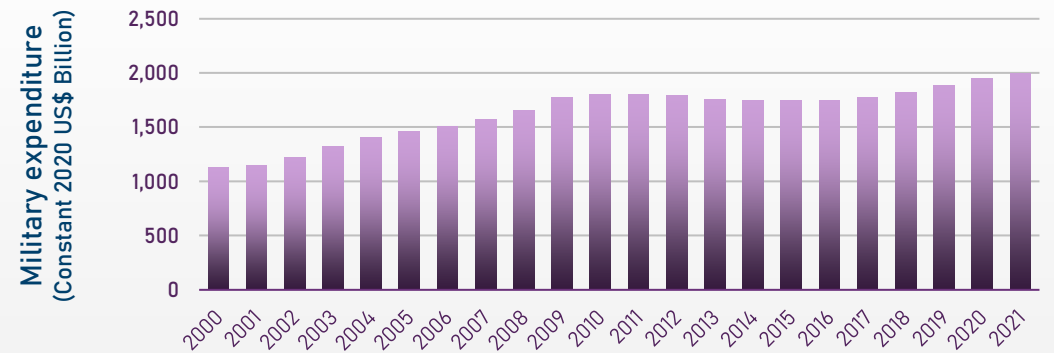
- With 1 manufacturing site, 2 R&D centres

Growth is supported by strong macro-economic trends

- Growing defence budgets driven by geopolitical uncertainties
- Demand for advanced connectivity solutions delivering robust performance
- Higher power, higher data rates, wider bandwidth, and greater connectivity all within a smaller and lighter footprint

Key customers	Route to market	Smiths relative position
<ul style="list-style-type: none"> • Leading defence, providers and primes 	<ul style="list-style-type: none"> • Collaborative development with US DoD • Partnership with US primes on critical defence programmes 	<ul style="list-style-type: none"> • RF subsystem design and expertise • Expertise in antenna system design

World military expenditure passes \$2 trillion for first time in 2021¹



Fibre Optics and Radio Frequency components

We design RF and optical components that:

- Deliver performance and signal integrity in satellite communications, deep space exploration, and defense



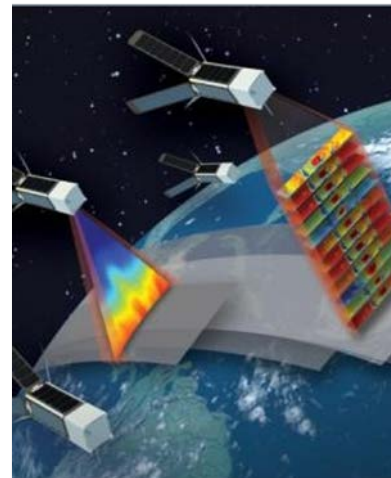
We have a global position:

- Footprint across North America, Europe and Asia
- 4 manufacturing sites, 4 R&D locations and 6 customer service centres

Growth is supported by strong macro-economic trends

- Increasing demand for high data rate communication
- SatCom growth including Low Earth Orbit (LEO) satellites
- Faster speed requirements will increase need for optical solutions

Key customers	Route to market	Smiths relative position
<ul style="list-style-type: none"> • Leading space and defence providers • Government and commercial customers 	<ul style="list-style-type: none"> • Mix of direct key account management and distributor channels 	<ul style="list-style-type: none"> • A leader in Optical transceiver technology with 28Gb capability • Developing next-gen solutions (56Gb) and disruptive technologies • Broad range of radio frequency components



Closing remarks

- Smiths Interconnect has delivered a strong performance over the past few years and has enormous potential building on the momentum we have established
- We play in attractive market segments with leading products, technologies, capabilities and a rich innovation pipeline
- We have strong customer partnerships and many opportunities to grow through customer and geographic penetration, new products and market adjacencies
- We have ambitious plans with the experience, passion, and courage to advance the world through cutting-edge connectivity

Sustainability at Smiths

Chief Sustainability Officer

John Ostergren



John Ostergren, Chief Sustainability Officer

Stanford University

- JD (2002), PhD (1999), Environmental Geochemistry

Dorsey & Whitney LLP – Environmental Law & IP litigation (2002-07)

3M Company (2007-19)

- Global EHS Director
- Associate General Counsel, Supply Chain

Zymergen Inc., Senior Legal Director (2020-21)

Joined Smiths in January 2022 as Group's first CSO

- Role reports directly to CEO and sits on the Executive Committee
- Governed by Science, Sustainability and Excellence Board committee



Sustainability is at the heart of our Purpose

OUR PURPOSE



PIONEERS OF PROGRESS

Improving our world through smarter engineering

OUR STRENGTHS



World-Class Engineering



Leading Positions in Critical Markets



Global Capabilities



Robust Financial Framework

OUR PRIORITIES



Growth



Execution

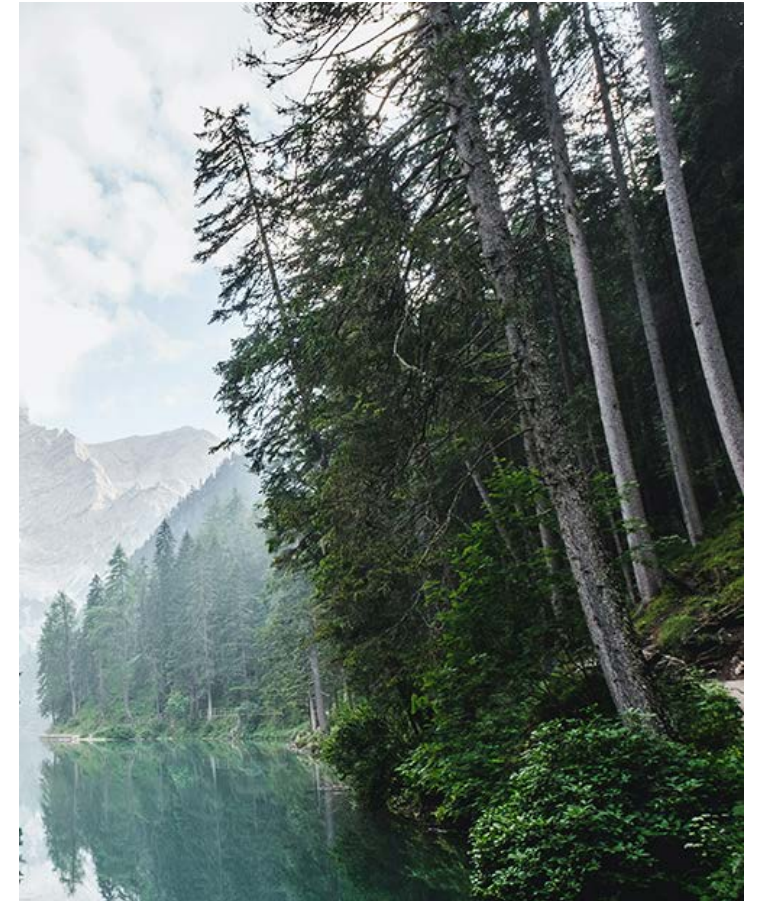
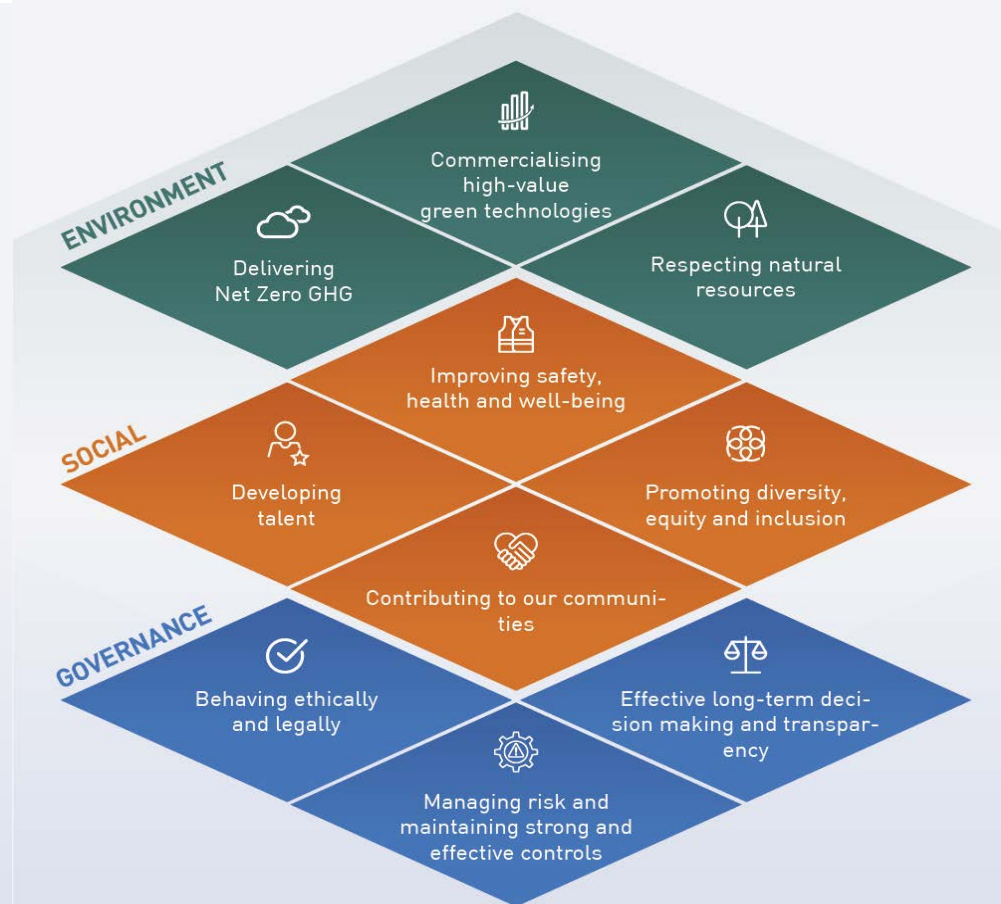


People

Delivering for all our stakeholders

Our ESG Framework: from purpose to action

Sustainability at Smiths



Improving our world through smarter engineering

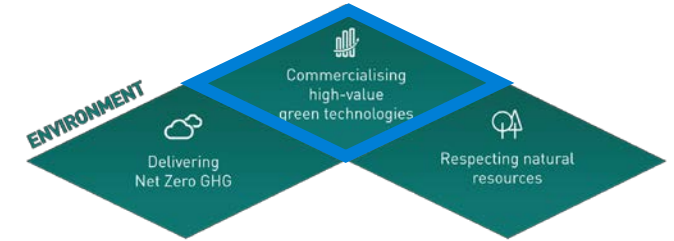
Our Priorities – delivering for all our stakeholders



Growth

Deliver for our customers

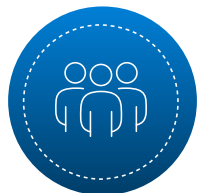
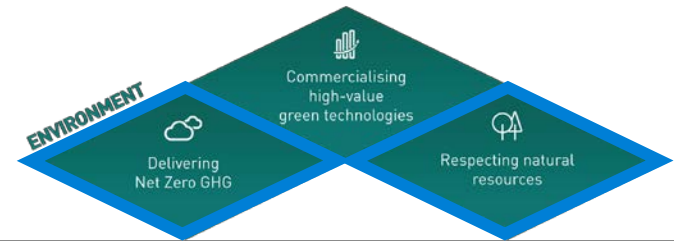
- Commercialise high-value green technologies
- Prioritise new product development that delivers sustainability performance benefits that our customers need and want



Execution

Deliver for our communities

- Net Zero GHG emissions (Scopes 1-3) and Science Based Targets
- Respect natural resources – reduce waste, water, and packaging



People

Deliver for our colleagues

- Reduce risk while supporting and growing strong safety culture
- Develop and empower Smiths talent for the future
- Embed an inclusive and diverse culture

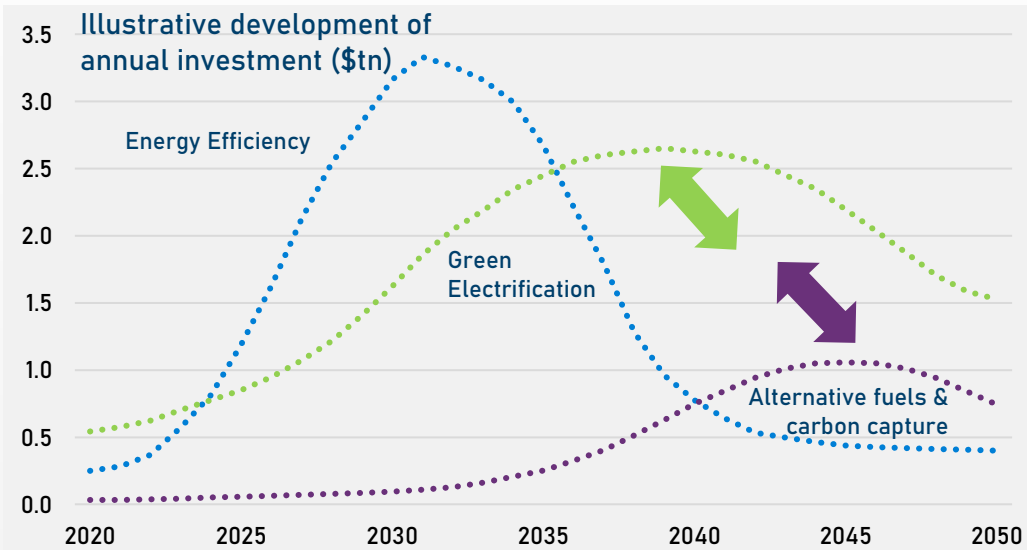


Stakeholder value  Shareholder value

Deliver for our customers

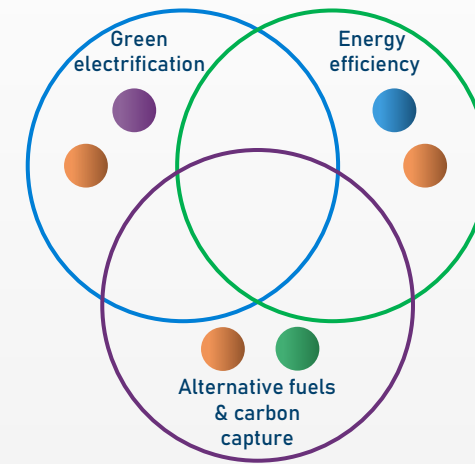


The energy transition agenda will drive investment of over \$100tn in the next 30 years



- Three primary levers
- 3-4 x current annual investment needed
- Delivery path will evolve

This creates significant group-wide opportunities



- Divisions align with customer needs
- Group addresses three dimensions
- Delivery creates value

Enabling energy transition

Deliver for our customers



Smiths Detection



Energy efficiency – addressing Smiths Group's Scope 3 emissions (products-in-use for lifetime)



Energy efficiency – latest generation X-Ray product portfolio reduces TCO, helps meet customer goals while maintaining security



John Crane



Supporting customers today to create and preserve our path to tomorrow – safety, compliance, conservation and efficiency



Enabling energy transition e.g. methane, carbon capture, hydrogen

Global
Methane
Pledge



Smiths Interconnect



Sustainable supply chains



Growth opportunities with energy transition – green electrification (e.g. renewable energy generation, electric vehicle charging)



Flex-Tek



Core markets evolving with energy transition – efficiency, electrification and low-carbon fuels



Significant opportunities emerging – e.g. green steel (electrification)



Sustainability our customers need and want

Deliver for our communities



Priority actions



Net Zero 2040 – Scope 1&2 GHG (operations)

- Setting Science-Based Targets (SBTs) in 2023
- Group-wide energy team managing efficiency and renewables
- Expanding on-site solar generation



Net Zero 2050 – Scope 3 GHG (suppliers & customers)

- Setting SBTs in 2023
- Category 1: purchased goods and services
- Category 11: products-in-use



Respecting natural resources – core operational goals

- Reduce waste
- Reduce water use (stressed areas and projects)

Results

	Target FY2022-2024	FY2022 Progress
Renewable electricity	5% increase to 66%	2% increase to 63% <input checked="" type="checkbox"/>
Scope 1 & 2 GHG emissions	5% reduction normalised to revenue	7.2% reduction <input checked="" type="checkbox"/>
Baseline inventory complete - supply chain & products in use >90%	 Smiths Detection product portfolio 55% energy savings ¹	 EV Leasing Scheme 70% of UK Smiths Detection renewals
Non- recyclable waste Water use in stressed areas Water reduction projects	5% reduction 5% reduction 10 in FY2022	11.5% reduction <input checked="" type="checkbox"/> 4.5% reduction <input checked="" type="checkbox"/> 12 projects <input checked="" type="checkbox"/>

Meeting our commitments

Delivering for our colleagues



Priority Actions

Results



Workplace safety

- Support and continue to grow strong safety culture
- See and act to engage teams and reduce risk
- Engineered solutions that improve the work

- Top-quartile¹ RIR (0.5), 86 colleagues injured in FY2022
- > 15,500 Safety Leading Indicators in FY2022
- > 1,700 guarding improvement projects in FY2022



Development

- Group-wide training and resources
- Leadership development programmes
- Enhance technical careers and manage internal talent mobility

- Leadership Behaviour dedicated to “develops self and others”
- SES programme prioritises transferrable Lean Six Sigma skills
- Common technical career ladder and focus on early career talent



Diversity, Equity & Inclusion

- Board – implementing Diversity policy action plan
- Leadership – increasing diverse talent
- Recruitment and retention

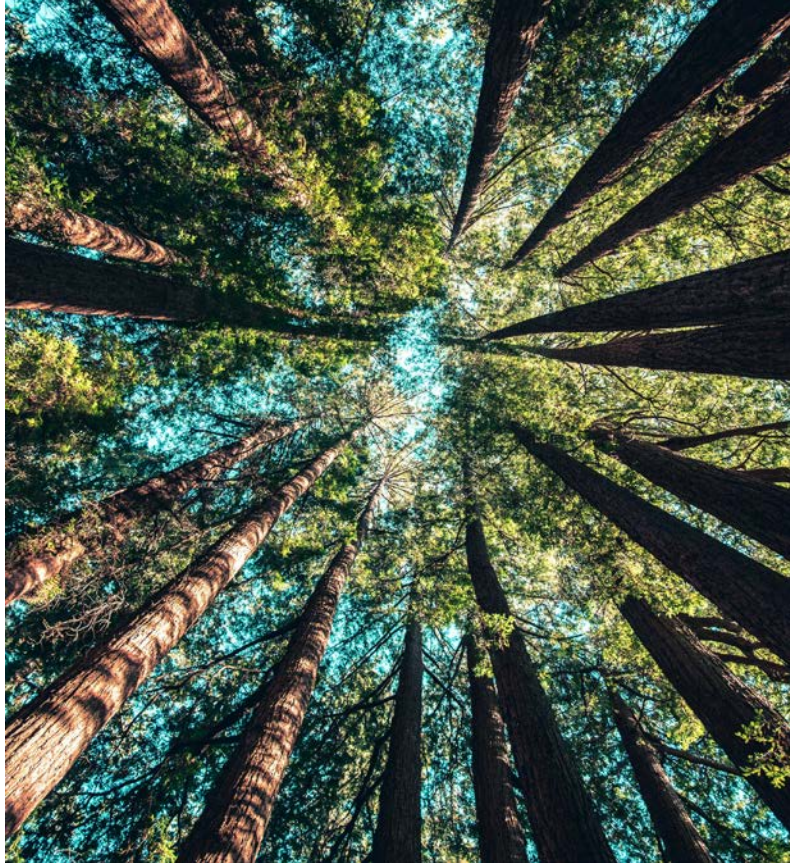
Focused action on Gender Diversity (% female)

- Board Directors : 45%
- Executive Committee : 31%
- Senior leadership : 24%. Target: 27% in FY23, 30% in FY24



Building on strength and committed to improve

Delivering for investors



- Delivering for investors: purpose-driven value creation for all stakeholders
- ESG Framework translates purpose to action
- Prioritising delivery of high-value sustainable returns
 - Delivering for our customers – sustainability performance that our customers need and want
 - Delivering for our communities – Net Zero; meeting our commitments
 - Delivering for our colleagues – safety, development, diversity, equity, and inclusion

Improving our world through smarter engineering

Financial Progress

Chief Financial Officer

Clare Scherrer



Top investor questions

- What attracted you to Smiths and what are your early impressions?
- How is FY23 going so far?
- Do you remain confident in the FY23 guidance?
- What is management's view on cash conversion, and in particular working capital?
- What are the Group's capital allocation priorities?

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A great opportunity in a great company



Growth

A unique opportunity

Market leading businesses with significant potential and strong growth levers



Execution

At an exciting time

Focused structure and clear priorities already helping to unlock that potential



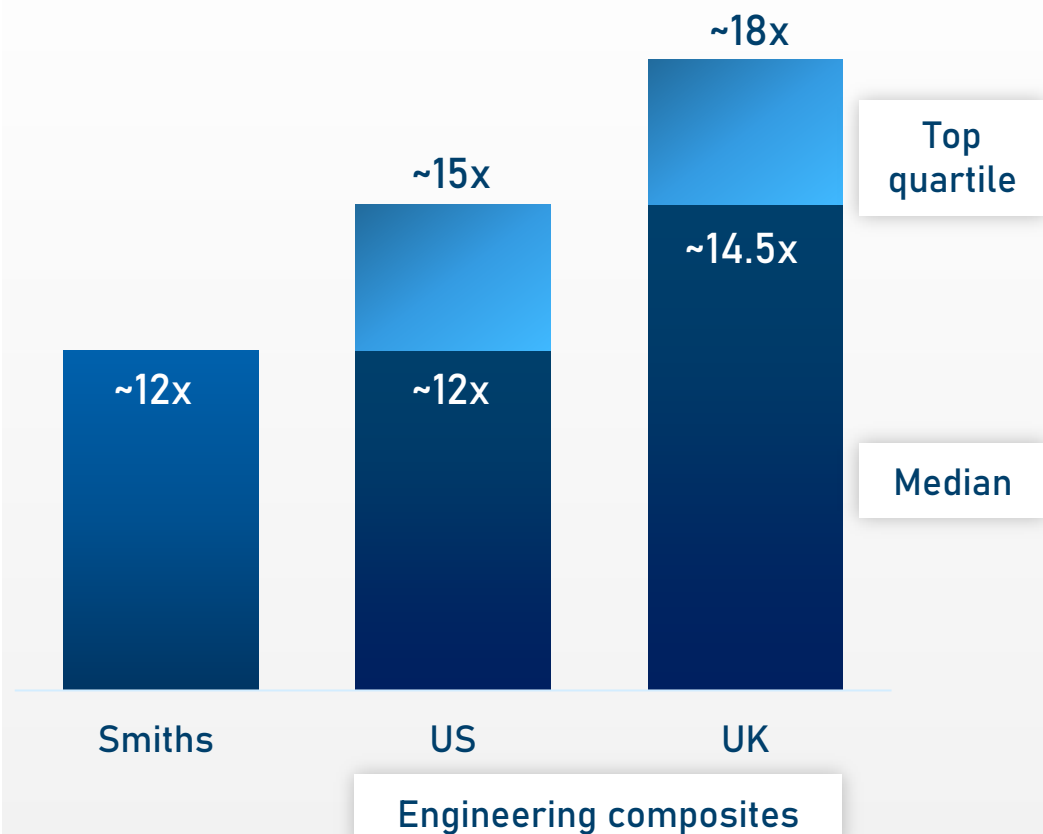
People

As part of a re-energised leadership team

Bringing my experience of a fast paced, dynamic culture to help drive further acceleration

Significant value creation potential

EV / Next 12 months EBIT



Key financial metrics

	Top quartile	Smiths medium-term targets
US mid-cap engineering peers		
Sales growth ¹	~5.5%	4-6%
EBIT margin ²	>20%	18-20%
Cash conversion ³	>100%	100%+
UK engineering peers		
Sales growth ¹	~6.5%	4-6%
EBIT margin ²	>20%	18-20%
Cash conversion ³	>100%	100%+

Source: Market data as of 2-Nov-2022. UK engineering composite includes Halma, IMI, Melrose, Rotork, Spectris, Spirax-Sarco, Weir. US engineering composite includes Carlisle, Dover, Fortive, IDEX, ITT, Pentair, Rexnord, Textron. Financials calendarised to July year end.

¹ Sales growth represents 2024 vs. 2023 growth rate.

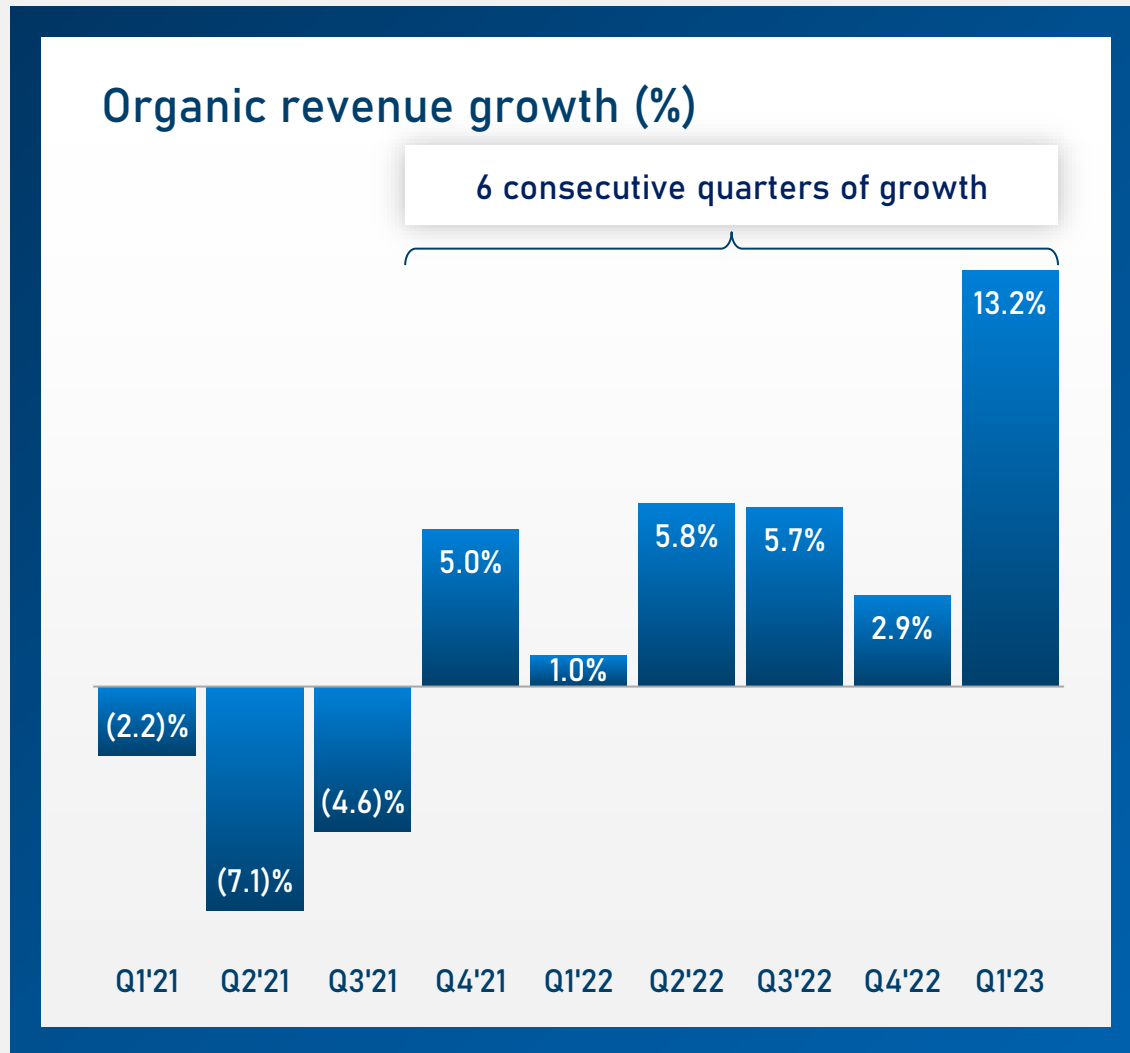
² EBIT margin represents 2023 EBIT margin.

³ Cash conversion represents 2023 cash conversion, defined as (EBITDA - Capex+/-net working capital movement) / EBIT.

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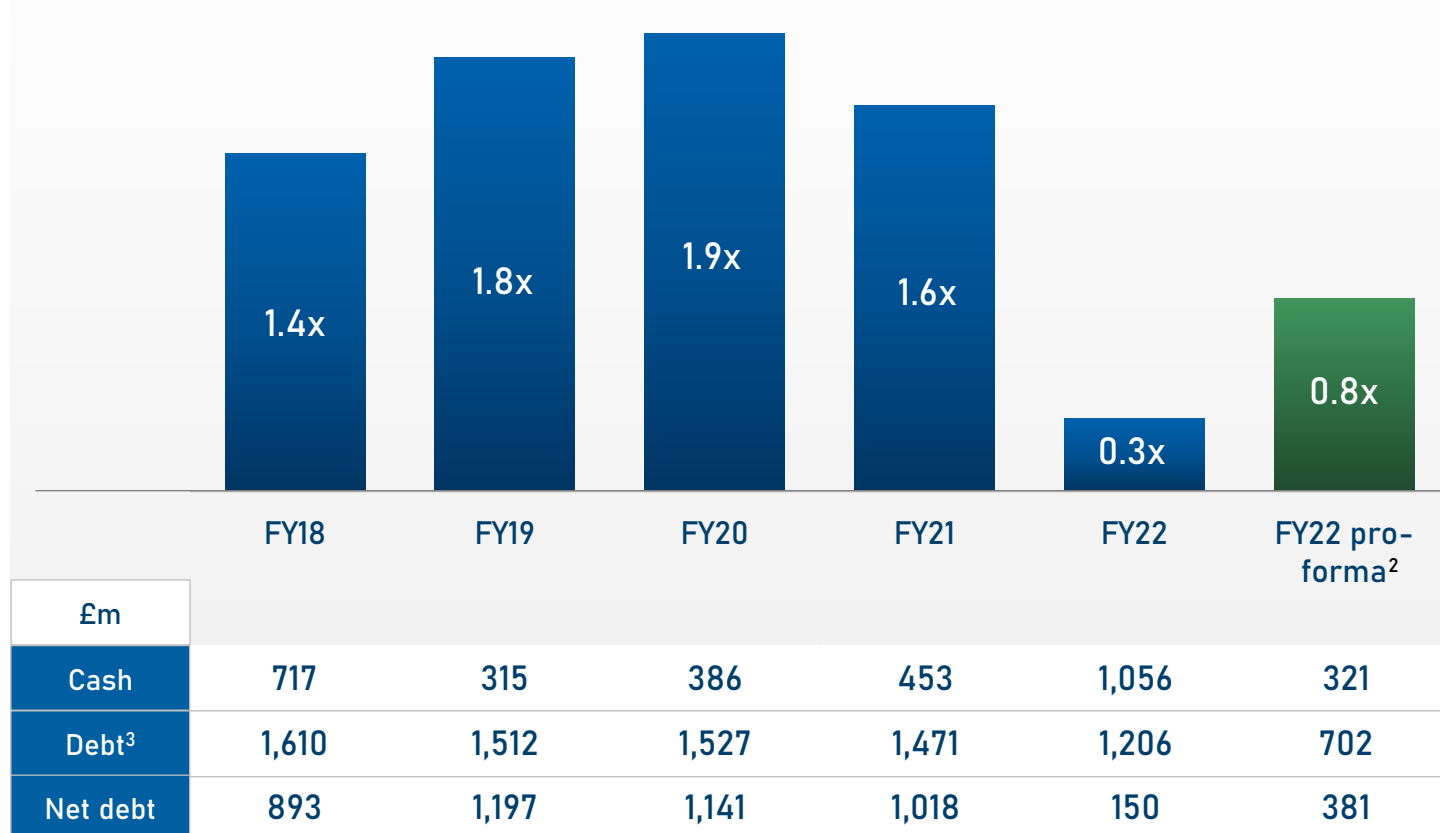
Q1'23 – a very strong start to the year



- Q1'23: +13.2% organic revenue growth, our sixth consecutive quarter of growth
- John Crane posted steady growth and demand remains strong
- Smiths Detection benefitted from a strong Q1 orderbook to deliver growth, strengthening our confidence in its return to growth this year
- Flex-Tek continues its strong performance
- Smiths Interconnect contributed solid growth in the first quarter against a strong comparator

Strong balance sheet provides security and flexibility

Net debt : EBITDA¹



£107m share buyback in Q1

- Share buyback now 83% complete with £617m returned

Proforma leverage

- FY22 proforma net debt:EBITDA of 0.8x adjusts for the completion of the full £742m share buyback expected to complete in early CY23





Capital management

- Stated leverage policy is to operate under 2.0x as we've done in the past
- In the current environment <1.0x is appropriate but would consider increasing leverage for the right opportunities
- Strategy in line with capital management policy to maintain a solid investment grade credit rating

Top investor questions

- What attracted you to Smiths and what are your early impressions?
- How is FY23 going so far?
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- What is management's view on cash conversion, and in particular working capital?
- What are the Group's capital allocation priorities?

Capitalising on opportunities and navigating headwinds

	Tailwinds	Headwinds
 <p>John Crane a smiths company</p>	<ul style="list-style-type: none"> - Strong demand reflected in record orderbook - Targeted actions to simplify end to end value chain - Methane remediation and energy transition underpinning medium-term growth 	<ul style="list-style-type: none"> - Supply chain disruption currently expected to continue throughout FY23 - H1'23 headwind from cessation of sales to Russia
 <p>smiths detection</p>	<ul style="list-style-type: none"> - Strong order book - Growth in Other Security Systems - Growth in aftermarket - Targeted restructuring actions 	<ul style="list-style-type: none"> - Critical electronic components shortage expected to continue throughout FY23 - H1'23 headwind from cessation of sales to Russia
 <p>FLEX-TEK GROUP</p>	<ul style="list-style-type: none"> - New product launches including Python Line sets and H2 Green steel - New facility in Houston generating sales from Q1 - Continued aerospace recovery 	<ul style="list-style-type: none"> - US housing slowdown expected but still not visible in our sales
 <p>smiths interconnect</p>	<ul style="list-style-type: none"> - Strong new product pipeline - Growing demand for our space products 	<ul style="list-style-type: none"> - Potential slowdown in semi-conductor market (~3% of Group sales)

Maintaining FY23 guidance

Tailwinds

- Clear strategy with better focused execution priorities
- Strong order books
- Pricing power across most of the portfolio (and improve in weaker markets through technology diversification)
- High impact new product launches
- SES projects beginning to yield results
- Energised and inspired organisation executing at a faster pace

Headwinds

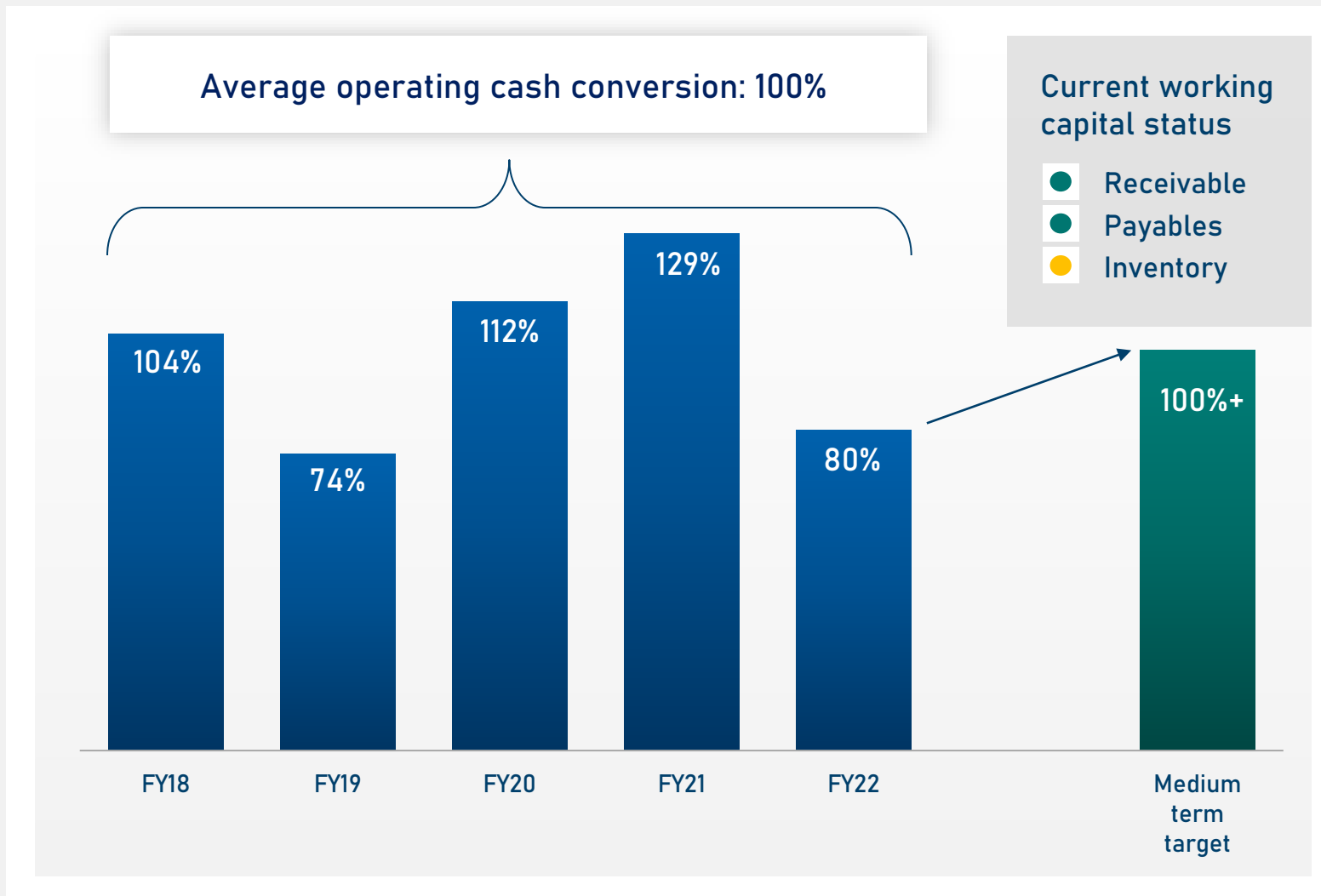
- Ongoing supply chain challenges
- Record inflation
- Geopolitical and macroeconomic uncertainty

Expect to deliver
4.0-4.5% organic
revenue growth with
moderate margin
improvement in
FY2023

Top investor questions

- What attracted you to Smiths and what are your early impressions?
- How is FY23 going so far?
- Do you remain confident in the FY23 guidance?
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- What are the Group's capital allocation priorities?

Strong operating cash conversion



Return to 100%+ operating cash conversion over time as we:

- Manage inventory levels as supply chains stabilise through FY23/FY24
- Continue to manage other working capital
- Remain true to our asset light model (capex 2.5-3.0% of sales), being an assembler not a vertically integrated manufacturer

Managing growth and supply chain whilst maintaining inventory discipline

FY22 inventory composition

	Raw materials	WIP	Finished goods
John Crane	▲	▲	▲▲▲
Smiths Detection	▲▲	▲▲	▲▲▲
Flex-Tek	▲▲▲	▲	▲
Smiths Interconnect	▲▲▲	▲	▲

Supporting growth →

← Navigating supply challenges

Current situation

- FY22 increase in inventory of £154m a result of:
 - Supporting revenue growth
 - Securing supply
 - Inflation and FX

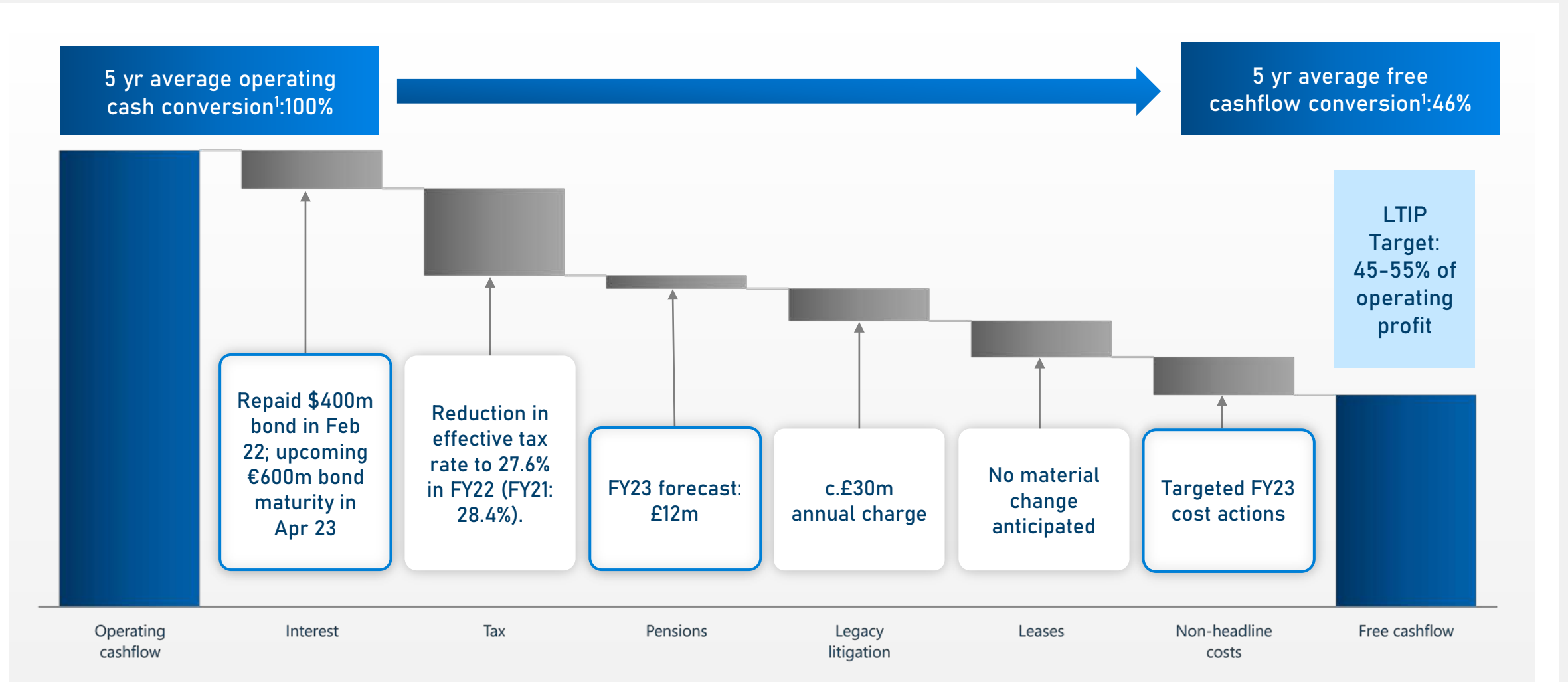
FY23 action plan

	Examples of SES projects
John Crane	<ul style="list-style-type: none"> • Improved demand and capacity planning • Continued reduction of single source supply
Smiths Detection	<ul style="list-style-type: none"> • Improved forecasting, global standardisation and best practice alignment
Flex-Tek	<ul style="list-style-type: none"> • Capacity expansion for high demand products
Smiths Interconnect	<ul style="list-style-type: none"> • Improved demand and capacity planning • Capacity expansion and automation

Ongoing actions

- 15 SES projects currently underway focused on inventory management
- Supplier diversification reduced single sourcing across the business
- Anticipate continued supply chain disruption through FY23 in John Crane and Smiths Detection

Continued active management of free cashflow



Top investor questions

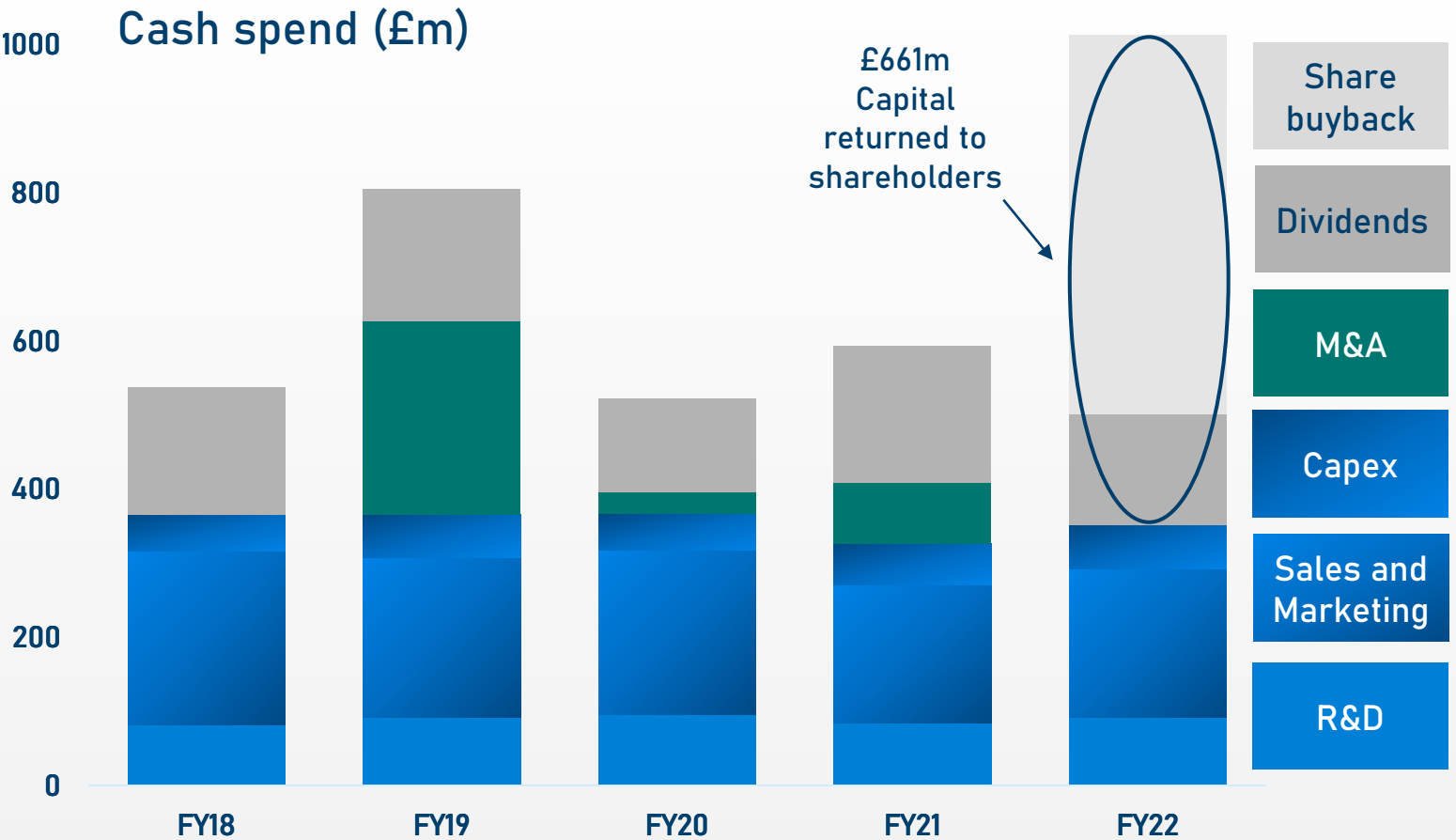
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Capital allocation priorities: driving growth and shareholder returns

Priority 1 Organic investment: R&D, sales & marketing and capex

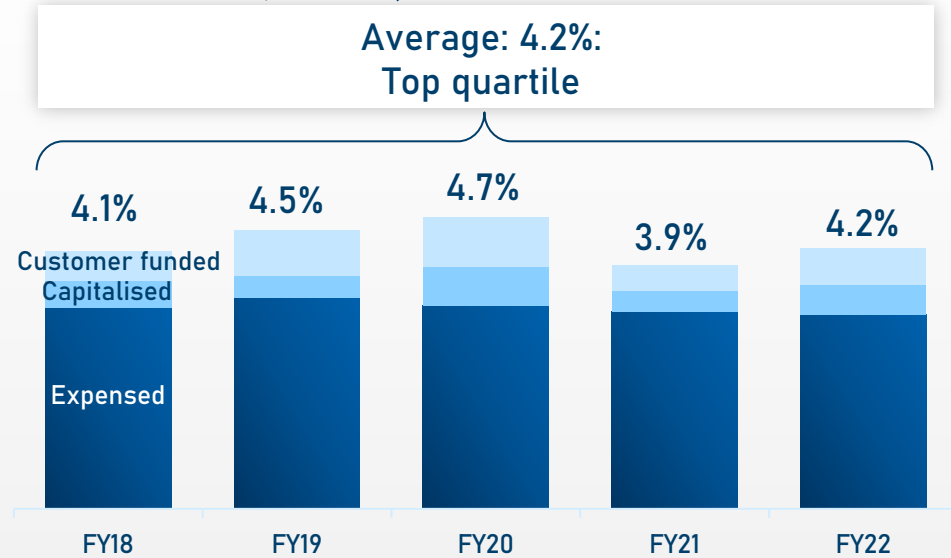
Priority 2 M&A: acquisitions

Priority 3 Capital returned to shareholders via dividends and share buyback



Priority 1: Organic investment

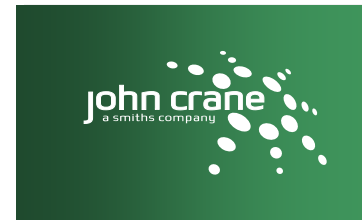
R&D investment (% sales)



R&D framework

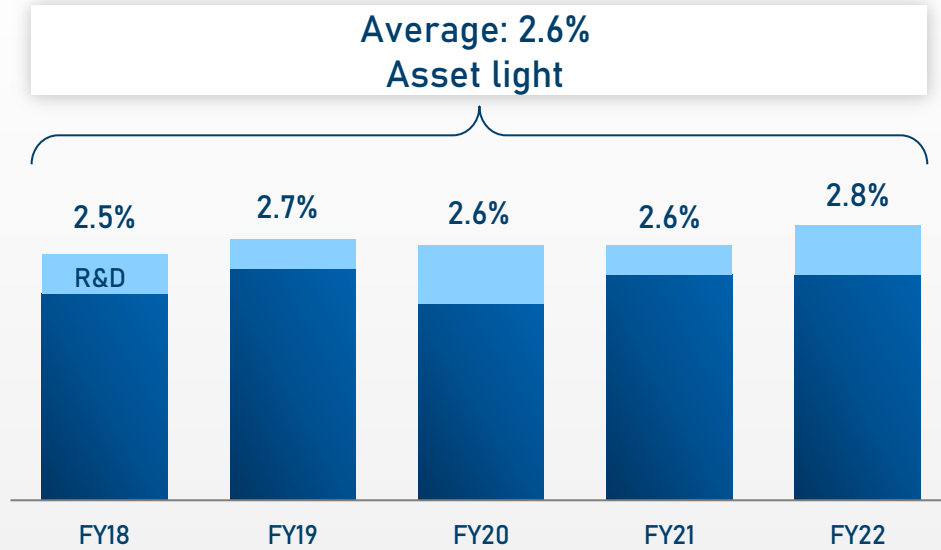
- Maintain 4-5% of R&D investment including customer funded projects
- Focus on high return investments
- Compensation linked to commercialisation of new products

Representative R&D projects



Priority 1: Organic investment

Capital expenditure (% sales)



Capex framework

- Demonstrating our asset light model with capex spend of ~2.5-3.0% % of sales including R&D
- Targeted capex to support growth
- Compensation linked to ROCE, cash and free cash conversion

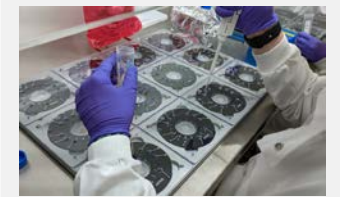
Representative capex projects



Investment in CNC capabilities and in quality management systems



Investment in chem-bio technologies facilities



New duct plant in Houston facility



Medical cable assembly expansion and automation

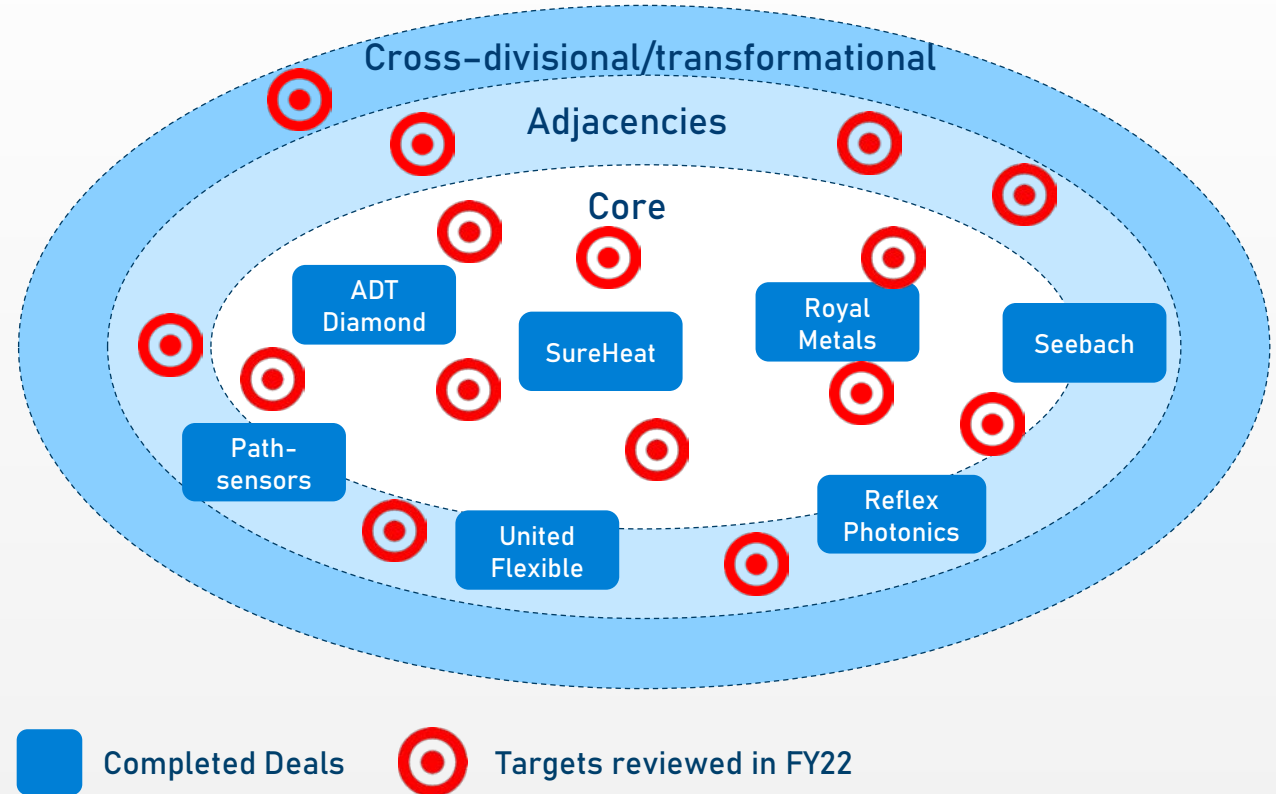


Priority 2: Targeted M&A

Accelerate organic strategy

- Focus on our core and adjacencies through bolt-ons and selective larger strategic opportunities
- Strengthen market/ geographical positions
- Enhance technology roadmap
- Access priority/new adjacencies with attractive characteristics
- Accelerate growth and create scale

Cultivate an attractive M&A pipeline

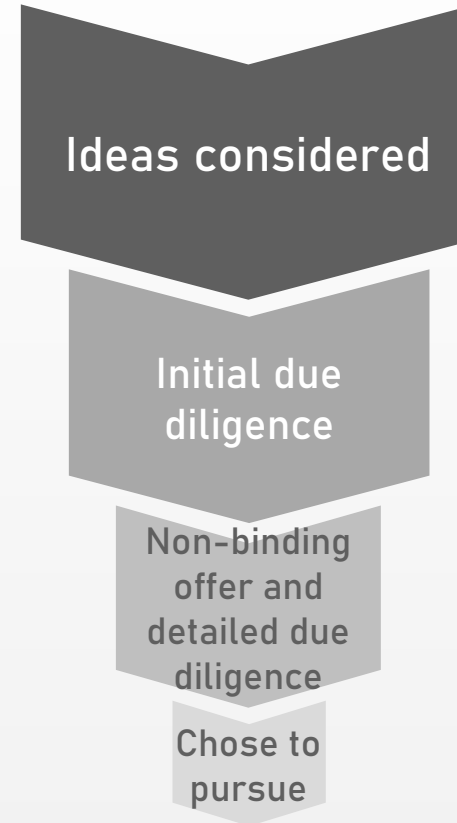


Priority 2: Targeted M&A

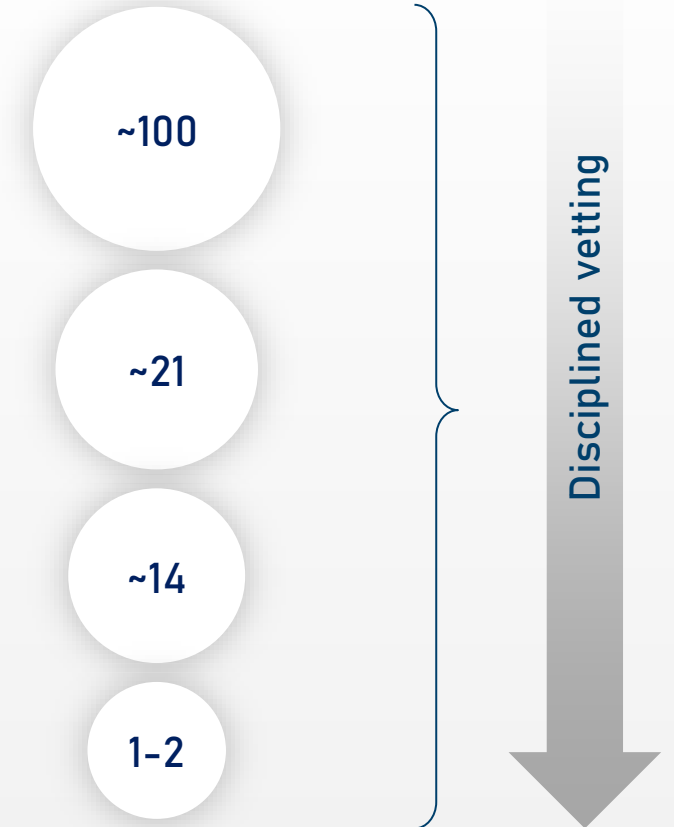
Disciplined approach

- All division generate opportunities aligned to the strategy
- Group expertise supports prioritisation, review and progression of opportunities and integration
- Focused on value creation, synergies, and return on capital
- Targeting opportunity that further solidifies strong core positions or accelerate penetration of adjacencies

Structured process



Average # of opportunities reviewed per year¹



Priority 3: Capital returns to shareholders

Progressive dividend





- Target to increase dividends in line with long-term growth in earnings
- While maintaining dividend cover of at least two times
- FY22 dividend yield of 2.6%, attractive relative to peers
- 70 years of uninterrupted dividend

Surplus capital return via share buyback

- Return of Smiths Medical proceeds reflected shareholder input
- Currently 83% complete as at end of Q1'23
- Programme expected to complete early CY2023



Well positioned for the near and longer term

	FY2023	Medium-term
 Organic revenue growth	Maintain guidance of 4-4.5% organic growth, with a very strong start in Q1	Strong positions in attractive markets supports medium-term target of 4-6%
 Operating margin	Moderate margin improvement in FY23 as we continue to navigate macro challenges	SES delivering stronger execution to drive margin expansion to 18-20%
 Cash conversion	Priority remains delivering for customers as supply chains remain challenging	Working capital discipline to deliver 100%+ cash conversion
 EPS and ROCE	Growth of top line and moderate margin improvement will deliver better returns	EPS growth of 7-10% and ROCE of 15-17% through growth and stronger execution