Morgan Advanced Materials

2026 Interim Results

6 August 2026

Disclaimer

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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

Financial Performance	• Resilient revenue; encouraging growth in strategic areas
Transform	• Major site turnaround and Procurement initiatives on track
Drive	• Focused teams accelerating growth; OEM engagement delivering wins
Maximise	• Strategic Review of Thermal Products progressing well

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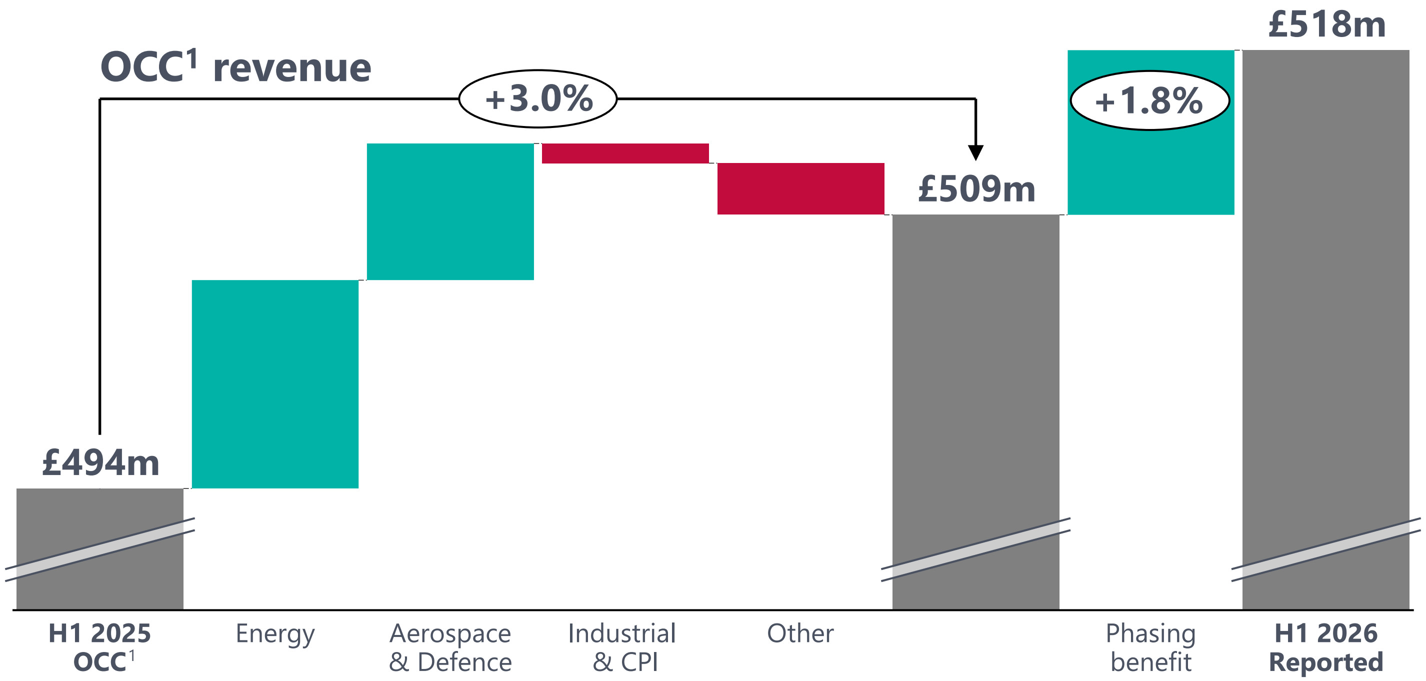
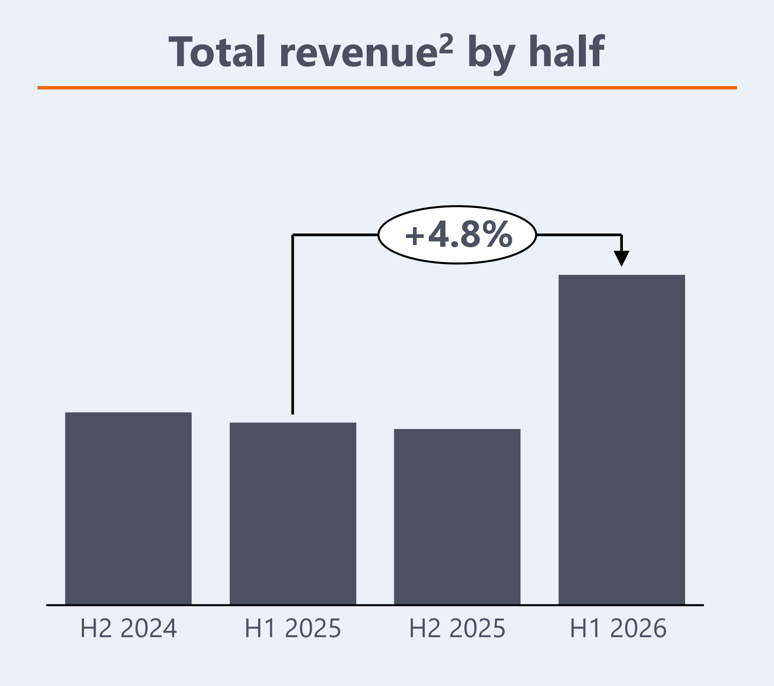
Resilient revenue; encouraging growth in strategic areas





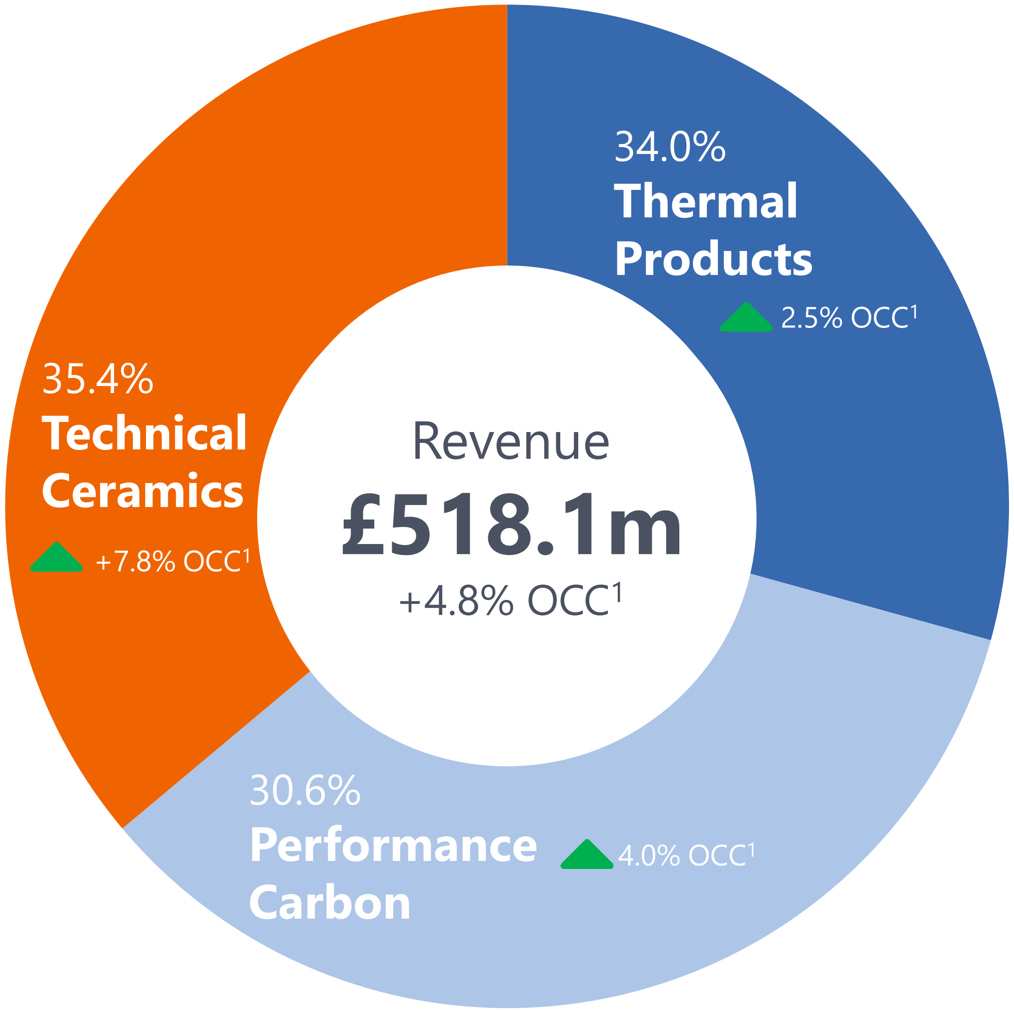
- **Increased energy demand** from data centres and **focused commercial strategy** drive strong performance in **Energy**
- **Strong Aerospace performance** driven by new engine and MRO repeat revenue, partly offset by **lower demand for body armour** in Defence
- **Revenue benefits from phasing** of take-or-pay contract with semiconductor customer; **will not repeat in H2**

1 OCC represents 'organic constant-currency' which is revenue growth excluding the impact of acquisitions, divestments and foreign currency.
2 Revenue presented on an OCC basis for the continuing group, i.e. excluding the results of MMS.

Financial Performance

CFO | Richard Armitage

Performance in-line with expectations



OCC[1] revenue growth
+4.8%
H1 2025[5]: (6.1)% decline

Adj. earnings per share[3]
10.7p
H1 2025[5]: 9.9p

Adj. operating profit[2]
£57.8m
H1 2025[5]: £54.8m

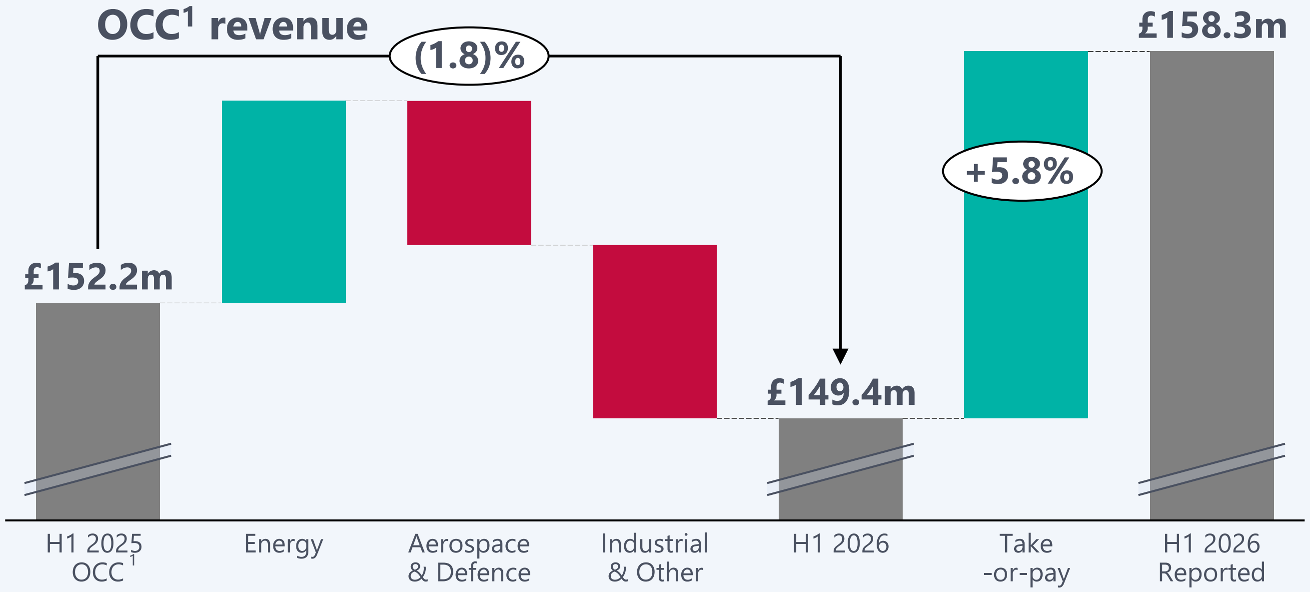
Return on invested capital[4]
14.5%
H1 2025[5]: 15.4%

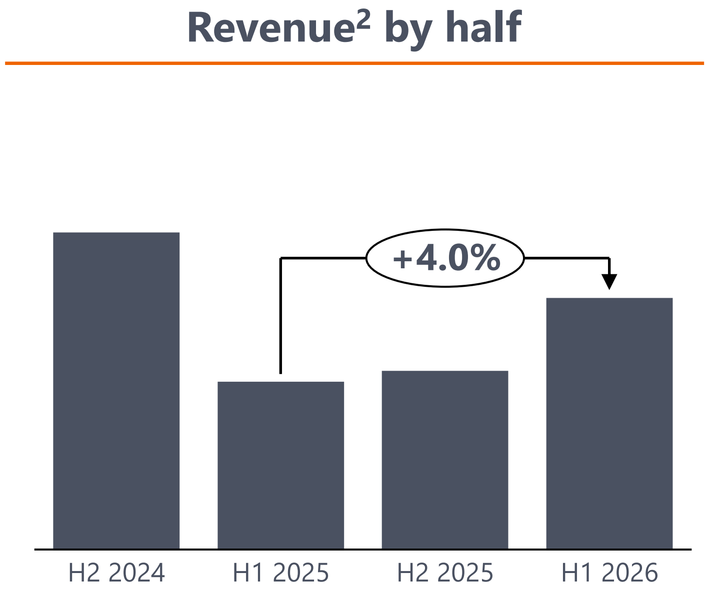
Adj. operating profit[2] margin
11.2%
H1 2025[5]: 10.9%

Free cash flow
£3.5m
H1 2025[5]: £4.6m

1 OCC represents 'organic constant-currency' which is revenue growth excluding the impact of acquisitions, divestments and foreign currency.
2 Adjusted operating profit is statutory operating profit, adjusted for specific adjusting items and amortisation of intangible assets.
3 Adjusted earnings per share is defined as operating profit adjusted to exclude specific adjusting items and amortisation of intangible assets, less net financing costs, income tax expense and non-controlling interests, divided by the weighted average number of Ordinary shares during the period.
4 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).
5 H1 2025 Financial results have been restated following the disposal of the majority of the Molten Metal Systems ('MMS') business which completed on 12 November 2025 to present the results of MMS within discontinued operations

Strong growth in Energy, offset by Defence





- **Growth in Energy** led by strong demand in Wind market
- Aerospace & Defence impacted by **lower demand for body armour**
- **Softer demand** and inventory adjustments led to weaker demand for **Industrial Equipment** and Pumps
- **Margin of 17.1%** (H1 2025: 16.4%) positively impacted by phasing of £8.9m take-or-pay receipt; will not repeat in H2

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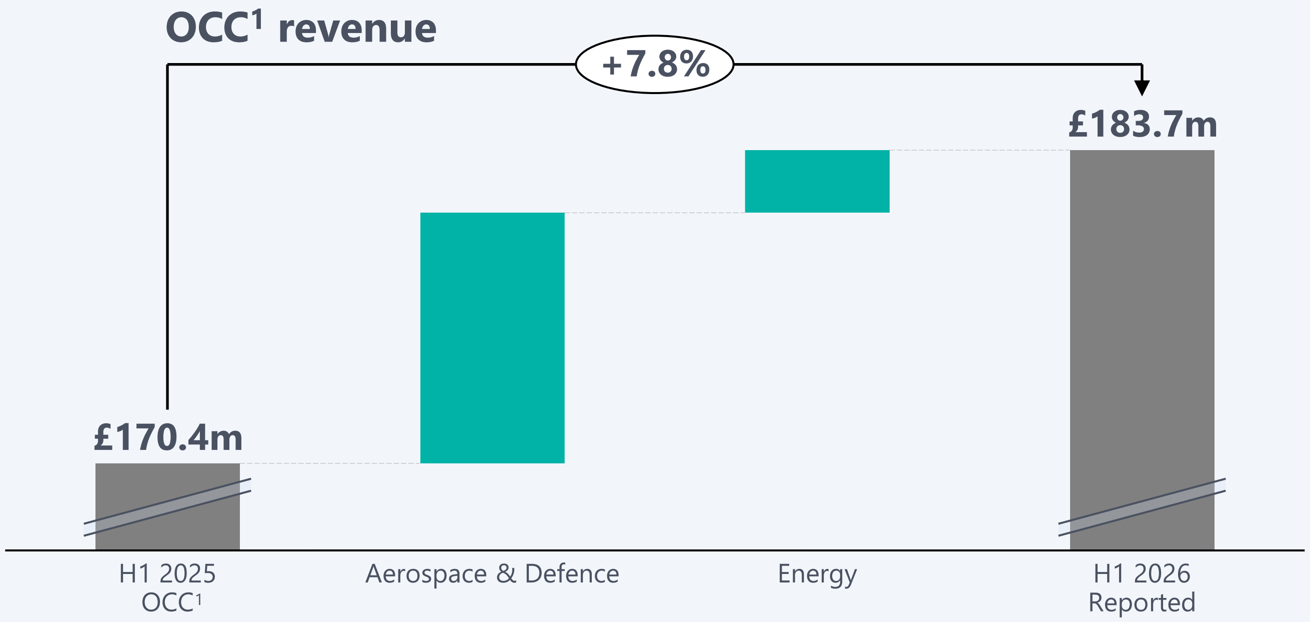
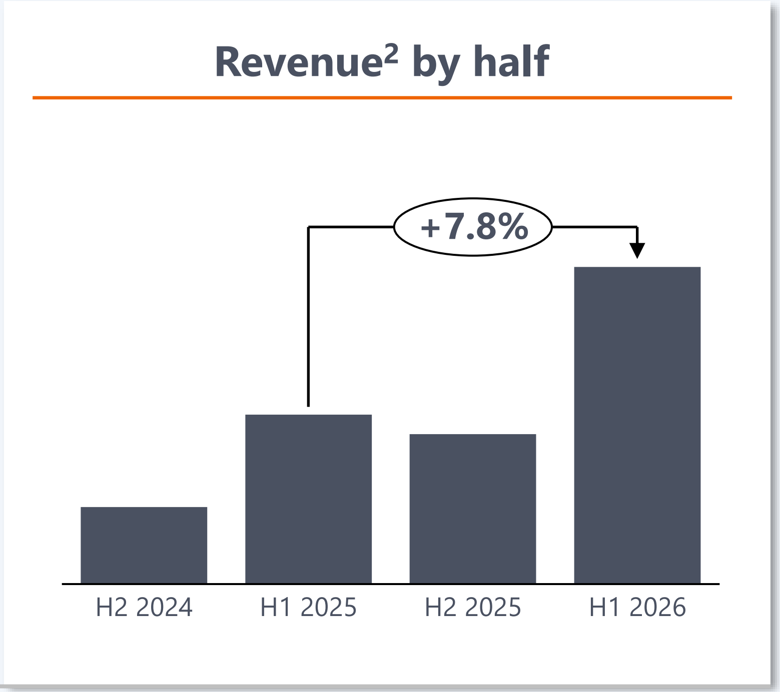
Aerospace & Defence and Energy growth drive strong profit performance





- **Strong growth in Aerospace & Defence** where our ceramic cores are a critical component in the manufacture of jet engine turbine blades
- **Growth in Energy** driven by increased demand for gas turbines to meet data centre growth
- **Improved margin at 13.0%** (H1 2025: 11.7%) due to strong drop through on revenue growth

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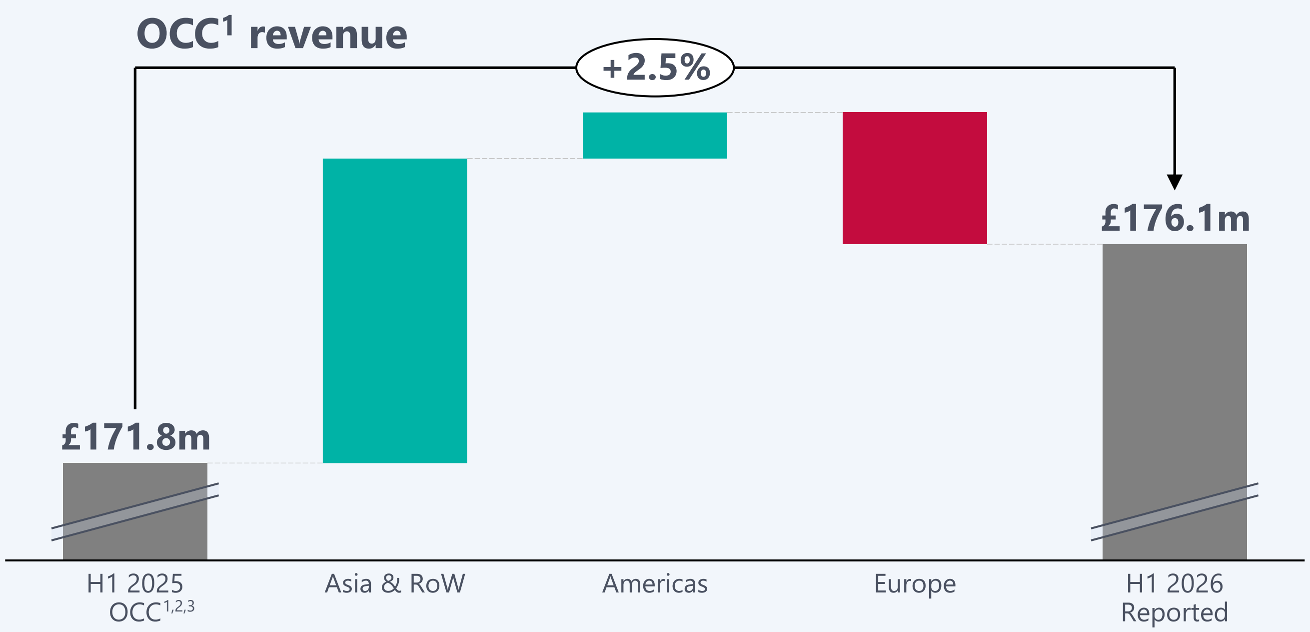
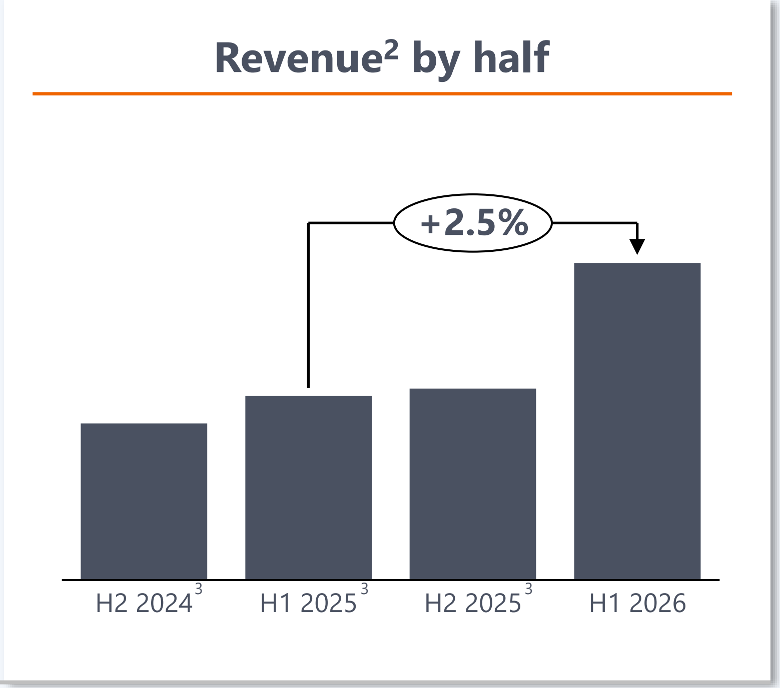
Revenue growth; margin impacted by Q1 operational performance





- **Strong performance in Asia**, particularly in India and China from the Metals Processing market
- **Increased CPI project revenue and demand** for our innovative **energy storage** solutions **in North America**
- **Europe negatively impacted** by geopolitical conditions weighing on investment in process industries
- **Margin of 6.4%** (H1 2025: 7.7%) was **impacted by operational challenges in North America during Q1**

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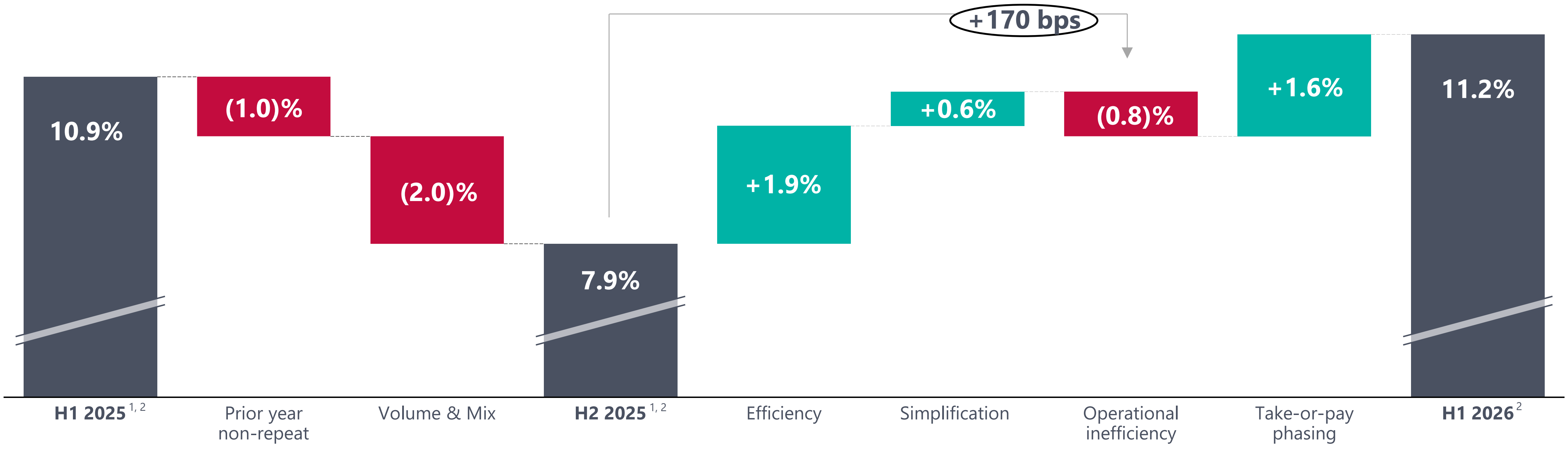
Strong sequential margin improvement; supported by efficiency gains



- **Strong sequential performance** from a H2 2025 margin significantly impacted by volume & mix
- Strong efficiency performance and incremental simplification benefits continue to support margin
- **Q1 temporary operational issues now resolved**
- Phasing benefit of take-or-pay income impacts H1 reported margin

1 H1 2025 Financial results have been restated following the disposal of the majority of the Molten Metal Systems ('MMS') business which completed on 12 November 2025 to present the results of MMS within discontinued operations
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Specific adjusting items[1]

Continuing operations; £m	H1 2026	H1 2025[2]
Net restructuring charge	**(4.7)**	(5.8)
Impairment relating to restructuring	**(4.7)**	(1.3)
Global ERP implementation	**(11.5)**	(5.6)
Movement in fair value of consideration shares held at FVTPL	**2.5**	-
Total	**(18.4)**	(12.7)

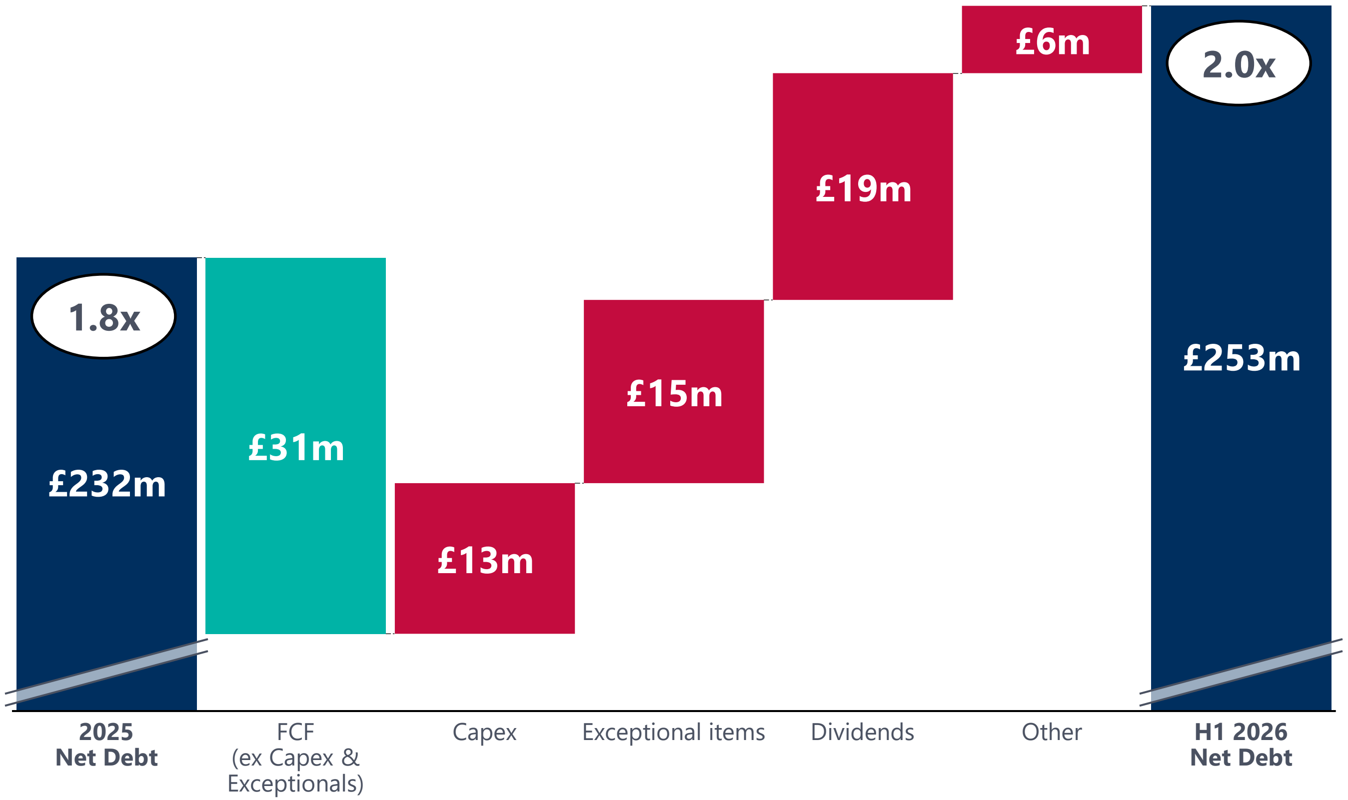
Restructuring includes costs associated with the closure of Technical Ceramics site in the USA

Global ERP implementation **progressing well**

1 Specific adjusting items from continuing operations of the Group, before tax.
2 2025 excludes specific adjusting items associated with discontinued operations.

Leverage in-line with expectations

Cash flow movements



	H1 2026 £m	H1 2025 £m
EBITDA	**78.5**	74.6
Net working capital	**(23.5)**	6.3
Net capital expenditure	**(12.5)**	(38.9)
Net interest	**(9.5)**	(9.0)
Tax paid	**(11.5)**	(12.0)
Exceptional items	**(15.2)**	(11.4)
Lease payments	**(6.3)**	(5.8)
Other items	**3.5**	0.8
Free cash flow	**3.5**	4.6
Dividends paid	**(18.8)**	(19.1)
Other items	**(5.5)**	0.4
Share buyback	**(0.1)**	(8.8)
Movement in net debt	**(20.9)**	(22.9)

- Net working capital includes a net £4.4m benefit from supplier financing and non-recourse debt factoring programmes
- Balances on these programmes were £42.6m at H1 2026

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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 the cost of capital in third full year

Additional returns
Further shareholder returns, as appropriate

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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)	**~£10m**	£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

Capital expenditure guidance unchanged, weighted towards H2 due to project phasing

Leverage begins to **return to target** range in **H2**, following disposal of MMS consideration shares

ERP investment to peak as roll-out to major sites continues during 2026, with project completion expected by end 2027

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Full year outlook

- **OCC[1] revenue growth of ~2%**
- Noting a headwind due to foreign exchange, **adjusted operating profit[2] margin** for the **second half broadly in-line with the first half**, excluding the phasing benefit of £8.9m from the take-or-pay agreement
- Guidance reflects the first benefits of **Transform**

1 OCC revenue growth is 'organic constant-currency' revenue growth excluding the impact of acquisitions, divestments and foreign currency over the 2025 full year continuing revenue of £996.6m
2 Adjusted operating profit is statutory operating profit, adjusted for specific adjusting items and amortisation of intangible assets.

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Strategic Execution

CEO | Damien Caby

Unlocking our potential and driving margin enhancing growth

Strategic levers

Transform operational effectiveness

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

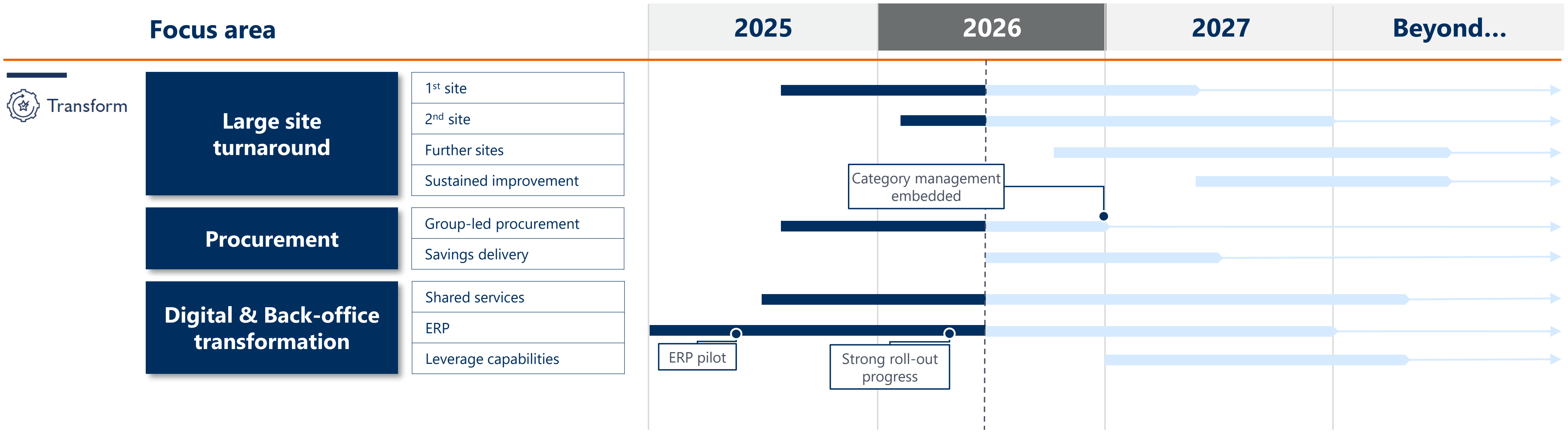
Drive stronger growth

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

Maximise portfolio value

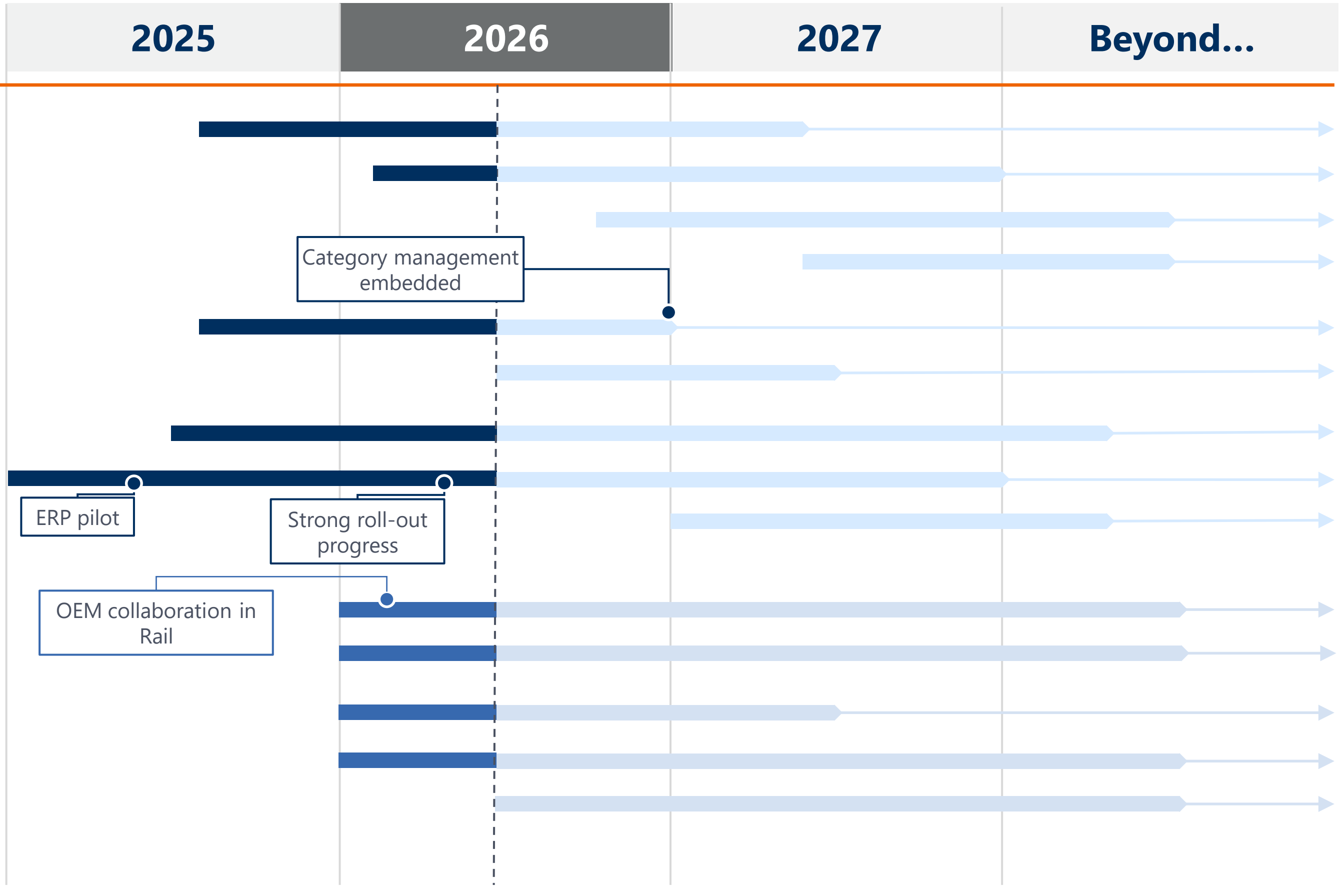
- Pursue partnerships and bolt-on M&A
- Divest if we are not the right owner

We are executing our strategy at pace



We are executing our strategy at pace

	Focus area	
Transform	Large site turnaround	1st site
		2nd site
		Further sites
		Sustained improvement
	Procurement	Group-led procurement
		Savings delivery
	Digital & Back-office transformation	Shared services
		ERP
		Leverage capabilities
Drive	Strengthen position in value chain	OEM collaboration
		Value chain advancement
	Capacity expansion	Vehicle Armour capacity
		Ion Implantation capacity
		Further incremental capacity



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We are executing our strategy at pace

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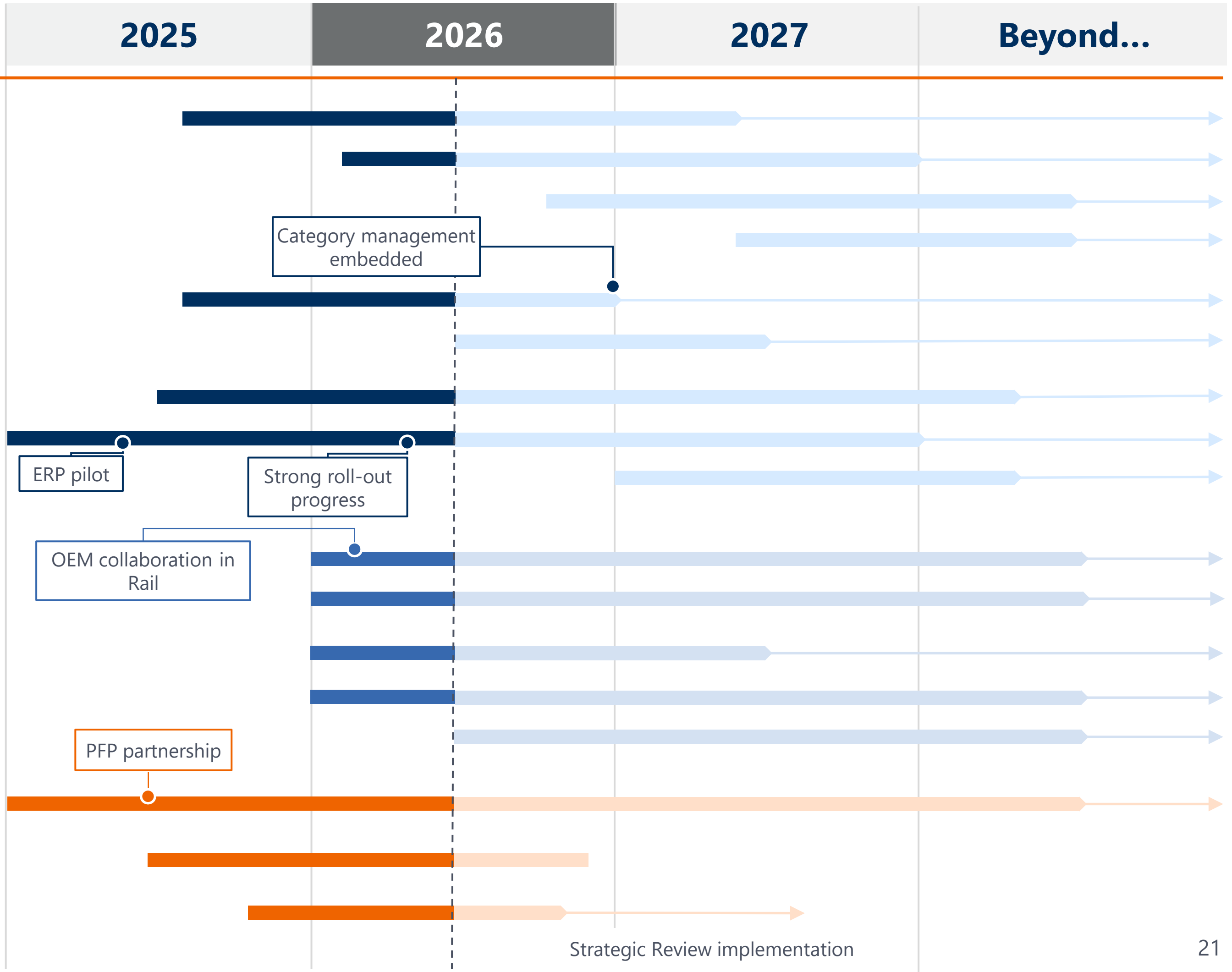
	Procurement	Group-led procurement
		Savings delivery
	Digital & Back-office transformation	Shared services
		ERP
		Leverage capabilities
Drive	Strengthen position in value chain	OEM collaboration
		Value chain advancement
	Capacity expansion	Vehicle Armour capacity
		Ion Implantation capacity
		Further incremental capacity
Maximise	Partnering	Establish partnerships
	Portfolio optimisation	MMS disposal
		Strategic Review of Thermal Products



Augusta transformation

Optimising the operating model to drive profitable growth

Augusta, GA

~380 employees

Objectives

- **Expand margins** with an improved operating model
- **Drive growth** with an optimised product portfolio, supported by a reorganised commercial structure
- **Enhance execution** through integrated supply and operations across the region

Bricks

Insulation

Castable

Transforming our Engineered Ceramics footprint

Rebalancing production to better utilise global resources

Objectives

- **Optimise asset utilisation** by rebalancing production across manufacturing sites
- **Enhance margins** by improving cost competitiveness with a more efficient production footprint

Metallised Ceramic Component

Metallised Ceramic Assembly

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Driving growth through market outperformance

Growing in attractive markets where we have the right to win

Market examples

Energy storage

Structural demand driven by battery safety and thermal runaway protection

Displacing incumbents with solutions more suited to emerging requirements

Rail

Installed base and transport investment support continued demand

Securing new customers in Asia with best-in-class operational value

Wind

Long-term demand for renewable generation and service activity

Generating aftermarket pull-through locked-in via product innovation

Key messages

Financial Performance	• Resilient revenue; encouraging growth in strategic areas
Transform	• Major site turnaround and Procurement initiatives on track
Drive	• Focused teams accelerating growth; OEM engagement delivering wins
Maximise	• Strategic Review of Thermal Products progressing well

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Q&A

Appendix

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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
Trading update	**November 2026**
FY 2026 Results	**March 2027**

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Consensus forecasts

	2026	2026 (Range)	2027	2027 (Range)
Revenue	1,010	1,001 – 1,020	1,045	1,033 – 1,051
Adjusted operating profit[1]	99	97 – 102	111	103 – 114
Adjusted operating profit[1] margin	9.8%	9.7% – 10.0%	10.6%	10.0% - 11.0%
EPS	17.3	16.3 – 18.3	20.7	18.5 – 21.8
Leverage	1.7x	1.6x – 1.8x	1.5x	1.3x – 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 5 August 2026.

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

Segmental performance

	Revenue £m				Adjusted operating profit[3] £m		Margin %	
	H1 2026	H1 2025[2]	Change %	OCC[1] Change %	H1 2026	H1 2025[2]	H1 2026	H1 2025[2]
Performance Carbon	158.3	154.1	2.7%	4.0%	27.0	25.2	17.1%	16.4%
Technical Ceramics	183.7	173.0	6.2%	7.8%	23.8	20.2	13.0%	11.7%
Thermal Products	176.1	175.4	0.4%	2.5%	11.3	13.5	6.4%	7.7%
Corporate costs	-	-	-	-	(4.3)	(4.1)	n/m	n/m
Continuing operations	**518.1**	**502.5**	**3.1%**	**4.8%**	**57.8**	**54.8**	**11.2%**	**10.9%**

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Foreign currency impacts

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

GBP to:	H1 2026 Closing rate	H1 2026 Average rate	H1 2025 Closing rate	H1 2025 Average rate
USD	1.32	1.34	1.37	1.30
Euro	1.16	1.15	1.16	1.19

For illustrative purposes, the table below provides details of the impact on 2026 H1 revenue and adjusted operating profit[1] if the actual reported results, calculated using 2026 H1 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 2026 revenue/adjusted operating profit if:	Revenue £m	Adjusted operating profit[1] £m
GBP weakens by 10c against USD in isolation	19.1	2.4
GBP weakens by 10c against the Euro in isolation	9.3	1.4

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

Adjusted earnings per share

£m	H1 2026	H1 2025[1]
Profit for the period attributable to shareholders of the Company	12.3	15.0
Loss from discontinued operations	-	0.9
Profit from continuing operations	**12.3**	**15.9**
Specific adjusting items	18.4	12.7
Amortisation of intangible assets	0.3	0.5
Tax effect of the above	(1.7)	(1.2)
Non-controlling interests' share of the above adjustments	-	-
Adjusted earnings	**29.3**	**27.9**
Weighted average number of shares in the period	276.1	280.8
Adjusted earnings per share (pence)	**10.7p**	**9.9p**

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Reported statutory figures

£m	H1 2026 Results before specific adjusting items	H1 2026 Specific adjusting items	H1 2026 Total	H1 2025[1] Results before specific adjusting items	H1 2025[1] Specific adjusting items	H1 2025[1] Total
Revenue	**518.1**	**-**	**518.1**	**502.5**	**-**	**502.5**
Operating costs before amortisation of intangible assets	(460.3)	(18.4)	(478.7)	(447.7)	(12.7)	(460.4)
Profit from operations before amortisation of intangible assets	**57.8**	**(18.4)**	**39.4**	**54.8**	**(12.7)**	**42.1**
Amortisation of intangible assets	(0.3)	-	(0.3)	(0.5)	-	(0.5)
Operating profit	**57.5**	**(18.4)**	**39.1**	**54.3**	**(12.7)**	**41.6**
Net financing costs	(11.6)	-	(11.6)	(10.8)	-	(10.8)
Profit before taxation	**45.9**	**(18.4)**	**27.5**	**43.5**	**(12.7)**	**30.8**
Income tax expense	(13.1)	1.7	(11.4)	(12.0)	1.2	(10.8)
Profit from continuing operations	32.8	(16.7)	16.1	31.5	(11.5)	20.0
Profit / (loss) from discontinued operations	-	-	-	2.4	(3.3)	(0.9)
Profit for the year	**32.8**	**(16.7)**	**16.1**	**33.9**	**(14.8)**	**19.1**
Profit the year attributable to:						
Shareholders of the Company	29.0	(16.7)	12.3	29.8	(14.8)	15.0
Non-controlling interests	3.8	-	3.8	4.1	-	4.1

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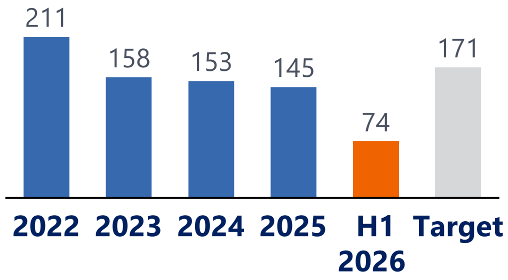
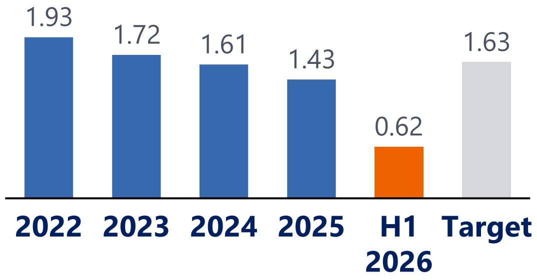
Progress against our ESG commitments

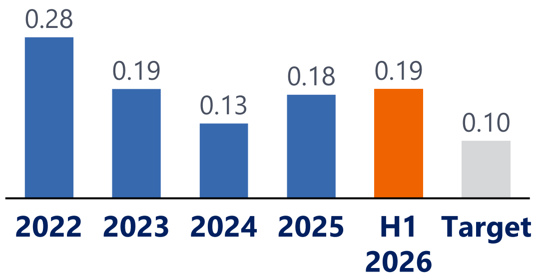
Absolute CO_2e emissions[1]



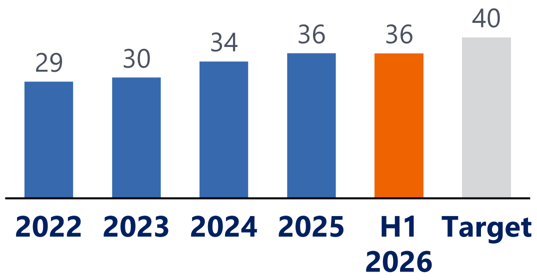
Water usage[2]



Lost time accident rate[3]



% Female leadership[4]



1. Scope 1 and 2 CO_2e **down 8%**[5]

   Annualised 57% below 2015 baseline (2030 Goal: 50% below)

   74% low carbon electricity supply

2. Water usage **down 14%**

   Annualised 47% below baseline (2030 Goal: 30% below)

3. Women in leadership: **36%**

   (2030 Goal: 40%)

4. LTA at **0.19**

   (2030 Goal: below 0.10)

1 Scope 1 and 2 CO_2e 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
5 This drop includes the year over year benefit of the MMS disposal