



# Morgan Advanced Materials plc

## 2025 Interim Results

Damien Caby, Chief Executive Officer  
Richard Armitage, Chief Financial Officer

7 August 2025

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# Agenda

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1. INTRODUCTION & MARKET  
CONTEXT

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2. FINANCIAL PERFORMANCE

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3. OPERATIONAL REVIEW &  
OPPORTUNITIES

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4. CONCLUDING REMARKS AND Q&A

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Damien Caby, CEO



Richard Armitage, CFO

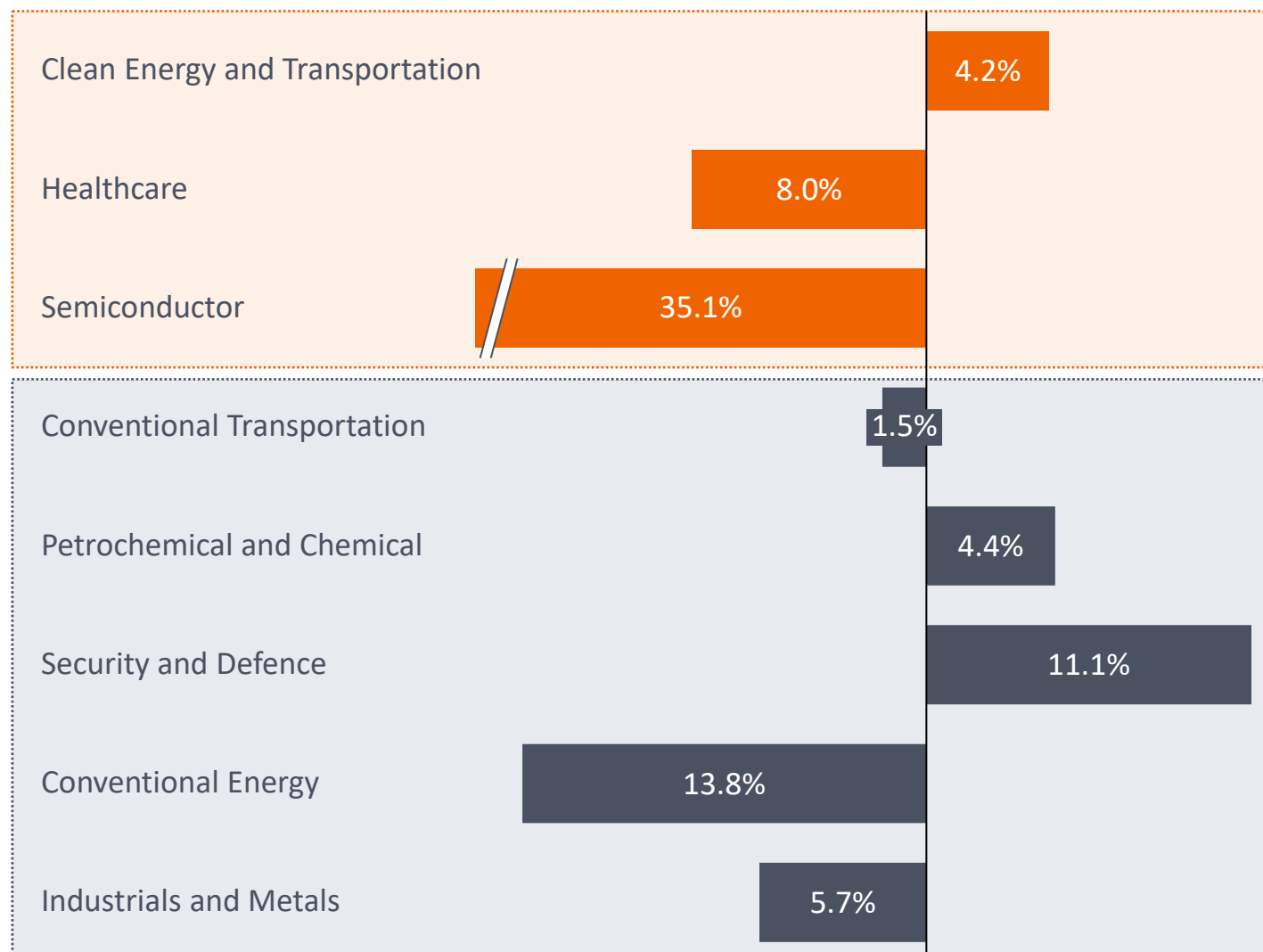
Interim Results 2025

# Revenue in-line with expectations in difficult markets; good progress across operational priorities

- 1 Challenging conditions as expected; signs of stabilisation
- 2 Revenue **down 5.8%** (OCC), in-line with continued soft markets
- 3 Adjusted operating profit margin of **11.1%**  
Business simplification and other cost measures partly offset weaker markets, particularly in Semiconductor
- 4 Semiconductor investment **substantially complete**; flexibility retained to increase capacity further as market demand recovers
- 5 Simplification programme **progressing well**  
Annual run-rate benefits of £24 million during 2025 and £27 million during 2026 as expected

Interim Results 2025

# End markets challenging; signs of stabilisation



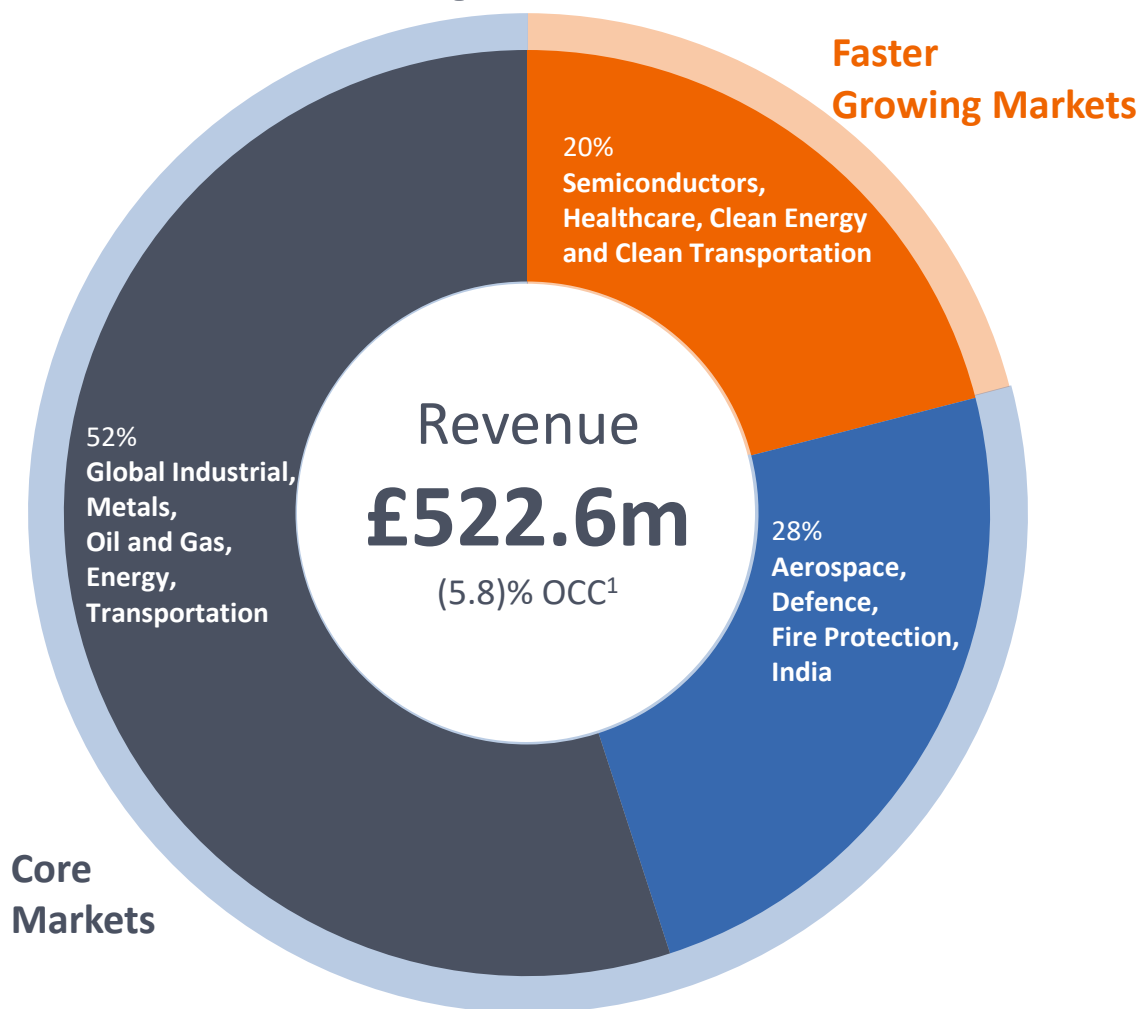
- Faster growing markets **down 17.2%**
  - *Slow down and destocking in silicon carbide semicon*
  - *Progressive uptick in silicon semicon*
  - *Temporary decline in Healthcare due to inventory adjustments and shifts in product mix*
- Core markets **down 2.5%**
  - *Strong growth in Security and Defence*
  - *Aerospace continues to perform well, offsetting weaker conditions in Automotive*
  - *Industrial and Metals, and Petrochemical and Chemical weak*
  - *Signs of stabilisation; up 4% sequentially*

# Financial Performance

Richard Armitage, CFO

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# Resilient performance in challenging markets

OCC<sup>1</sup> revenue**(5.8)%**

£522.6m H1 '24: £572.6m

Adj. earnings per share<sup>3</sup>**10.8p**

H1 '24: 14.7p

Adj. operating profit<sup>2</sup>**£58.0m**

H1 '24: £71.3m

Return on invested capital<sup>4</sup>**16.2%**

H1 '24: 19.7%

Adj. operating profit<sup>2</sup> margin**11.1%**

H1 '24: 12.5%

Free cash flow<sup>5</sup>**£1.2m**

H1 '24: £(7.9)m

<sup>1</sup> OCC represents 'organic constant currency' is revenue growth excluding the impact of acquisitions and divestments and foreign currency impacts.

<sup>2</sup> Adjusted operating profit is statutory operating profit, adjusted for specific adjusting items and amortisation of intangible assets.

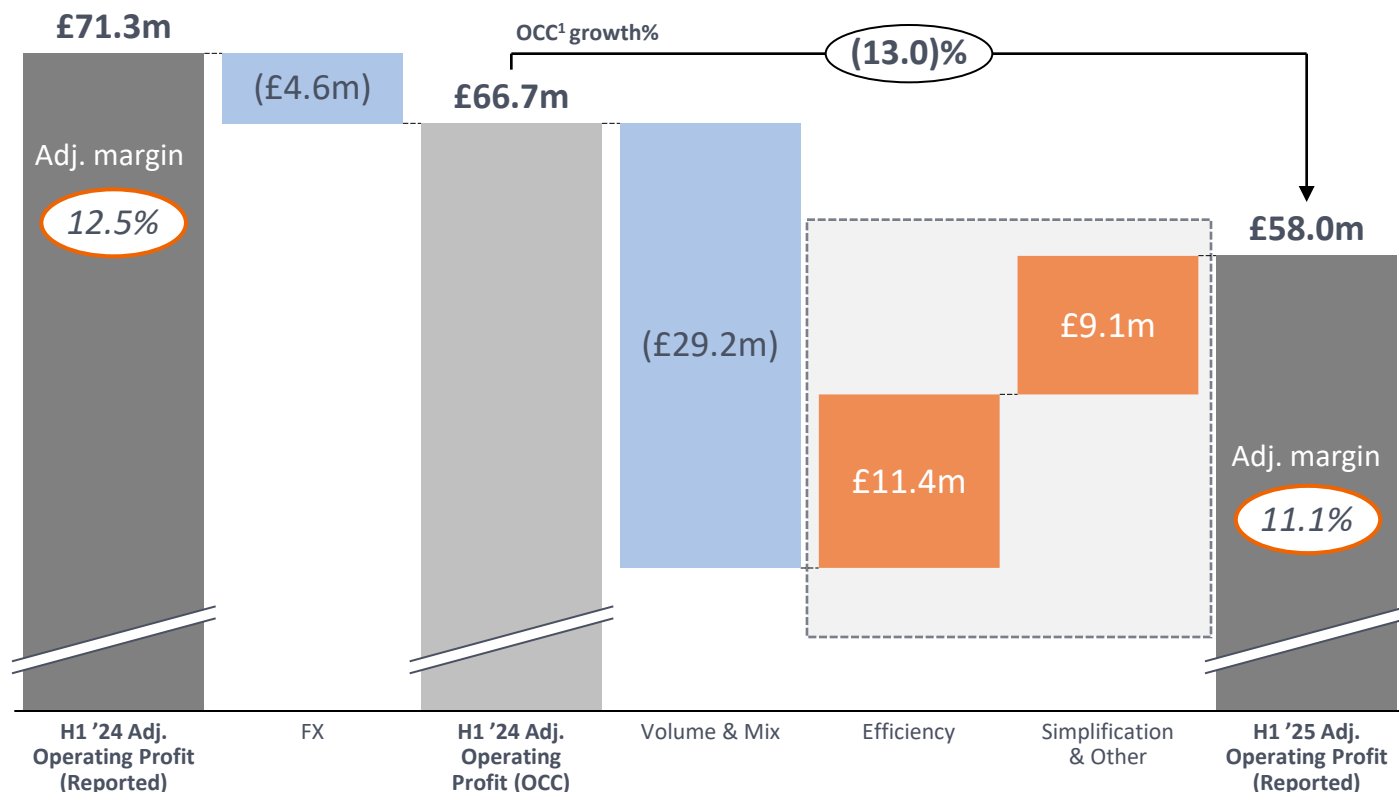
<sup>3</sup> Adjusted EPS is calculated using adjusted operating profit, with further adjustments to add back net financing costs, income tax expense and non-controlling interests, divided by the weighted average number of ordinary shares during the period.

<sup>4</sup> Return on capital is calculated as group adjusted operating profit as a ratio of average adjusted net assets (excluding long-term employee benefits, deferred tax assets and liabilities, current tax payable, provisions, cash and cash equivalents, borrowings, bank overdrafts and lease liabilities.)

<sup>5</sup> Free cash flow is calculated as cash generated from continuing operations, adjusted for net capital expenditure, net interest on cash and borrowings, tax paid and lease payments and interest.

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# Adjusted operating profit supported by efficiency and simplification benefits



- Profit impacted by a 9% decline in volume reflecting weak markets, and adverse sales mix
- Self-help initiatives continue with significant efficiencies achieved
- Simplification programme on track; further progress expected in H2
- FX headwinds expected to persist into H2



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# Segmental performance

	Revenue £m		OCC <sup>1</sup> growth %	Adjusted operating profit <sup>2</sup> £m		Margin %	
	H1 '25	H1 '24		H1 '25	H1 '24	H1 '25	H1 '24
Thermal Products	195.5	221.5	(8.0)%	15.7	24.2	8.0%	10.9%
Performance Carbon	154.1	178.9	(11.2)%	25.1	31.3	16.3%	17.5%
Technical Ceramics	173.0	172.2	2.6%	20.2	18.8	11.7%	10.9%
Corporate costs	-	-		(3.0)	(3.0)	-	-
<b>Group</b>	<b>522.6</b>	<b>572.6</b>	<b>(5.8)%</b>	<b>58.0</b>	<b>71.3</b>	<b>11.1%</b>	<b>12.5%</b>

- Thermal Products impacted by weak industrial and metals markets
- Performance Carbon decline driven by Semiconductor, slight offset from Petrochemical & Chemical and Security & Defence
- Technical Ceramics growth supported by demand in Aerospace and Security and Defence

<sup>1</sup> OCC represents 'organic constant currency' is revenue growth excluding the impact of acquisitions and divestments and foreign currency impacts.

<sup>2</sup> Adjusted operating profit is statutory operating profit, adjusted for specific adjusting items and amortisation of intangible assets.

## Interim Results 2025

# Free cash flow to improve in H2 as Semicon investment completes

	H1 '25	H1 '24
<b>EBITDA</b>	<b>78.9</b>	<b>92.6</b>
Change in working capital	(4.7)	(22.0)
Net capital expenditure	(40.5)	(44.6)
Net interest	(9.0)	(7.3)
Tax paid	(12.5)	(16.0)
Lease payments & other items	(5.1)	(7.0)
Exceptional costs	(15.3)	(3.6)
<b>Free cash flow</b>	<b>1.2</b>	<b>(7.9)</b>
Acquisitions	-	(4.9)
Dividends paid	(19.1)	(19.1)
Dividends paid – non controlling interests	(1.5)	(2.3)
Share buyback	(8.8)	-
Foreign exchange	6.9	(1.4)
Other items	(1.6)	(1.5)
<b>Net cash flow</b>	<b>(22.9)</b>	<b>(37.1)</b>
<b>Closing net debt excl. lease liabilities</b>	<b>(249.1)</b>	<b>(222.3)</b>
<b>Net debt (excl. lease liabilities)/EBITDA</b>	<b>1.7x</b>	<b>1.3x</b>

## Working capital outflow

**£(4.7)m**

H1 '24: £(22.0)m

## Capital investment

**£40.5m**

H1 '24: £44.6m

## Free cashflow

**£1.2m**

H1 '24: £(7.9)m

## Net debt/EBITDA

**1.7x**

H1 '24: 1.3x

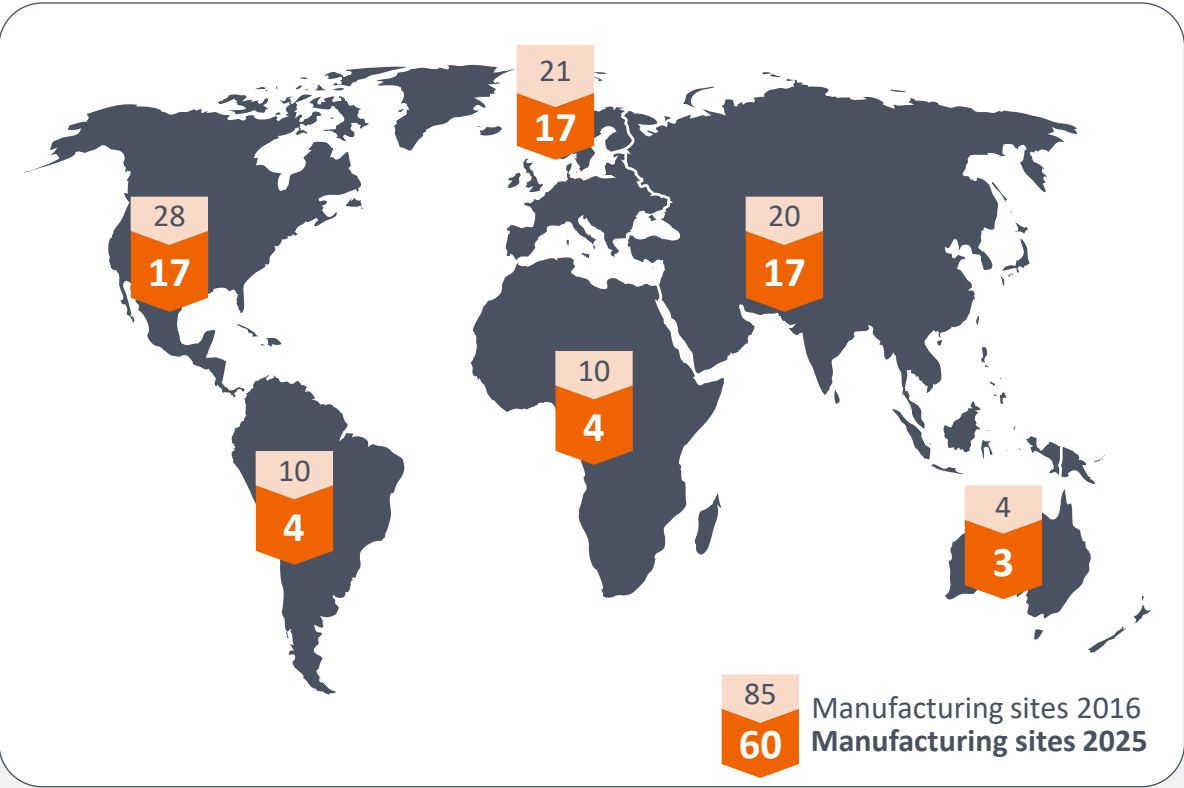
Interim Results 2025

# Specific adjusting items

	H1 '25	H1 '24
Costs associated with the cyber security incident	-	£1.1m
Business simplification programmes	£10.7m	£2.3m
Global ERP; design, configuration, customisation and implementation	£5.6m	-
<b>Total charged to specific adjusting items</b>	<b>£16.3m</b>	<b>£3.4m</b>

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# Business simplification is driving meaningful P&L benefit



Progressively consolidated site footprint

Leaner and more efficient management structure

Remains closely connected to the customer

Annual benefit

**£27.0m**

from end 2026 (vs. 2023 baseline)

Total cost to deliver

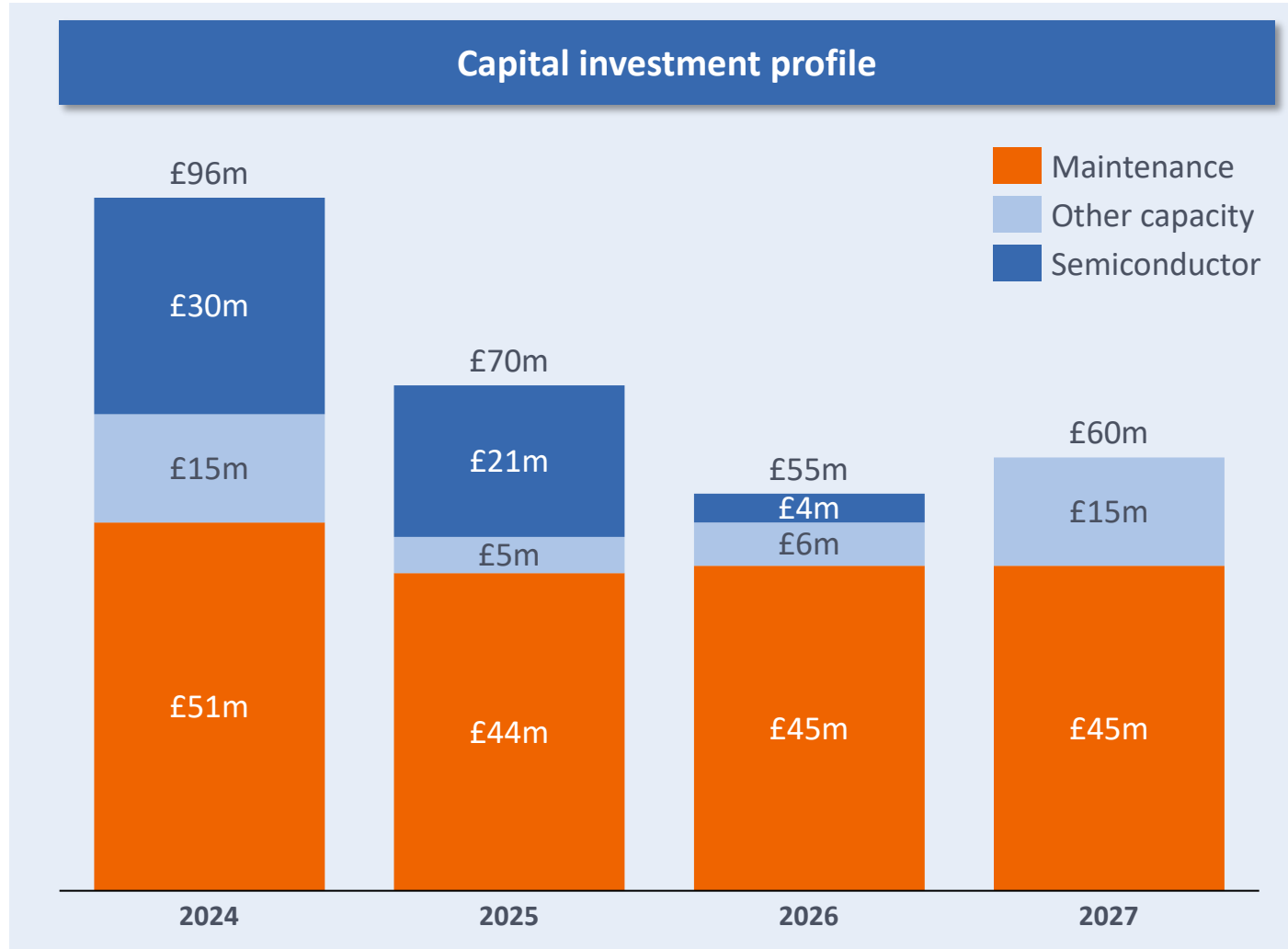
**£45.0m**

	FY23	FY24	FY25	FY26	FY27
Incremental adjusted operating profit <sup>1</sup>	£1m	£8m	£24m	£27m	£27m
Costs charged to specific adjusting items	£(7)m	£(13)m	£(20)m	£(5)m	£(45)m

<sup>1</sup> Adjusted operating profit is statutory operating profit, adjusted for specific adjusting items and amortisation of intangible assets.

Interim Results 2025


# Capital investment normalises from 2026



- Semiconductor investment reduced to match capacity with demand
- Flexibility to increase investment in Semiconductor capacity, as markets recover
- Scope retained to invest in capacity to support other growth markets

Interim Results 2025

# Technical Guidance for 2025

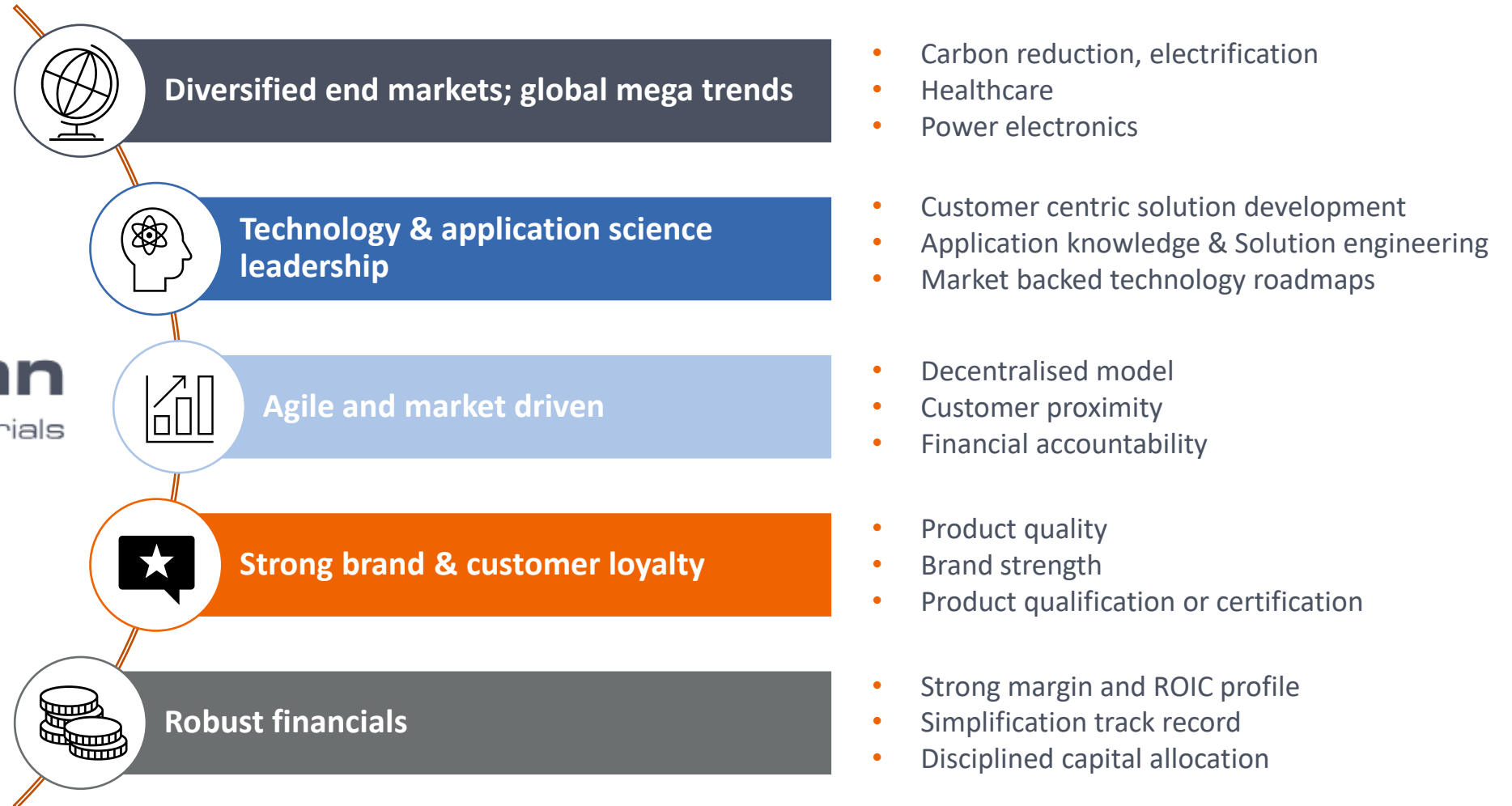
Capital expenditure		c. £70m
Net finance charge: Interest charges (c. £16-17m) IAS 19 pensions net interest charge (c. £0.5m) IFRS 16 lease interest (c. £2m)		c. £18 - 20m
Effective tax rate		26 – 28%
Dividend Policy in the medium term		c. 2.5x earnings cover
Foreign currency impacts		See slide 26

# Operational review and opportunities

Damien Caby, CEO

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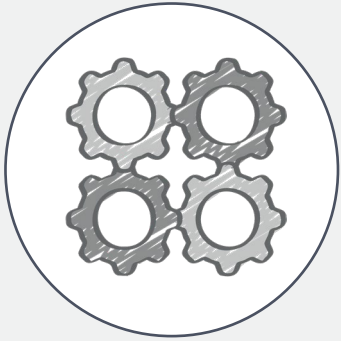
# The global leader in advanced ceramics and carbon





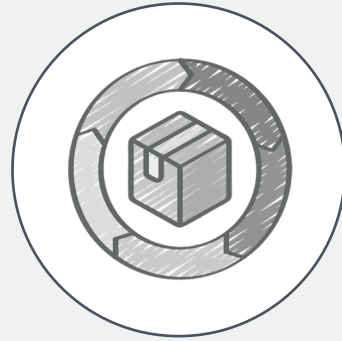
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# Opportunity to unlock significant value



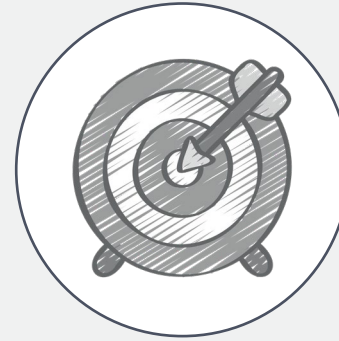
## Operational excellence and simplification

- Increase operational gearing
- Simplify the Group further



## Supply chain performance

- Improve procurement processes
- Optimise product flows
- Enhance delivery reliability



## Growth in targeted high-value areas

- Scale capacity incrementally
- Increase share of system supply



## Strategic focus on high quality, high growth

- Ample advanced materials universe
- Focus on strong adjacencies

**Building on strong foundations to accelerate growth**

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# Financial framework

## Delivering enhanced EPS growth

Organic revenue growth

+

Continuing profit growth

+

Accretive M&amp;A

+

Additional shareholder returns

=

Enhanced EPS growth

## Clear through cycle financial framework

4-7% organic revenue growth

12.5% to 15% adjusted operating profit margin

ROIC 17-20%

Leverage of 1.0x to 2.0x

Enhanced EPS growth

## Interim Results 2025

# Outlook

- We are cautious about demand in a number of our end-markets as the geopolitical and economic environment remains uncertain
- Revenue guidance for the full year remains unchanged, with organic constant currency revenue expected to decline by a mid single-digit percentage level. This assumes that the market stabilisation seen in the first half of this year continues, but with no expectation of recovery in the second half
- We expect profitability to be around the bottom end of the consensus range, impacted by weak market conditions, mix effects and foreign exchange headwinds
- Our expectation is for free cash flow to normalise during the second half of the year as investment in semiconductor capacity and our simplification programme are now both nearing completion. This will assist in a return to leverage (net debt\*/EBITDA excl. lease liabilities\*) of 1.5 times by the end of the year
- As we look towards 2026, although we note early signs of stabilisation we remain cautious about end-market demand given the ongoing external uncertainty. We expect to commission the new semiconductor capacity during 2026 and will incur one-off startup costs of approximately £7 million as a result

Interim Results 2025

# Key takeaways

Revenue in-line despite  
challenging market  
backdrop

Leaner and more efficient  
business

Strong foundations and  
significant further  
opportunities

Well positioned to grow and  
expand margins as markets  
recover



# Appendix



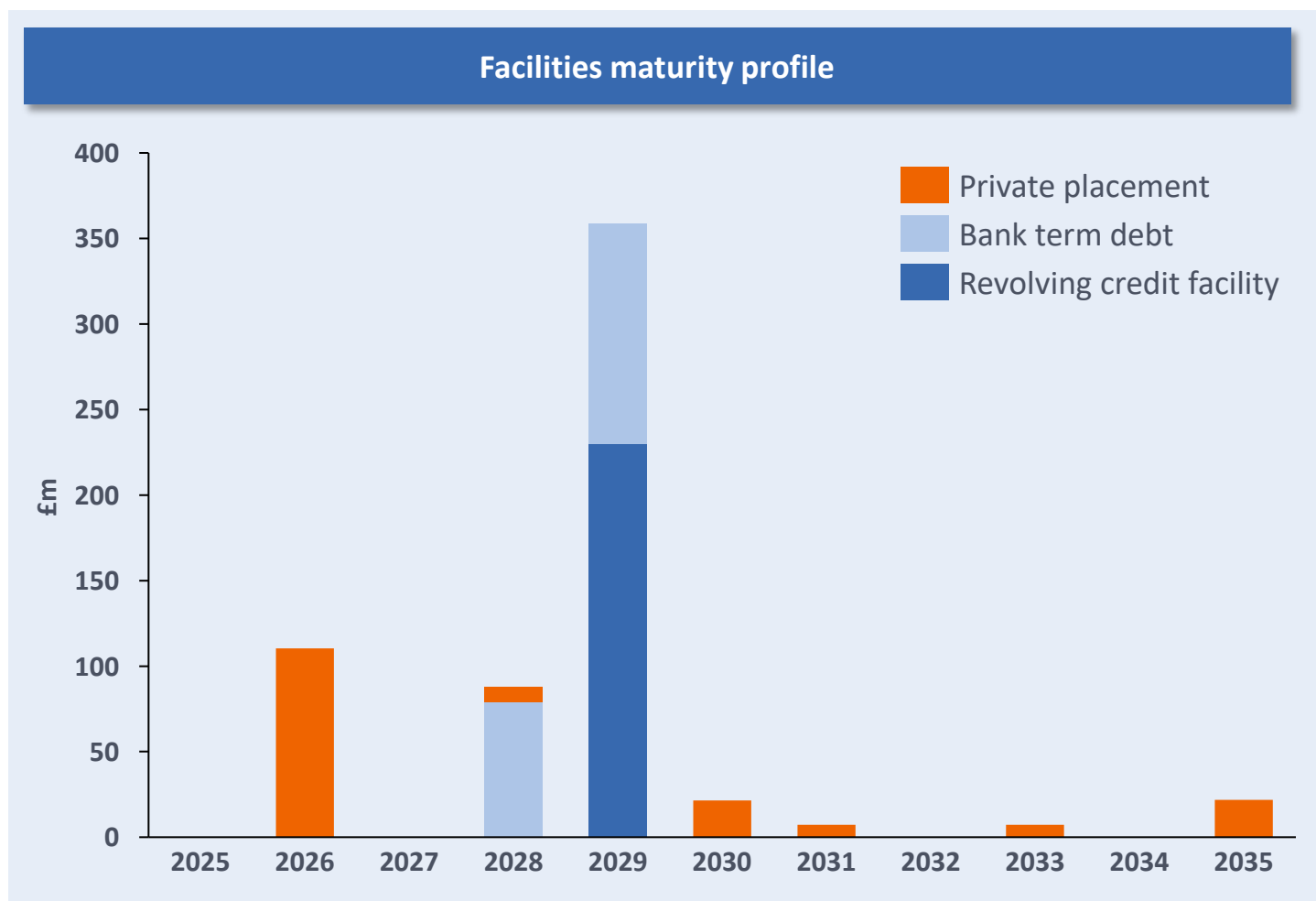
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# Financial calendar

Event	Date
Trading update	Early November 2025
Strategy update	Early December 2025
FY 2025 results	February 2026

Interim Results 2025

# Strong balance sheet and available liquidity



All figures are shown on a pre-IFRS16 basis to align more closely to banking covenants.  
Net cash and cash equivalents is defined as cash and cash equivalents less bank overdrafts.

## Headroom on banking covenants

- Net debt to EBITDA excluding the impact of IFRS 16: 1.7x (FY2024: 1.4x)

## Significant liquidity

- £216m available RCF plus available net cash and cash equivalents of £84.4m

**Average cost of long-term debt = 3.6%**

## Interim Results 2025

# Foreign currency impacts

The principal exchange rates used in the translation of the results of overseas subsidiaries were as follows:

GBP to:	H1 2025		H1 2024	
	Closing rate	Average rate	Closing rate	Average rate
USD	1.37	1.30	1.26	1.27
Euro	1.16	1.19	1.18	1.17

For illustrative purposes, the table below provides details of the impact on H1 2025 revenue and adjusted operating profit<sup>1</sup> if the actual reported results, calculated using H1 2025 average exchange rates, were restated for GBP weakening by 10 cents against USD in isolation and 10 cents against the Euro in isolation:

Increase in H1 2025 revenue/adjusted operating profit if:	Revenue	Adjusted operating profit <sup>1</sup>
	£m	£m
GBP weakens by 10c against USD in isolation	20.5	2.3
GBP weakens by 10c against the Euro in isolation	9.6	1.5

<sup>1</sup> Adjusted operating profit is before specific adjusting items and amortisation of intangible assets.



Interim Results 2025

# Adjusted earnings per share

£m	H1 2025	H1 2024
Profit for the period attributable to shareholders of the Company	15.0	37.4
Profit from discontinued operations	-	-
Profit from continuing operations	15.0	37.4
Specific adjusting items	16.3	3.4
Amortisation of intangible assets	0.5	1.1
Tax effect of the above	(1.5)	(0.4)
Non-controlling interests' share of the above adjustments	-	-
<b>Adjusted earnings</b>	<b>30.3</b>	<b>41.5</b>
Weighted average number of shares in the period	280.8	284.4
<b>Adjusted earnings per share (pence)</b>	<b>10.8</b>	<b>14.7</b>

## Interim Results 2025

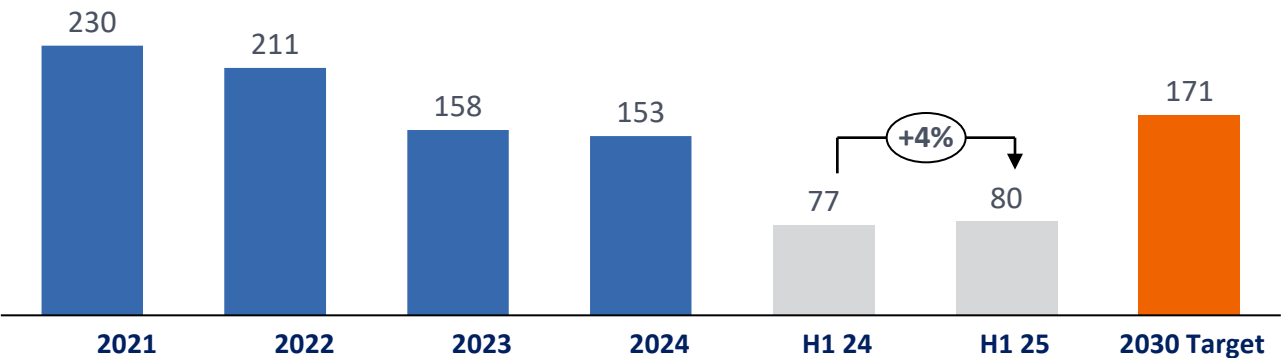
# Reported statutory figures

£m	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Results before specific adjusting items	Specific adjusting items	Total	Results before specific adjusting items	Specific adjusting items	Total
Revenue	522.6	-	522.6	572.6	-	572.6
Operating costs before amortisation of intangible assets	(464.6)	(16.3)	(480.9)	(501.3)	(3.4)	(504.7)
Profit from operations before amortisation of intangible assets	58.0	(16.3)	41.7	71.3	(3.4)	67.9
Amortisation of intangible assets	(0.5)	-	(0.5)	(1.1)	-	(1.1)
Operating profit	57.5	(16.3)	41.2	70.2	(3.4)	66.8
Net financing costs	(10.8)	-	(10.8)	(9.3)	-	(9.3)
Profit before taxation	46.7	(16.3)	30.4	60.9	(3.4)	57.5
Income tax expense	(12.8)	1.5	(11.3)	(15.8)	0.4	(15.4)
Profit from continuing operations	33.9	(14.8)	19.1	45.1	(3.0)	42.1
Profit from discontinued operations	-	-	-	-	-	-
Profit for the period	33.9	(14.8)	19.1	45.1	(3.0)	42.1
Profit for the period attributable to:						
Shareholders of the Company	29.8	(14.8)	15.0	40.4	(3.0)	37.4
Non-controlling interests	4.1		4.1	4.7	-	4.7
Profit for the period	33.9	(14.8)	19.1	45.1	(3.0)	42.1

Interim Results 2025

# Good performance against our key ESG objectives

Absolute CO<sub>2</sub>e emissions



1

Scope 1 and 2 CO<sub>2</sub>e **up 4%**

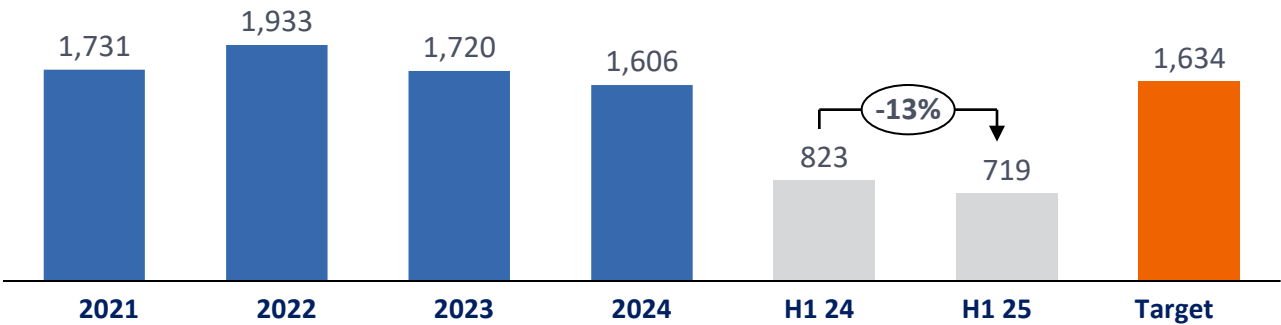
53% below 2015 baseline (2030 Goal: 50% below)

2

Overall water usage **down 13%**

39% below baseline (2030 Goal: 30% below)

Water usage





# Contact

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