Morgan Advanced Materials

Preliminary Results

3 March 2026

Disclaimer

For the purposes of the following disclaimers, references to this ‘document’ shall be deemed to include references to the presenters' speeches, the question and answer session and any other related verbal or written communications.

This document contains forward-looking statements. These have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report. The Directors can give no assurance that these expectations will prove to have been correct.

Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Agenda

Introduction	CEO, Damien Caby
Financial Performance	CFO, Richard Armitage
Strategic Execution	CEO, Damien Caby
Q&A	

Damien Caby, CEO

Richard Armitage, CFO

Key messages

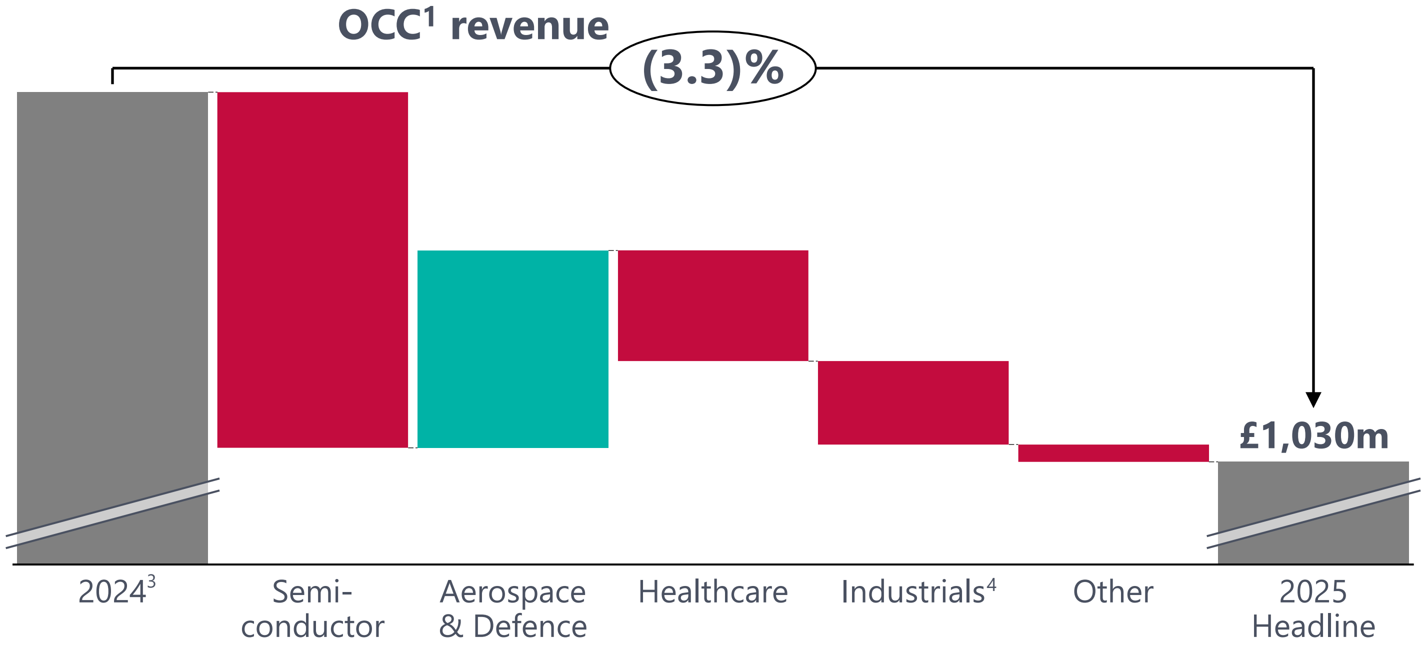
Resilient performance; challenging market backdrop

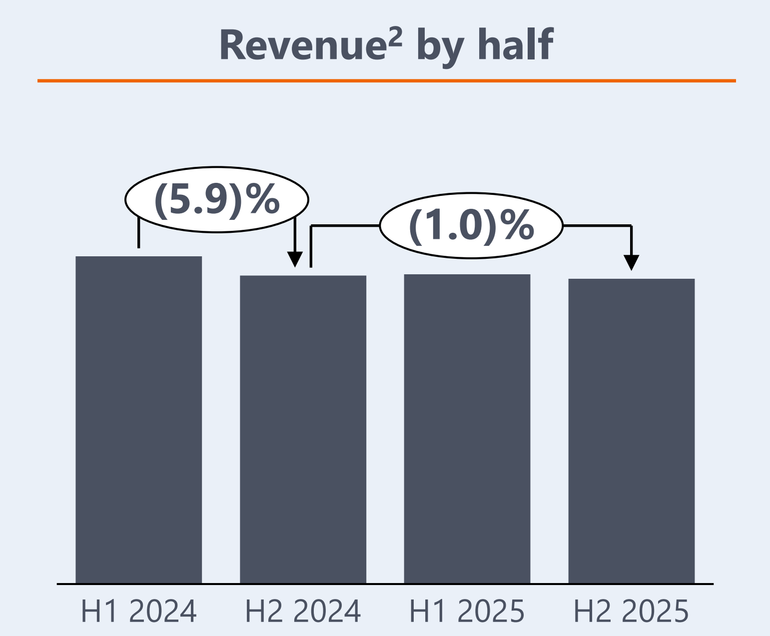
Executing strategy at pace; 12% margin by 2028

Maximising portfolio value; strategic review of Thermal Products underway

Outlook for 2026 in-line; 1-2% revenue growth

Resilient revenues; outlook stabilised





- Impact from well-publicised **challenging conditions in the Semiconductor** market; revenues have **now stabilised**
- **Strong performance in Aerospace and Defence** driven by new engine and MRO orders
- **Healthcare** impacted by tariff related inventory adjustments and **lower demand** in certain mature product lines
- **Soft** European and Asian **Industrial markets**, but **low growth in Petrochemicals** outside Europe

1 OCC represents 'organic constant currency' is revenue growth excluding the impact acquisitions and divestments and foreign currency impacts.
2 Revenue presented on an OCC basis for the continuing group, i.e. excluding the results of MMS.
3 Excludes the movement year on year associated with MMS
4 Industrials excluding Metals

Financial Performance

CFO | Richard Armitage

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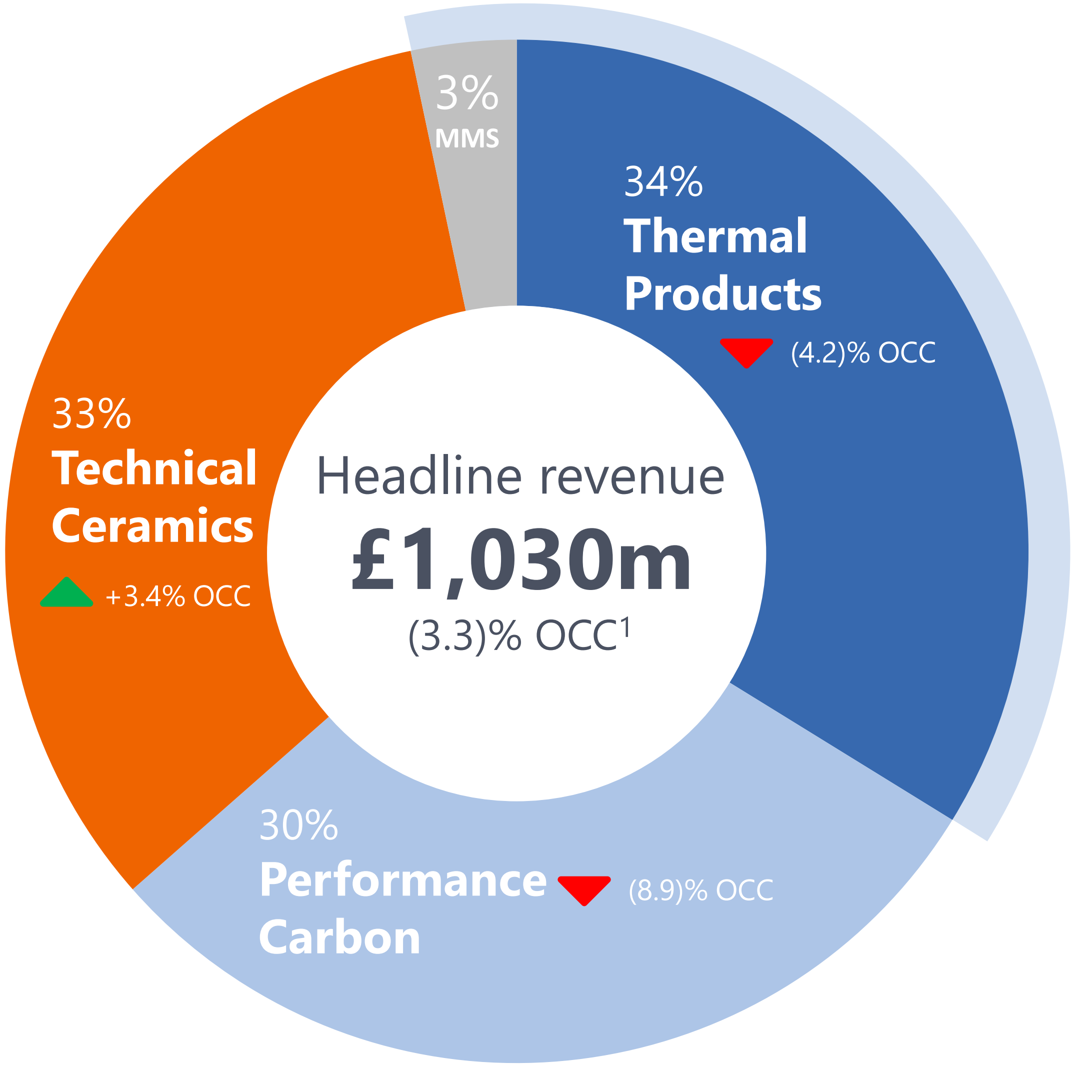
Resilient performance in challenging markets



Headline OCC[1] revenue growth

(3.3)%

2024: +3.7% growth

Headline[2] adj. operating profit[3]

£99.1m

2024: £128.4m

Headline[2] adj. operating profit[3] margin

9.6%

2024: 11.7%

Adj. earnings per share[4]

15.9p

2024 (Restated): 24.2p

Return on invested capital[5]

14.1%

2024 (Restated): 17.7%

Headline[2] free cash flow

£45.4m

2024 (Restated): £15.1m

1 OCC represents 'organic constant currency' is revenue growth excluding the impact acquisitions and divestments and foreign currency impacts.
2 'Headline' metrics which include the results earned by MMS up to the completion date of the disposal.
3 Adjusted operating profit is statutory operating profit, adjusted for specific adjusting items and amortisation of intangible assets.
4 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.
5 Return on capital is calculated as group adjusted operating profit as a ratio of average adjusted net assets (excluding long-term employee benefits, investments, deferred tax assets and liabilities, current tax payable, provisions, cash and cash equivalents, borrowings, bank overdrafts and lease liabilities).

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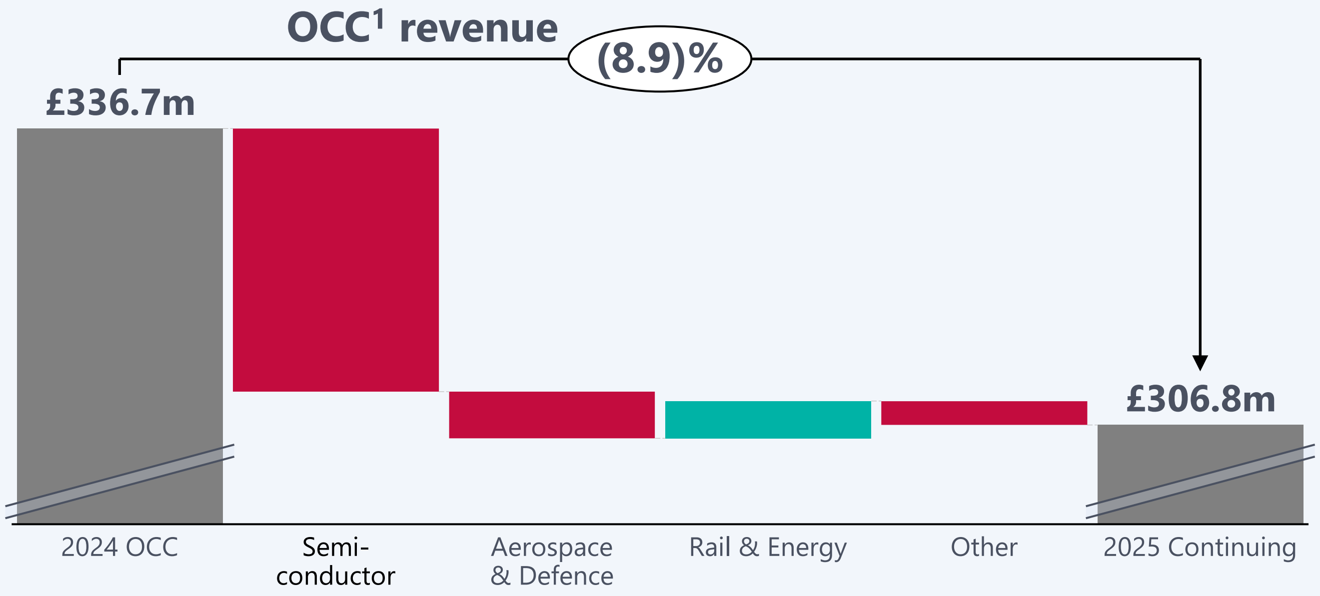
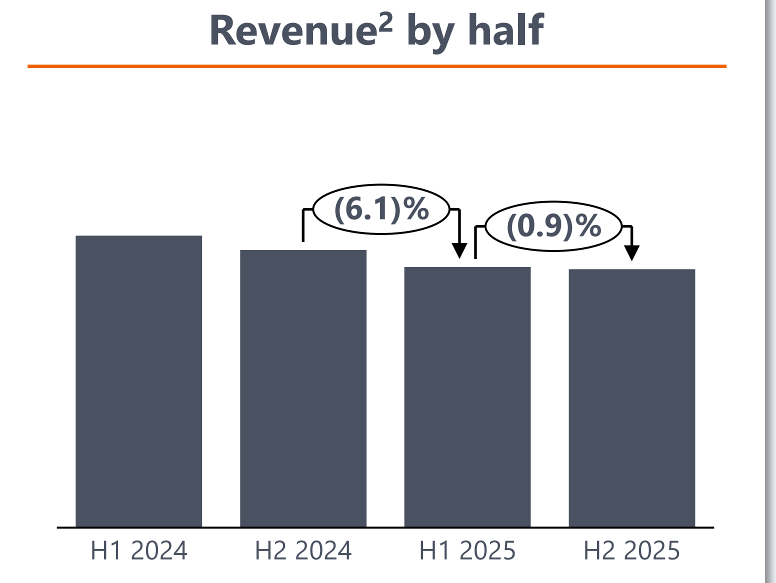
Stable outside Semiconductor in 2025; substantial efficiency and simplification gains support margin





- Revenue profile impacted **Semiconductor** market dynamics; order entry has **now stabilised**
- In **other markets**; performance was **broadly stable**; Aerospace & Defence impacted by timing of orders, growth in Rail driven by increased SOW from improved on-time delivery
- **Margin of 13.4%** (2024: 16.0%) **impacted by volume and mix** effects, with **strong** performance from **net delivery**

1 OCC represents 'organic constant currency' is revenue growth excluding the impact acquisitions and divestments and foreign currency impacts.
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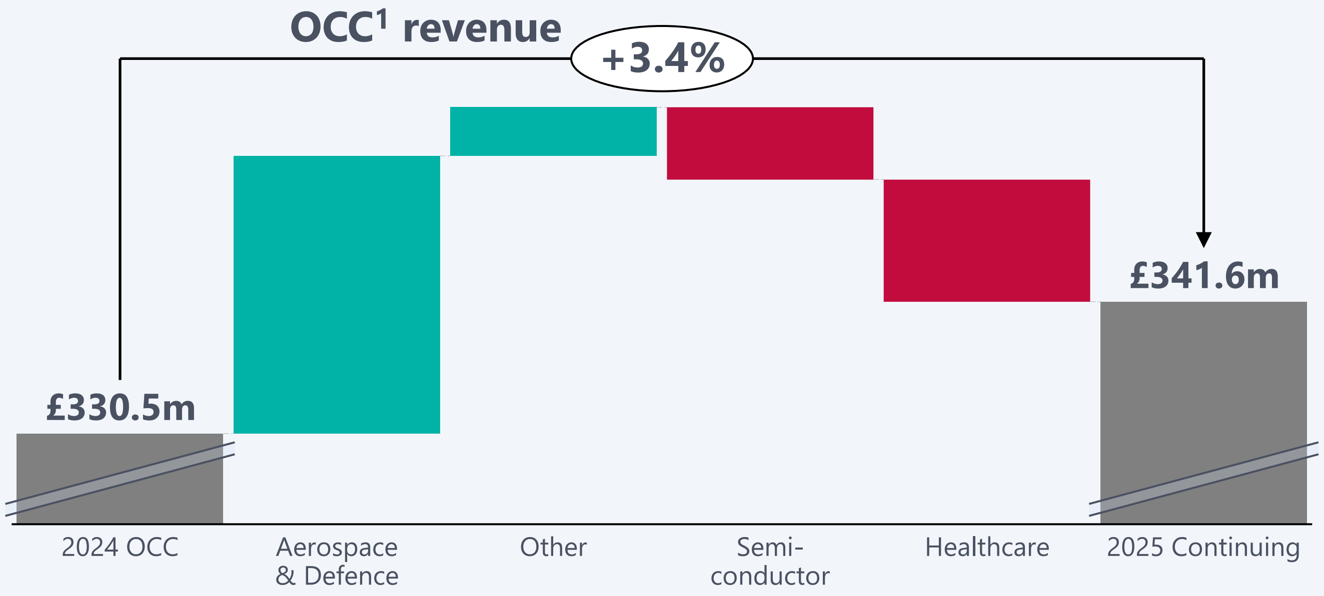
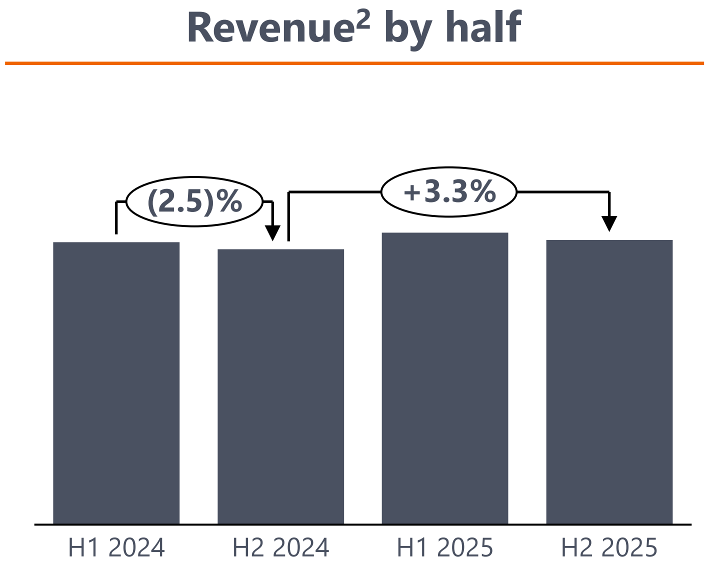
Resilient revenue growth; efficiency gains offset weaker mix to maintain margins





- **Strong demand in Aerospace & Defence**; demand for new aircraft and increased fleet utilisation in commercial aviation
- Revenue **negatively impacted by Semiconductor** market dynamics **and** declining **Healthcare** sales largely driven by lower volumes for some mature product lines
- **Stable margins at 11.5%** (2024: 11.6%) benefit from **good net delivery performance** and simplification benefits

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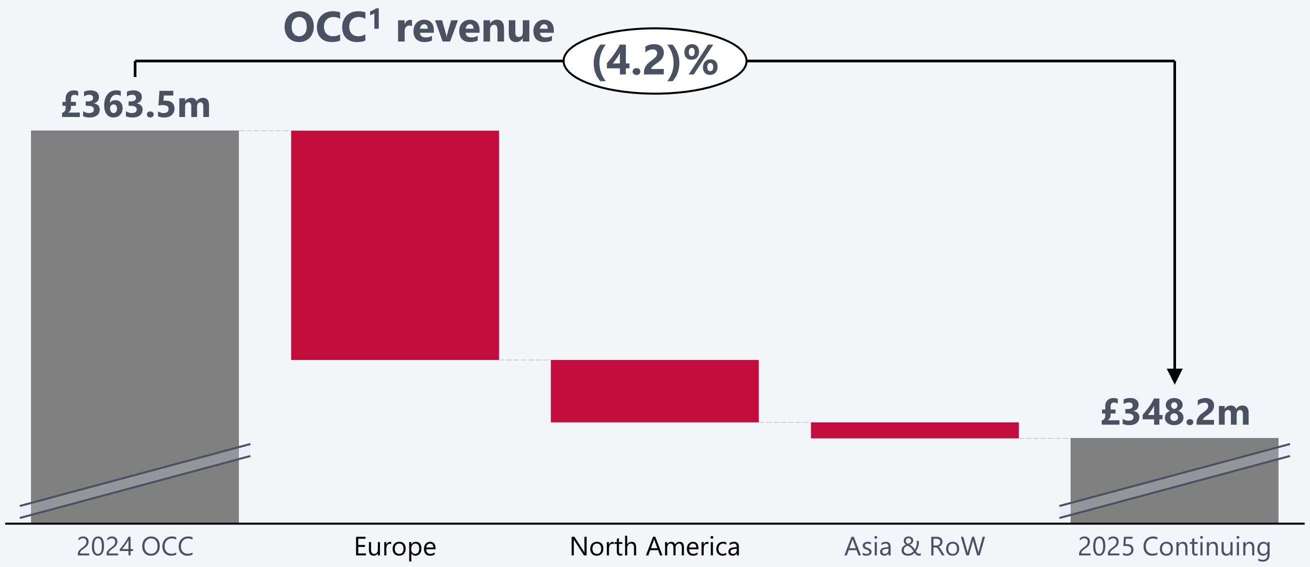
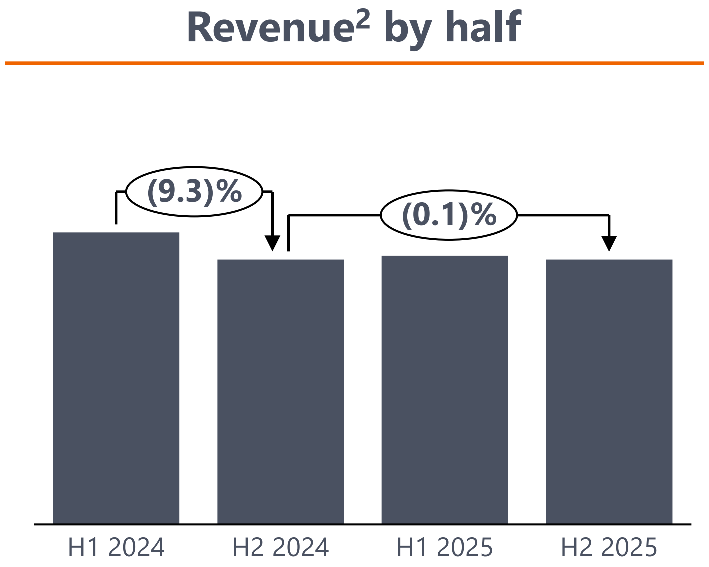
Revenue shaped by regional dynamics; volume and FX impact margin, despite strong efficiency gains





- Revenue was impacted by **low investment in process industries in Europe** and challenging conditions Metals and Automotive markets globally; other markets broadly stable
- In the strategic growth area of **fire protection, share gains in the Middle East** were offset by **low construction activity in the US**
- **Margin of 6.7%** (2024: 9.9%) was **impacted by FX and volume** loss; **strong performance on net pricing, efficiency and inflation**

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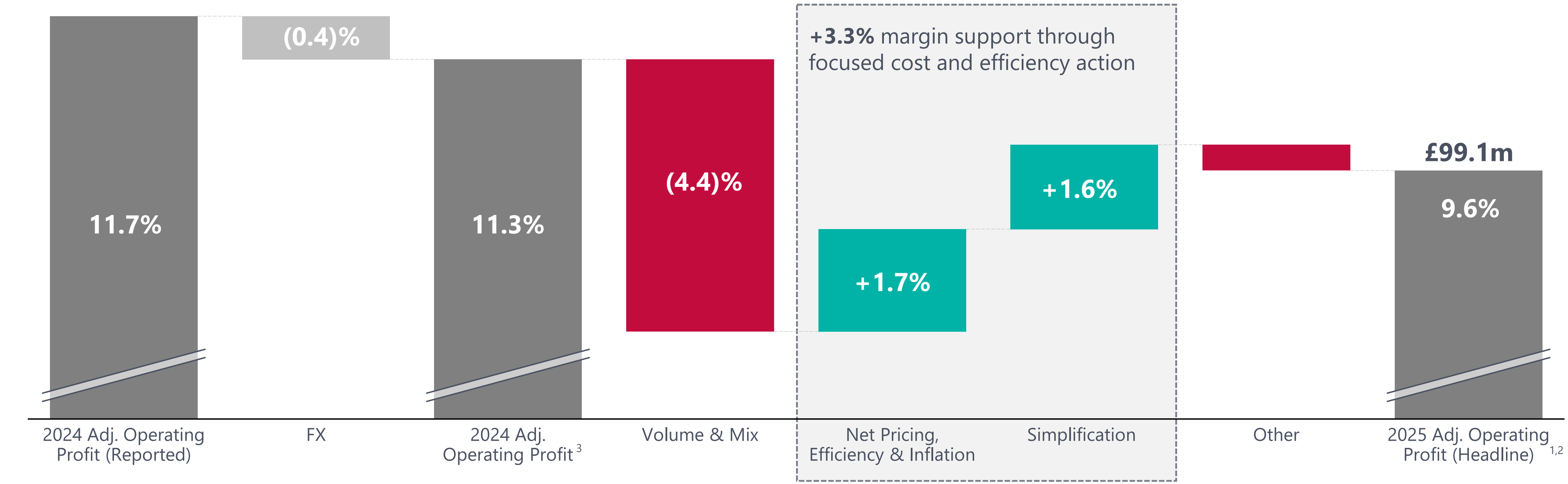
Efficiency & restructuring support Group margin



- **Margin** heavily **impacted by volume and mix** from Semiconductor market dynamics
- Continued focus on supporting margin through focused action; **pricing & efficiency continue to offset cost inflation**
- **Simplification** initiatives **delivered** incremental **benefit of £16.0 million** during 2025; programme now materially complete

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Specific adjusting items

Continuing operations; £m	2025	2024
Impairment of non-financial assets	**(15.6)**	(4.2)
Business simplification programmes	**(13.4)**	(12.4)
Global ERP implementation	**(13.3)**	(5.2)
Fair value movement on consideration shares	**(7.2)**	-
Other[3]	**1.9**	0.5
Costs associated with the cyber security incident	**-**	(1.1)
Total	**(47.6)**	(22.4)

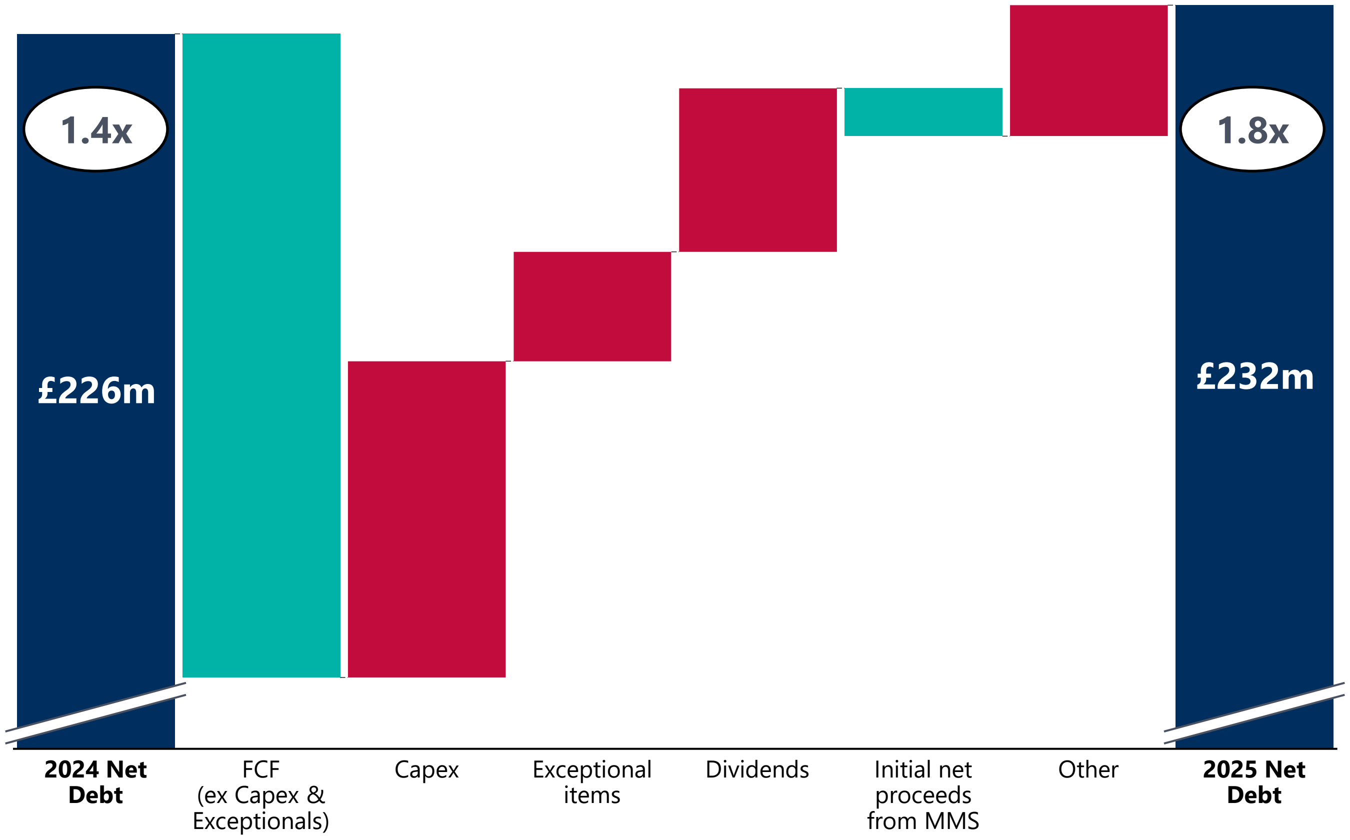
Impairment relates to certain specialist assets for Semiconductor market held at a UK site; **no change to our expectations for our Semiconductor** business

Business simplification initiatives now **materially complete** and **savings in-line**; £5m spend in H1 ’26 remaining

1 Specific adjusting items from continuing operations of the Group, before tax.
2 2024 excludes specific adjusting items associated with discontinued operations.
3 Other includes changes in relation to the impact of Argentina’s currency fluctuation

Improvement in underlying working capital

Cashflow movements



	2025 £m	2024 £m
Headline EBITDA	**141.1**	171.1
Net working capital	**50.4**	14.6
Net Capital expenditure	**(65.9)**	(90.2)
Net interest	**(18.8)**	(15.3)
Tax Paid	**(26.4)**	(29.2)
Exceptional items	**(22.8)**	(20.4)
Lease payments	**(12.1)**	(13.2)
Other items	**(0.1)**	(2.3)
Free cash flow	**45.4**	15.1
MMS cash proceeds, net of tax paid	**10.0**	-
Dividends paid	**(34.1)**	(34.5)
Other items	**(12.1)**	(16.9)
Share buyback	**(15.2)**	(4.7)
Movement in net debt	**(6.0)**	(41.0)
Closing net debt excl. lease liabilities	**(232.2)**	(226.2)
Net debt /Headline EBITDA	**1.8x**	1.4x

Capital allocation prioritises growth and returns

1 Strong balance sheet
- Prioritise return to target leverage range through trough of cycle: *1.0x to 1.5x, or up to 2.0x post acquisition*

2 Organic investment
- Investment focused on efficiency, limited capacity needs
- CAPEX ~1.2x depreciation

3 Regular returns
- Dividend maintained then growing with adjusted earnings at ~2.5x cover

Surplus capital

Inorganic investment
Returns exceed cost of capital in third full year

Additional returns
Further shareholder returns, as appropriate

Technical guidance

Continuing operations; £m	2026 Guidance	2025 Reported
Translational foreign exchange		
Revenue impact	**n/a**	~£(31)m
Adjusted operating profit impact	**n/a**	~£(7)m
Other items		
Business simplification (exceptionals)	**~£5m**	£13m
ERP investment (exceptionals)	**~£22-24m**	£13m
Net capital expenditure	**~£50m**	£66m
Net financing costs	**~£22-26m**	~£22m
Effective tax rate (pre-exceptionals)	**27-29%**	27.5%
Leverage	**~1.7x by year end**	1.8x

CAPEX returns to **normalised** run-rate reflecting completion of Semiconductor investment

Leverage begins to **return to target** range in **H2**, following assumed receipt of MMS consideration share proceeds

ERP investment to peak as roll-out to major sites begins in H1 2026

Strategic Execution

CEO | Damien Caby

Three strategic levers for margin enhancing growth

Strategic levers

Transform operational effectiveness

- Augment operational excellence, step-up supply chain effectiveness
- Turnaround underperforming sites

Drive stronger growth

- Enhance and expand value proposition via strategic collaborations
- Expand in focus areas with strong right to win

Maximise portfolio value

- Pursue partnerships and bolt-on M&A
- Divest if we are not the right owner

Creating a clear roadmap

9-10%

Today

- Growth through exposure to diverse, attractive end markets
- Continuous manufacturing improvement
- Consolidation of undersized, underperforming sites

10-12%

2028

- GDP+ growth with improved lead times and channels to market
- Structural improvement of underperforming sites
- Bite size capacity increases
- Procurement and digitalisation at scale

12-14%

Beyond

- Stronger growth via deeper customer collaborations and into subsystems
- Organic adjacencies building on selected leadership positions
- Bolt on M&A and portfolio management

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We are executing our strategy at pace

Strategic pillar	Focus area	2025 progress	2026 priorities	Beyond…
Transform	Large site turnaround	✓ 1st site initiation	Implement 1st & 2nd sites	
	Procurement	✓ Opportunity definition	Build out organisation & deliver savings	
	Digital & Back-office transformation	✓ EU SSC expansion		
		✓ ERP pilot	ERP roll out	

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Drive	Capacity expansion		Armour and Ion implantation	
	Strengthen position in value chain			

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		✓ ERP pilot	ERP roll out	
Drive	Capacity expansion		Armour and Ion implantation	
	Strengthen position in value chain			
Maximise	Partnering	✓ PFP partnership		
	Portfolio optimisation	✓ MMS disposal	MMS proceeds monetisation	
		Strategic review of Thermal		

Outlook

CEO | Damien Caby

Stable outlook; focused on execution

- **Stabilising outlook**; 2026 **in-line** with current market expectations
  - *OCC revenue growth of 1-2%*
  - *Adjusted operating profit ~10%, reflecting continued focus on efficiency and the first results of **Transform***
  - *Leverage at 1.7x returning towards our target range*
- We have a **clear strategy**, and we are **executing at pace**
- We are confident in our **financial framework**

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Q&A

Appendix

Updated financial framework

Delivering sustainable EPS growth	Clear financial framework targets
Organic revenue growth	GDP+
+	
Continuing profit growth	12% to 14% adjusted operating profit margin
+	
Accretive M&A	ROIC 17-20%
+	
Additional shareholder returns	Leverage 1.0x to 1.5x, up to 2.0x post acquisition
=	
EPS growth	Sustained EPS growth

Financial Calendar

Event	Date
AGM & Trading update	**7 May 2026**
Interim Results – H1 2026	**August 2026**
Trading update	**November 2026**

Consensus Forecasts

	2025	2025 (Range)	2026	2026 (Range)
Revenue	1,013	985 – 1,028	1,010	969 – 1,070
Adjusted operating profit	101	99 – 103	100	97 – 107
Adjusted operating profit margin	10.0%	9.8% – 10.1%	10.0%	9.5% - 10.2%
EPS	18.7	17.5 – 20.1	19.1	16.8 – 21.5
Leverage	1.7x	1.6x – 1.8x	1.7x	1.6x – 1.8x

Morgan Advanced Materials is covered by various financial analysts. The consensus information in the table above is provided for information purposes only and does not represent any verification or endorsement of analysts' estimates by Morgan Advanced Materials.

The consensus above reflects the estimates of financial analysts up to and including 2 March 2026.

Segmental performance

	Revenue £m				Adjusted operating profit £m		Margin %	
	2025	2024	Change %	OCC Change %	2025	2024	2025	2024
Performance Carbon	306.8	345.2	(11.1)%	(8.9)%	41.2	55.1	13.4%	16.0%
Technical Ceramics	341.6	337.3	1.3%	3.4%	39.4	39.2	11.5%	11.6%
Thermal Products	348.2	377.6	(7.8)%	(4.2)%	23.5	37.5	6.7%	9.9%
Corporate costs	-	-	-	-	(10.3)	(8.5)	n/m	n/m
Continuing operations	**996.6**	**1,060.1**	**(6.0)%**	**(3.3)%**	**93.8**	**123.3**	**9.4%**	**11.6%**
Discontinued operations	33.7	40.6	n/m	n/m	5.3	5.1	n/m	n/m
Headline	**1,030.3**	**1,100.7**	**(6.4)%**	**(3.3)%**	**99.1**	**128.4**	**9.6%**	**11.7%**

Foreign currency impacts

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

GBP to:	2025 Closing rate	2025 Average rate	2024 Closing rate	2024 Average rate
USD	1.35	1.32	1.25	1.28
Euro	1.15	1.17	1.21	1.18

For illustrative purposes, the table below provides details of the impact on 2025 revenue and adjusted operating profit[1] if the actual reported results, calculated using 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 £m	Adjusted operating profit[1] £m
GBP weakens by 10c against USD in isolation	39.0	3.8
GBP weakens by 10c against the Euro in isolation	17.8	2.5

1 Adjusted operating profit is before specific adjusting items and amortisation of intangible assets.

Adjusted earnings per share

£m	2025	2024
Profit for the period attributable to shareholders of the Company	21.1	50.3
Profit from discontinued operations	(23.7)	(3.3)
Profit from continuing operations	**(2.6)**	**47.0**
Specific adjusting items	47.6	22.4
Amortisation of intangible assets	1.0	1.7
Tax effect of the above	(1.5)	(2.3)
Non-controlling interests' share of the above adjustments	-	-
Adjusted earnings	**44.5**	**68.8**
Weighted average number of shares in the period	279.6	284.5
Adjusted earnings per share (pence)	**15.9**	**24.2**

Reported statutory figures

£m	2025			2024		
	Results before specific adjusting items	Specific adjusting items	Total	Results before specific adjusting items	Specific adjusting items	Total
Revenue	**996.6**	**-**	**996.6**	**1,060.1**	**-**	**1,060.1**
Operating costs before amortisation of intangible assets, impairments and reversal of impairments of non-financial assets	(902.8)	(32.0)	(934.8)	(936.8)	(18.2)	(955.0)
Profit from operations before amortisation of intangible assets, impairments and reversal of impairments of non-financial assets	**93.8**	**(32.0)**	**61.8**	**123.3**	**(18.2)**	**105.1**
Amortisation of intangible assets	(1.0)	-	(1.0)	(1.7)	-	(1.7)
Impairment of non-financial assets	-	(15.6)	(15.6)	-	(4.2)	(4.2)
Reversal of impairment of non-financial assets	-	-	-	-	-	-
Operating profit	**92.8**	**(47.6)**	**45.2**	**121.6**	**(22.4)**	**99.2**
Net financing costs	(22.2)	-	(22.2)	(19.0)	-	(19.0)
Profit before taxation	**70.6**	**(47.6)**	**23.0**	**102.6**	**(22.4)**	**80.2**
Income tax expense	(19.4)	1.5	(17.9)	(27.0)	2.3	(24.7)
Profit from continuing operations	51.2	(46.1)	5.1	75.6	(20.1)	55.5
Profit from discontinued operations	3.8	19.9	23.7	3.7	(0.4)	3.3
Profit for the year	**55.0**	**(26.2)**	**28.8**	**79.3**	**(20.5)**	**58.8**
Profit the year attributable to:						
Shareholders of the Company	47.3	(26.2)	21.1	70.8	(20.5)	50.3
Non-controlling interests	7.7	-	7.7	8.5	-	8.5

Sale of MMS

Reporting to Headline Reconciliation

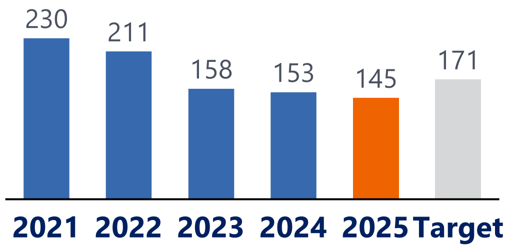
£m	FY25	FY24
Revenue		
Reported	996.6	1,060.1
Discontinued - MMS	33.7	40.6
Headline	**1,030.3**	**1,100.7**
Adjusted operating profit		
Reported	93.8	123.3
Discontinued - MMS	5.3	5.1
Headline	**99.1**	**128.4**

Gain on Disposal

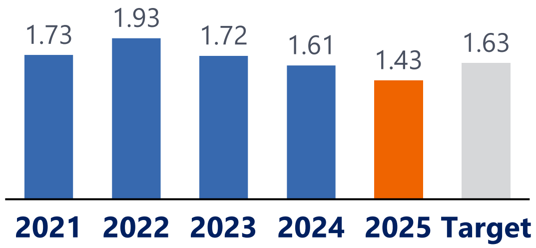
	£m
Share consideration	55.7
Cash consideration	20.5
Total consideration	**76.2**
Net assets disposed of	(38.5)
Transaction costs & FX	(9.2)
Pre-tax gain on disposal	**28.5**

Good progress on our ESG commitments

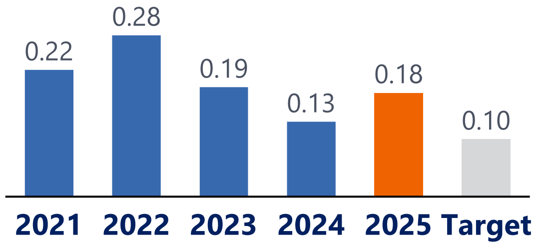
Absolute CO_2e emissions[1]



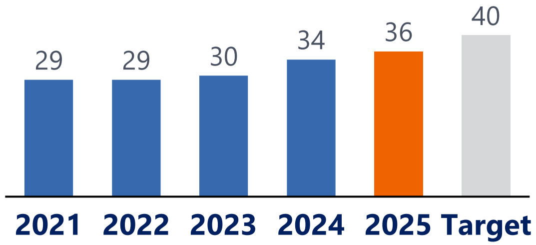
Water usage[2]



Lost time accident rate[3]



% Female leadership[4]



1. Scope 1 and 2 CO_2e **down 5%**
   58% below 2015 baseline (2030 Goal: 50% below)
   80% low carbon electricity supply
2. Overall water usage **down 11%**
   39% below baseline (2030 Goal: 30% below)
3. Women in leadership: **36%**
   (2030 Goal: 40%)
4. LTA at **0.18**
   (2030 Goal: below 0.10)

1 Scope 1 and 2 CO^{2}e emissions from direct and indirect sources, '000 metric tonnes.
2 Water usage, million m^3
3 Lost time accidents / 100,000 hours worked
4 Leadership population consists of approximately 400 of the most senior individuals in the organisation

Semiconductors, and where we play

Materials and Wafer Fabrication Equipment (WFE) for Silicon (Si) and Silicon Carbide (SiC)

Ingot growth / Wafer manufacturing → Epitaxy / Deposition → Lithography → Dry plasma / Wet etch → Ion implantation → Thermal processing → Inspection / Testing → Packaging

Si

- Ceramic materials and parts, metalized ceramic parts and assemblies, metals
- Machined iso graphite (beam guides)

SiC

- CVD SiC
- Ceramic materials and parts, metalized ceramic parts and assemblies, metals
- Felt, porous graphite, graphite powder
- Machined iso graphite (susceptors)
- Machined iso graphite (beam guides)
- CVD SiC (substrate)

Technical Ceramics | Performance Carbon