

Unlocking our potential

Morgan Advanced Materials Strategy Update

4 DECEMBER 2025

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.

Welcome

Chair | Ian Marchant



Morgan's opportunity

Strong foundations

and positioned in
diverse end markets

Clear strategy

that will drive higher
margin growth

Unlock Potential

be the leading force in
our chosen markets

Agenda

Welcome	Chair, Ian Marchant	2:00
Strategy update	CEO, Damien Caby	2:05
Financial Update	CFO, Richard Armitage	2:45
Q&A		3:00
Close & Drinks		3:30

Key messages

- 1** Setting a clear path to achieve 12% margins by 2028
- 2** Focusing on our right to win to drive above GDP growth at higher margins
- 3** Executing distinctive strategic mandates for each division
- 4** Maximising portfolio value to sustain 12%-14% margins further out

Our impact



We are a global leader in advanced materials

We combine material science, deep application expertise and process excellence to co-design and manufacture mission critical solutions

Revenue

c.£1.0bn

2025 Consensus²

Adj. operating profit¹ margin

c.10.0%

2025 Consensus²

Operating globally across

57

sites

Employing

c.8,100

people worldwide

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

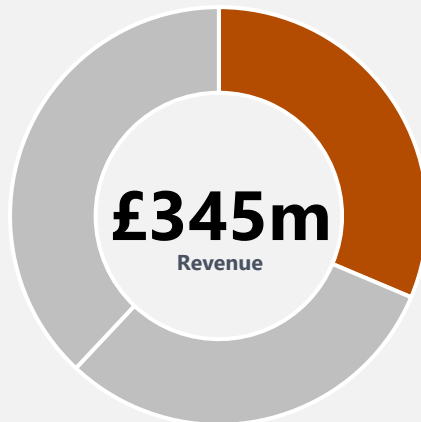
² Based upon Company compiled consensus

Our three Divisions

The backbone of our operating model

Performance Carbon

Carbon, graphite & silicon carbide components with versatile properties

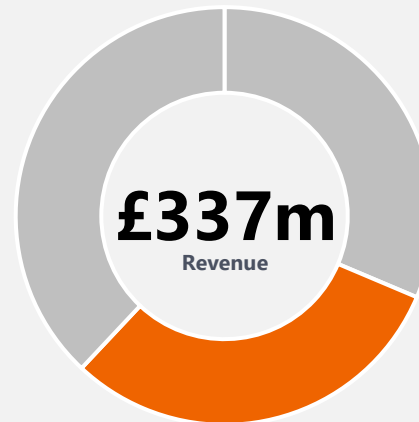


16.0%

Adj. Operating Profit Margin

Technical Ceramics

Bespoke ceramics and metallisation capability for components and assemblies

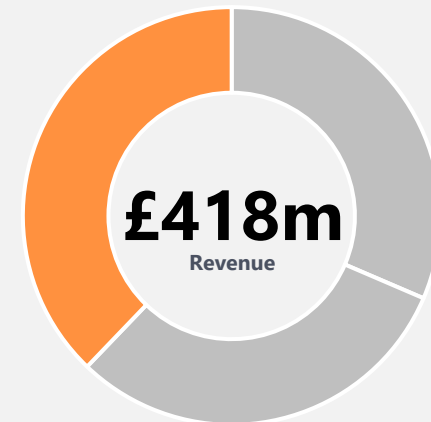


11.7%

Adj. Operating Profit Margin

Thermal Products

High performing solutions for high temperature insulation and fire protection



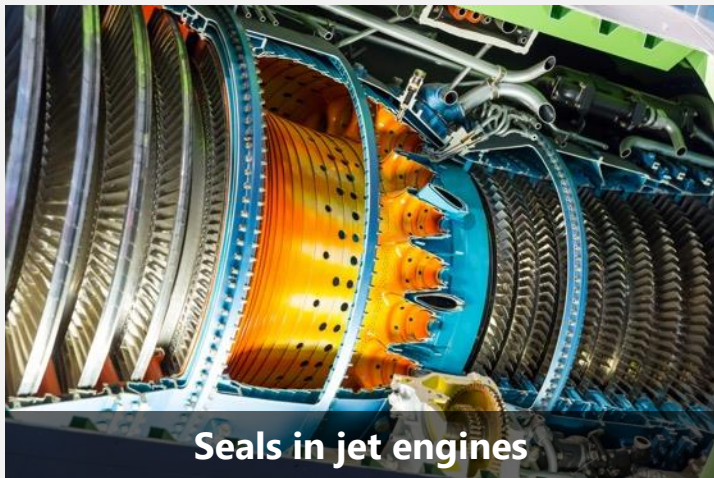
9.6%

Adj. Operating Profit Margin

Creating value with technology

Examples of our mission critical products and solutions

Performance Carbon

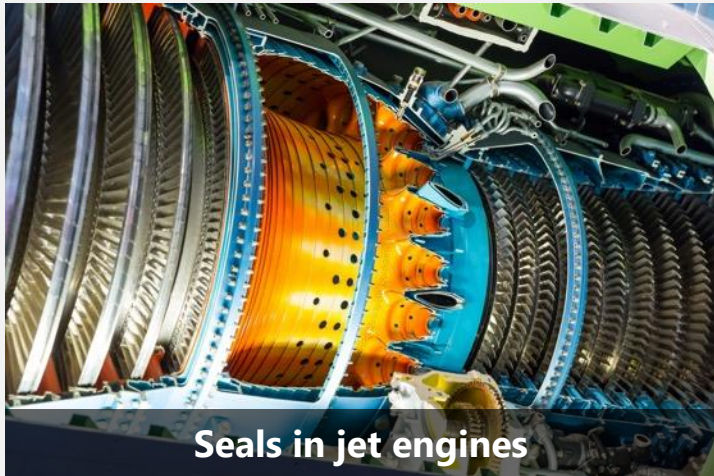


Our high **quality, durability and reliability** helps to **reduce maintenance** and downtime of aircraft engines

Creating value with technology

Examples of our mission critical products and solutions

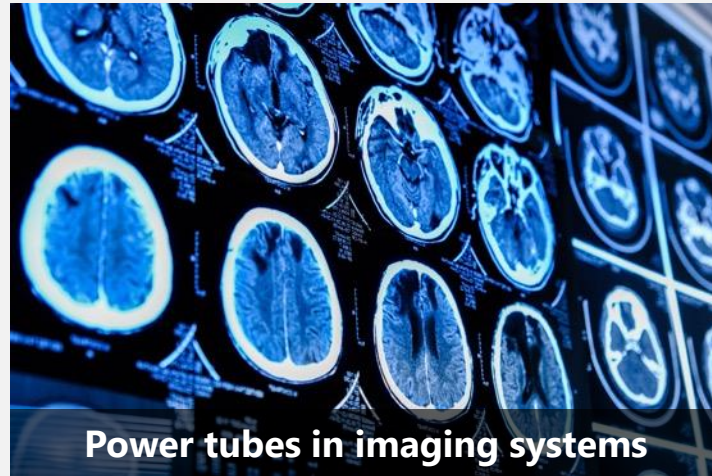
Performance Carbon



Seals in jet engines

Our high **quality, durability and reliability** helps to **reduce maintenance** and downtime of aircraft engines

Technical Ceramics



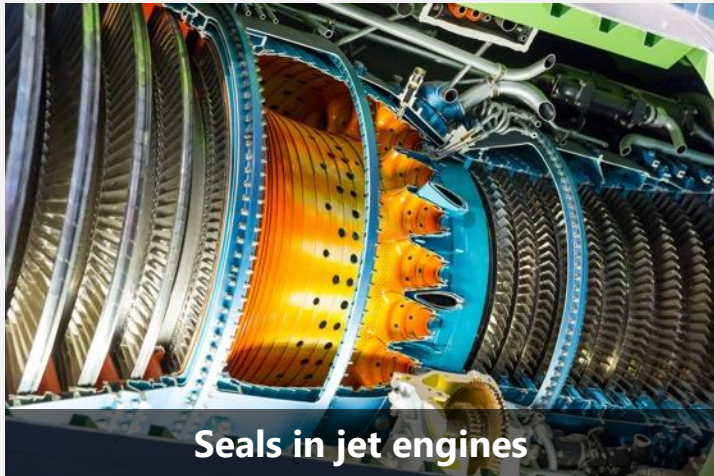
Power tubes in imaging systems

Our **customisation allows** products to have **higher performance and precision** in medical and security systems

Creating value with technology

Examples of our mission critical products and solutions

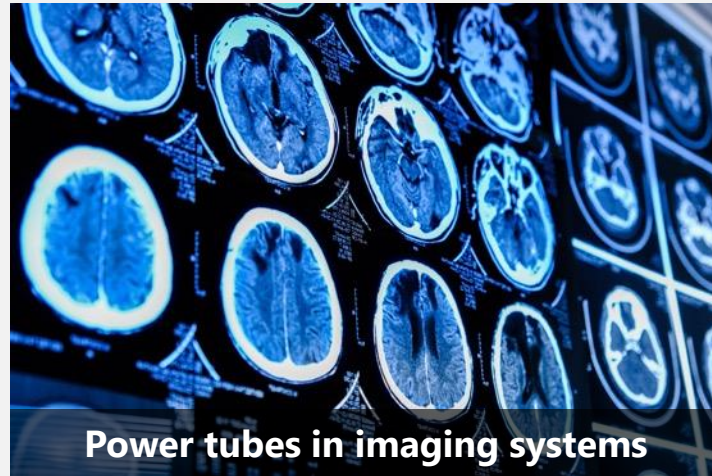
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Thermal Products



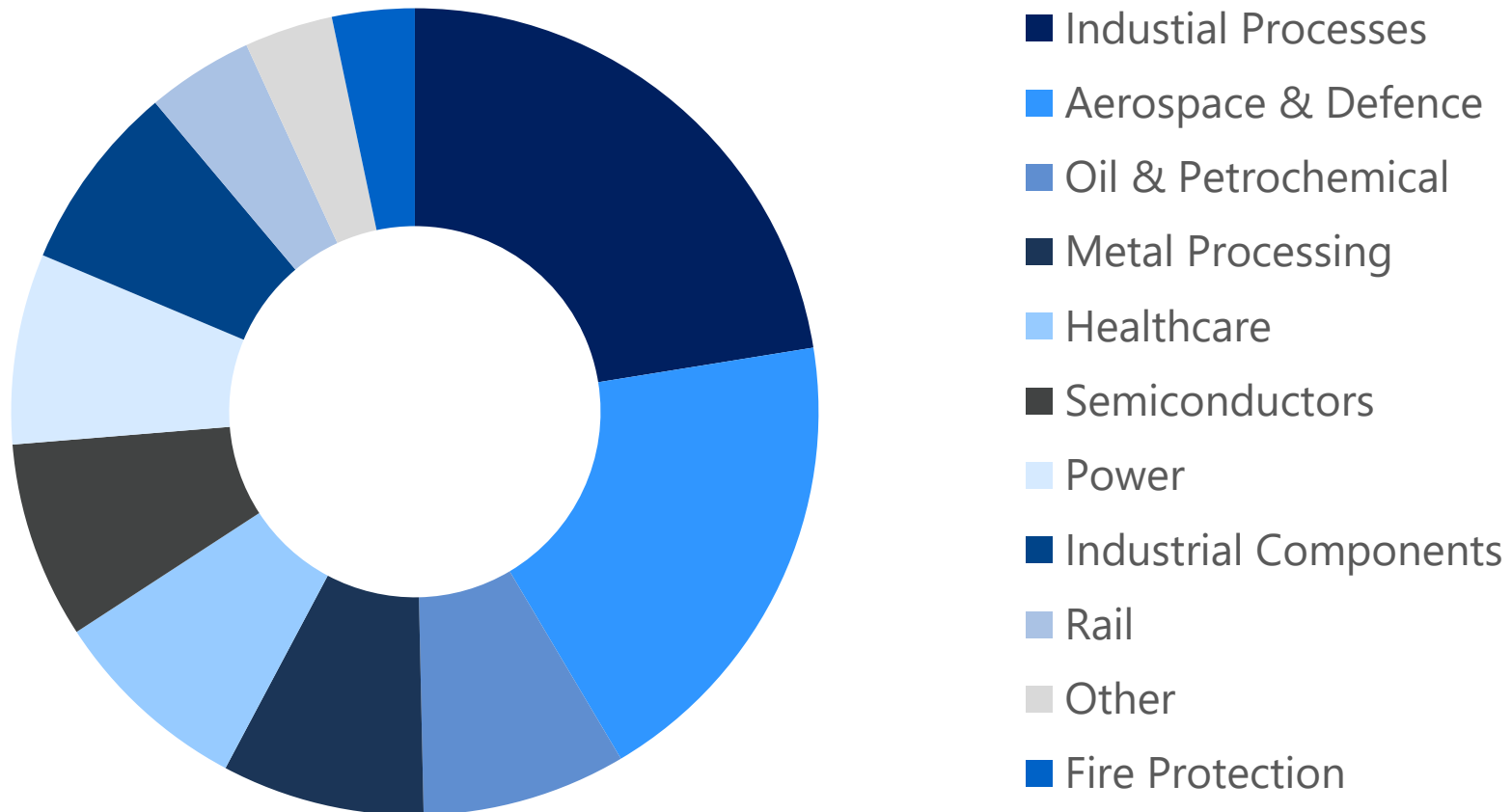
Heat shields in exhaust systems

Our fibre **technology innovation** will allow vehicles to **meet higher emissions standards**, expected to come into effect next year in the EU

Our markets

Providing resilience and opportunities through diversified end markets

Revenue mix



Unlocking our potential

The leading force in our chosen markets

Key capabilities

- Technology leadership
- Problem solving
- Customer intimacy
- Customisation

Clear differentiators

- Product performance
- Certifications and accreditations
- Customer access
- Global manufacturing footprint

Winning culture

Unlocking our potential

The leading force in our chosen markets

Key capabilities

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- Problem solving
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- Customisation

Clear differentiators

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What is holding us back

Supply chain effectiveness and efficiency

Proactively upgrading right to win and positions in value chains

Efficiency of resource allocation and quality of decisions

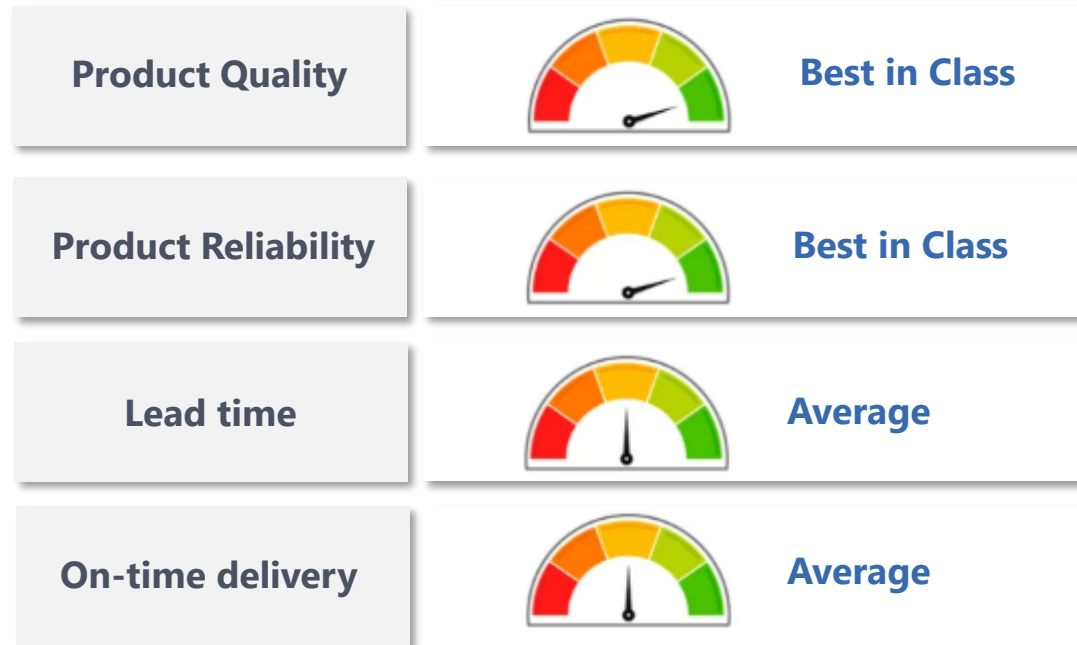
Winning culture

What our customers tell us

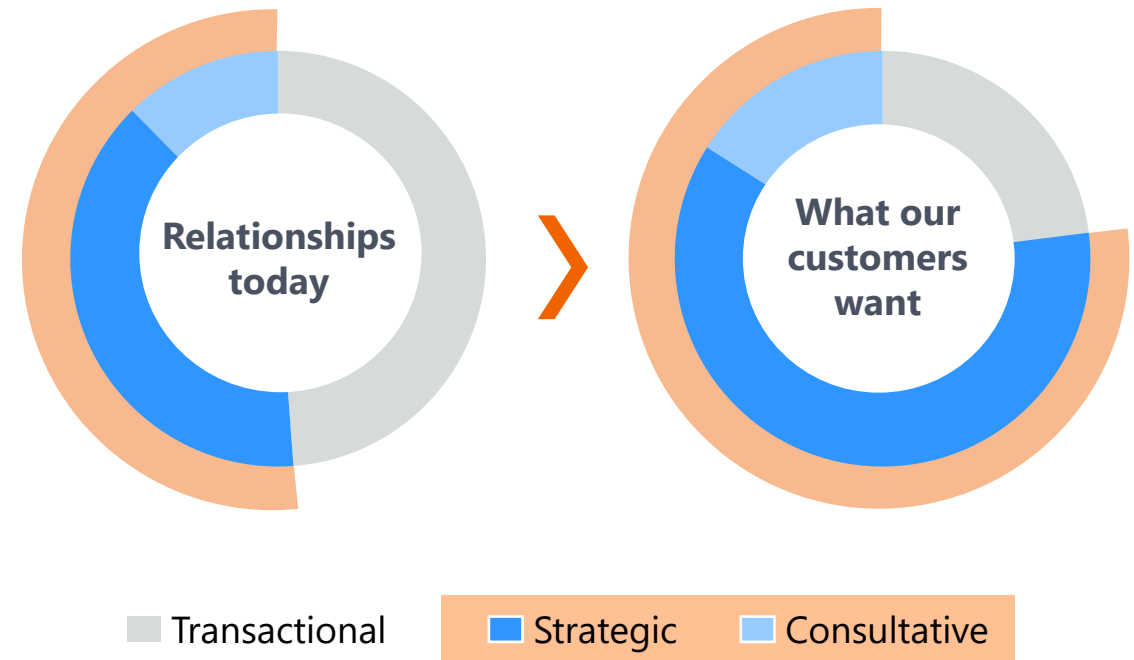
Enhance customer experience and build strategic partnerships

Customers want our delivery to match our quality

Customers want a strategic relationship



We have an **opportunity** to convert more **customers** to higher value relationships



A close-up, low-angle shot of an airplane's wing and engine, set against a dramatic sunset sky with soft, colorful clouds. The wing is white and extends from the bottom right towards the top left. The engine is a large, white, cylindrical component mounted on the wing. The sky transitions from a deep blue at the bottom to a warm orange and pink at the top.

Voice of the customer

Mike Eason, CTO at John Crane

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

Drive a step change in operational effectiveness

Implementing new initiatives that leverage group scale

Procurement

Deploying group-led category management

Opportunity to save on £170m of indirect spend

Operations

Targeting the largest underperforming sites

Representing c.20% group revenue

Back-office

Streamlining and standardising administrative activities

Such as billing, collection, payroll, purchasing

Outcomes

- £20m margin improvement
- More scalable business
- Enabling growth

Powered by digitalisation

Expanding our market share and addressable market

Leveraging right to win and upgrading our position in the value chain

**Increase supply of
components & subsystems**



**Co-develop technology
for new applications**

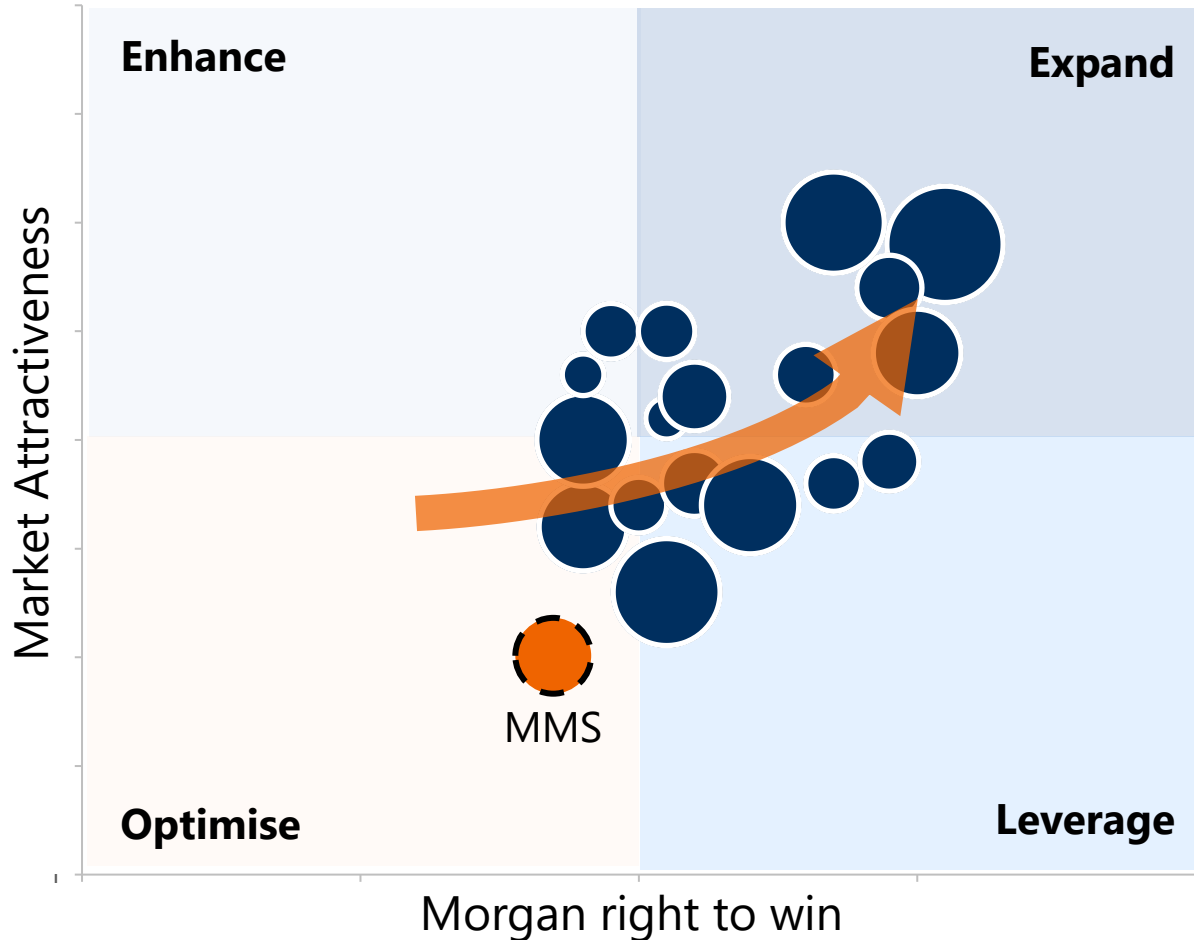


**Structural partnerships
to scale**



Action clear portfolio choices

Choices aligned to capital allocation for margin enhancing growth underpinned by right to win

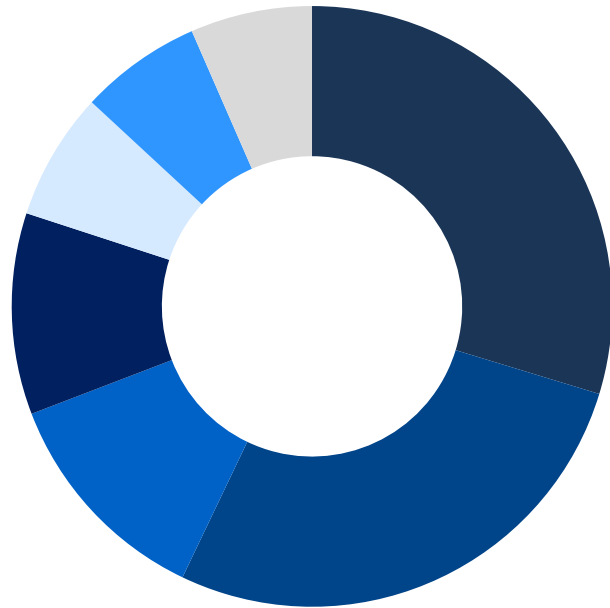


<p>Enhance</p> <p>Partner with customers and channel leaders <u>and</u> improve position in the value chain</p>	<p>Expand</p> <p>Stay ahead in technology, capabilities and capacity <u>and</u> broaden portfolio through adjacencies</p>
<p>Optimise</p> <p>Improve operational performance, channels to market and focus on high value niches <u>and</u> assess options for better owner</p>	<p>Leverage</p> <p>Enhance addressable market using strong position <u>or</u> maximise cash generation</p>

Thermal Products

Optimise cost, enhance delivery performance, expand in high value segments

Revenue mix



- Metal Processing
- Oil & Petrochemical
- Fire Protection
- Industrial Components
- Power
- Aerospace & Defence
- Other

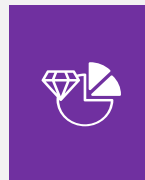
Strategic priorities



- Turn around larger site
- Improve cost position with best manufacturing practices and optimisation of asset utilisation throughout the network



- Strengthen channels to market for best coverage of higher value segments
- Collaborate with process technology owners on solutions for low carbon processes in steel and petrochemicals



- Expand in fire protection with partnerships in selected geographies where we have a compelling value proposition

Growth rate

GDP

on average

Adj. operating profit margin

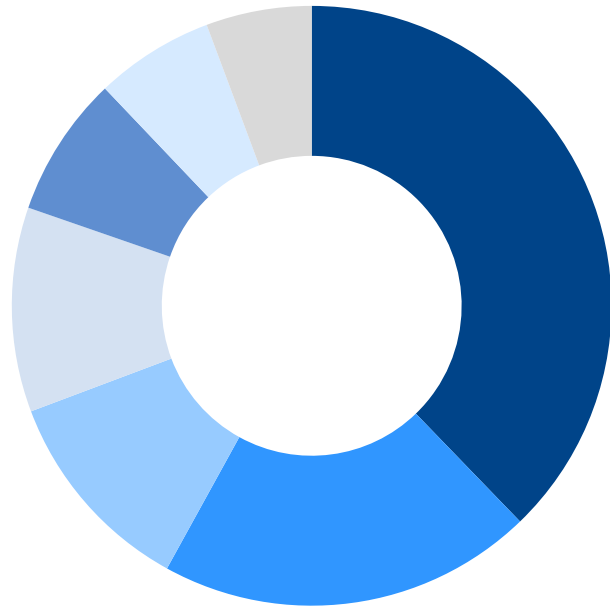
8-10%

target

Performance Carbon

Renew differentiation, extend leadership, expand addressable market

Revenue mix

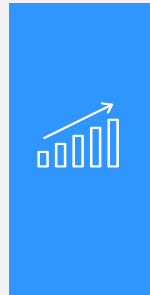


- Industrial Components
- Aerospace & Defence
- Semiconductor
- Rail
- Oil & Petrochemicals
- Power
- Other

Strategic priorities



- Increase quick turn deliveries to grow in aftermarket
- Optimise product flows and asset utilisation



- In Aerospace & Defence, expand in Armour and adjacencies, based on technology and trade control capabilities
- Innovate in mature markets where we have leading positions – Rail, Wind, Aerospace, Industrial Components
- Support Semiconductor SiC material growers with differentiating technology in market rebound



- Assess partnerships in China for supply in Semiconductor SiC material growth
- Explore move into sub-system in Industrial Components and processes, optimising fragmented value chain

Growth rate

GDP+

on average

Adj. operating profit margin

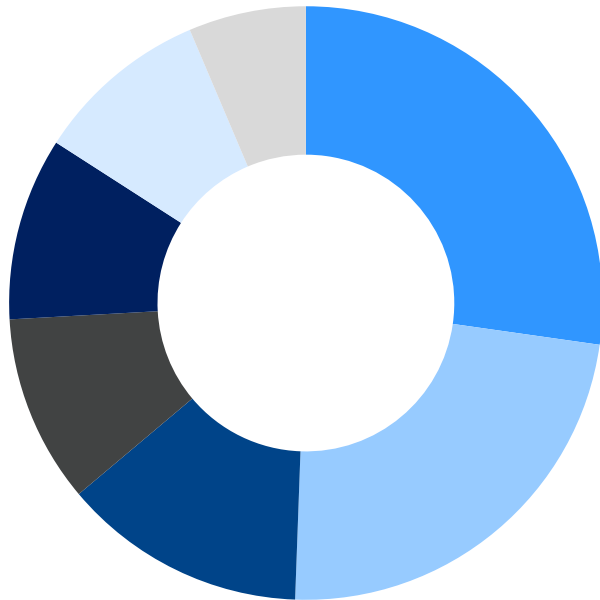
14-18%

target

Technical Ceramics

Optimise manufacturing network, bolster leadership positions, grow market share

Revenue mix



- Aerospace & Defence
- Industrial Components
- Industrial Processes
- Other
- Healthcare
- Semiconductor
- Power

Strategic priorities



- Rebalance production among sites to better utilise capabilities, capacities and improve costs



- Extend leading position in Aerospace & Defence with capacity investment to support ramp up in deliveries of new aircraft engines
- Deepen collaboration with our customers in Semiconductor wafer fabrication to co-develop new products

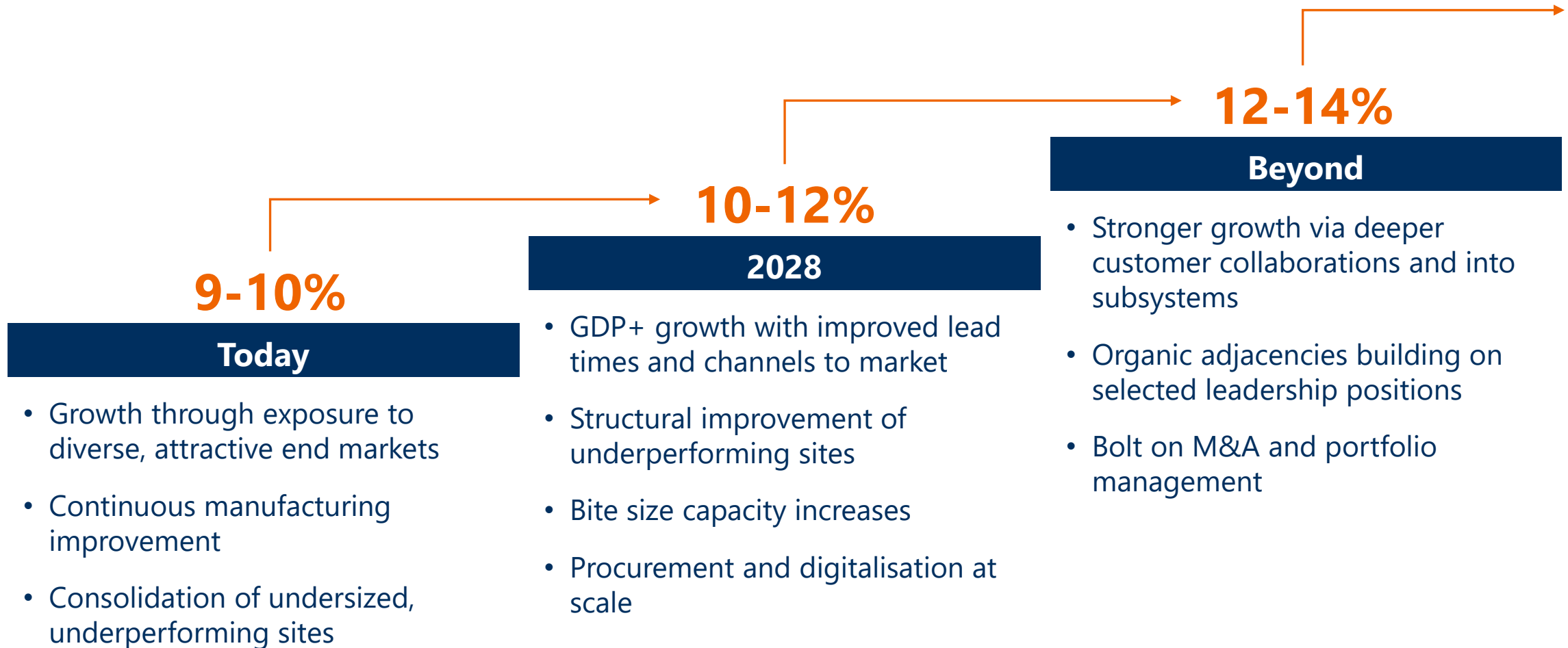


- Expand into high tech adjacencies in Industrial Components
- Expand into adjacencies in Aerospace & Defence based on existing access to customers and differentiating capabilities

Growth rate
GDP++
on average

Adj. operating profit margin
12-16%
target

Creating a clear roadmap



Financial Update

CFO | Richard Armitage

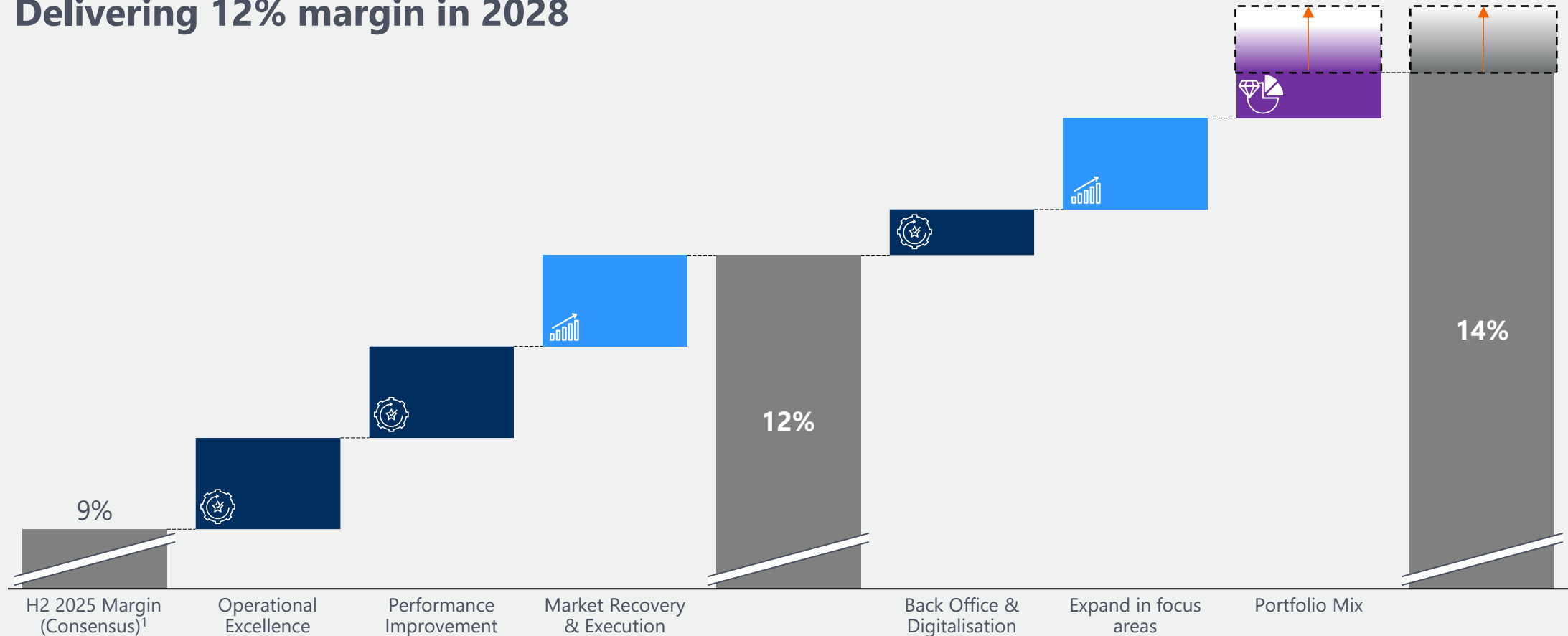


A clear and executable financial framework

- Our focused strategy provides a clear path to a sustainable 12%+ margin
- We will apply our capital allocation policy with discipline
- We have strong conviction that cash conversion will improve as investment normalises
- Our updated financial framework reflects the business opportunity in our end-markets

We have a clear path to a sustainable 12% margin

Delivering 12% margin in 2028



¹ Based upon Company compiled consensus

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
- Maintenance 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

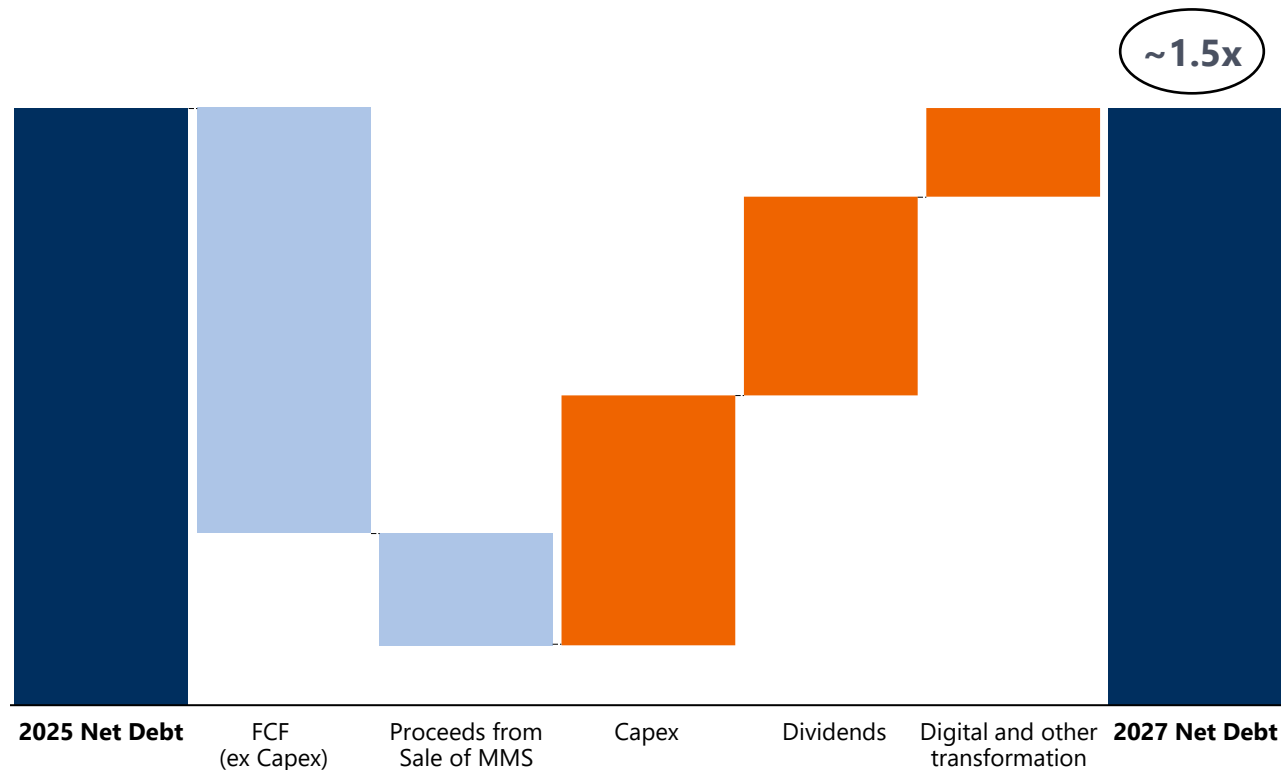
Additional returns

Further shareholder returns, as appropriate

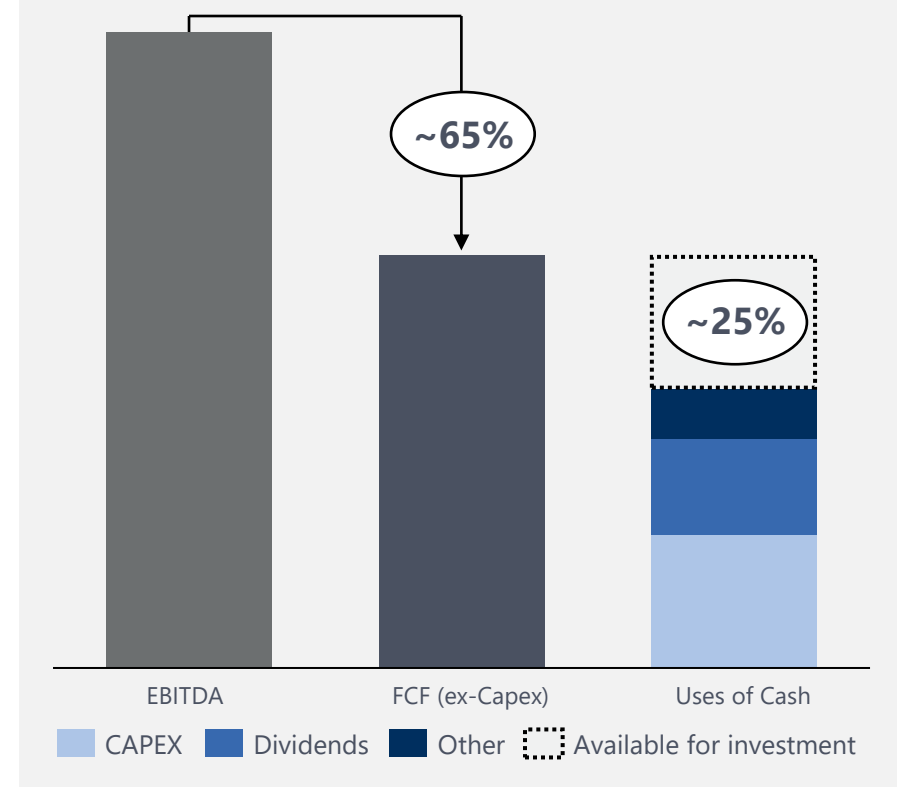
Maintained focus on balance sheet discipline

Strong steady state cash generation

Leverage to return to framework range by 2027

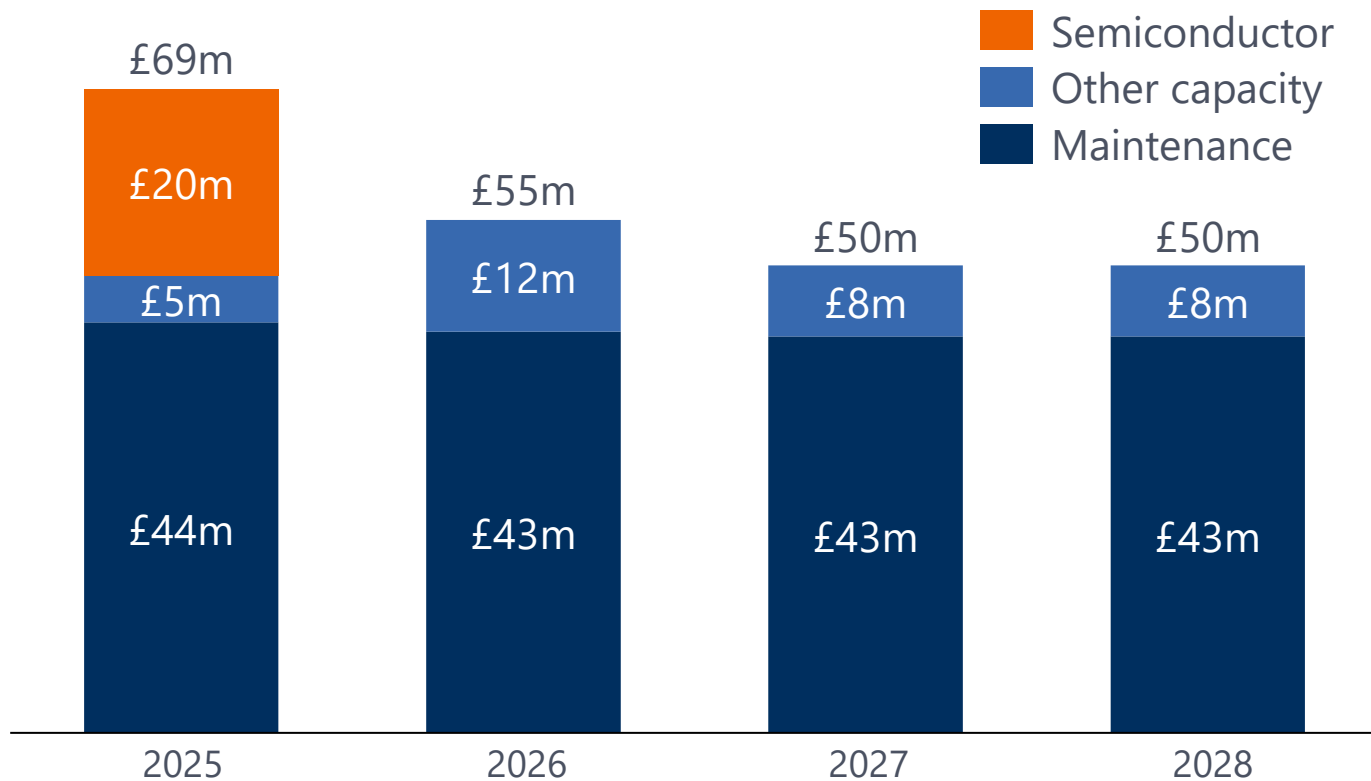


Improved cash conversion



Capital investment normalises from 2026

Capital investment profile



- Planned Semiconductor investment completes in 2026
- Other capacity investments aligned to strategy
- Scope available to increase investment in capacity to support growth

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

Closing remarks

CEO | Damien Caby



Key messages

- 1** Setting a clear path to achieve 12% margins by 2028
- 2** Focusing on our right to win to drive above GDP growth at higher margins
- 3** Executing distinctive strategic mandates for each division
- 4** Maximising portfolio value to sustain 12%-14% margins further out

Q&A

