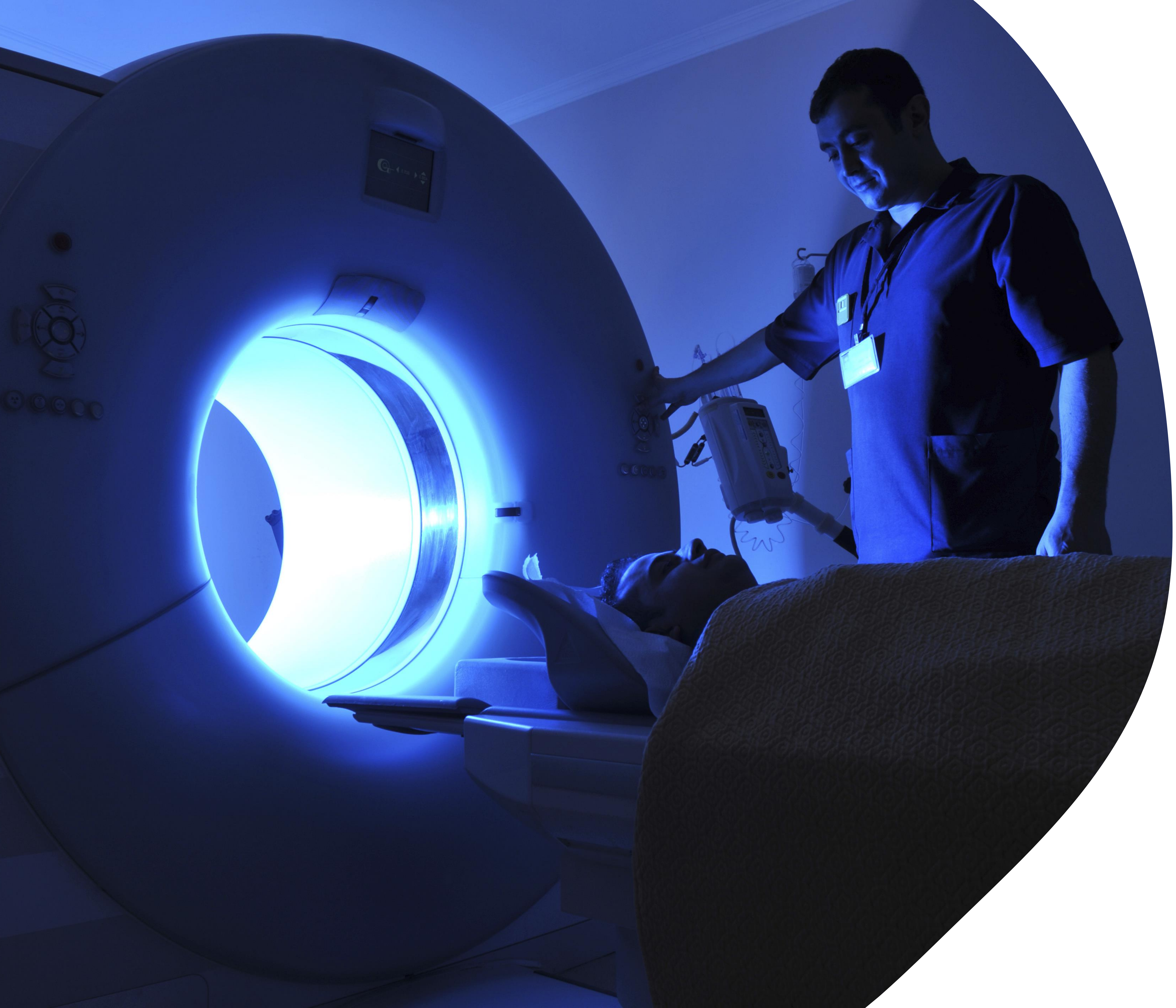


2024 Interim results presentation

6 August 2024

Agenda

- Introduction and summary – Pete Raby
- 2024 Interim results – Richard Armitage
- Operational and strategic update – Pete Raby

Summary

- Organic constant-currency revenue growth of 8.2%, with 14.9% from our faster growing markets
- Group adjusted operating profit margin of 12.5%, in line with our financial framework. Pricing measures continue to more than offset inflation
- Adjusted EPS at 14.7p has grown +48.5% versus 1H 2023
- Capital investment programme progressing well
- Return on invested capital 19.7% for 1H, at the higher end of our financial framework range
- Strong balance sheet with net debt/EBITDA (excl. leasing) of 1.3 times
- Interim dividend increased 0.1p to 5.4p per share
- Absolute scope 1 and 2 emissions CO_2e reduced by 11.6% compared with 1H 2023
- 2H revenue in line with 1H; margin to remain at around 12.5%

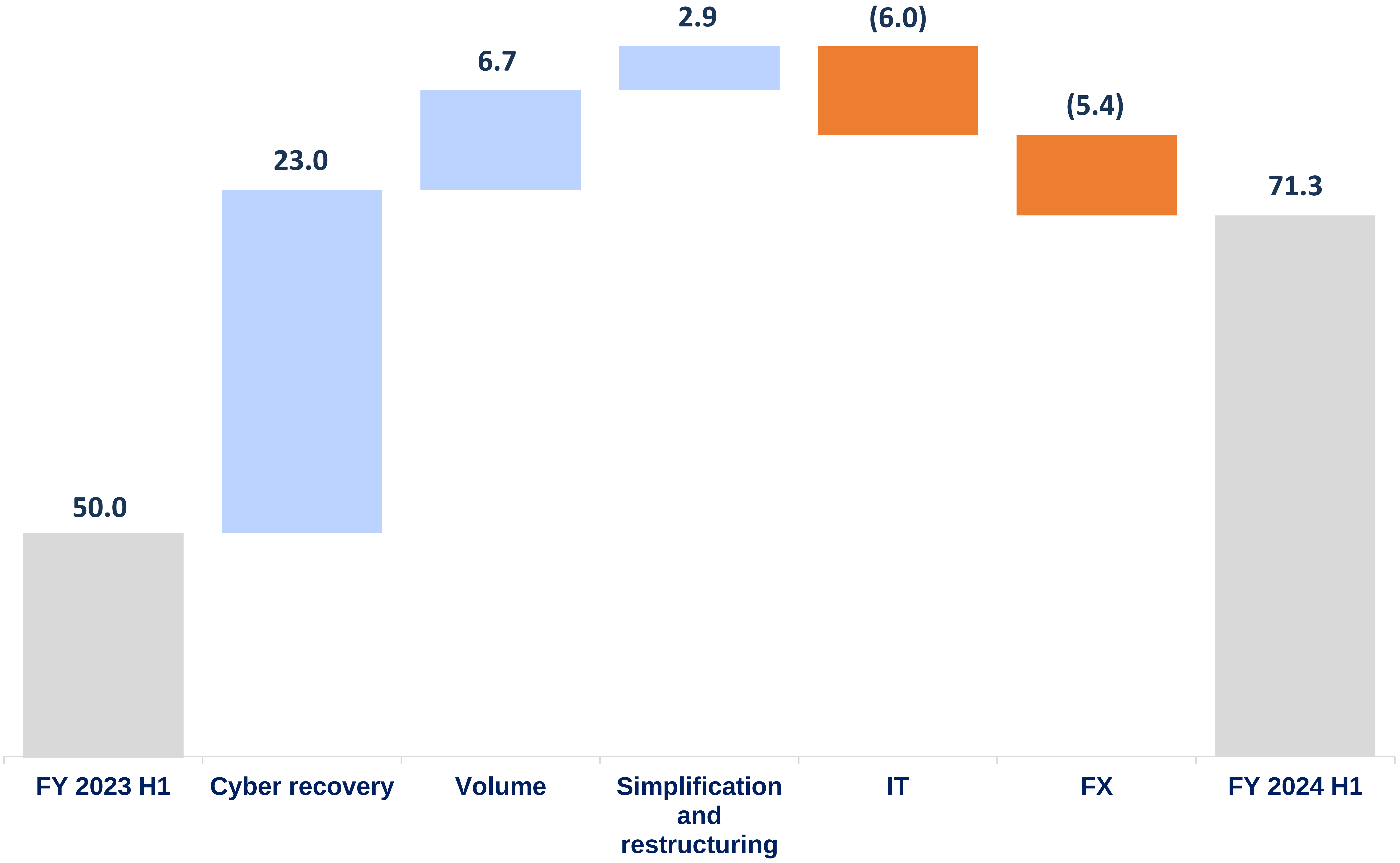
2024 Interim results
Richard Armitage

Group Performance

£m	1H 2024	1H 2023	% change from 1H 2023	
			As reported	At organic constant-currency
Revenue	572.6	553.9	3.4%	8.2%
Group adjusted operating profit[1]	71.3	50.0	42.6%	59.5%
Group adjusted operating profit margin %	*12.5%*	*9.0%*		
Return on invested capital %	*19.7%*	*18.7%*		
Cash generated from continuing operations	66.1	12.9	412.4%	
Free cash flow before acquisitions, disposals and dividends	(7.9)	(37.1)	78.7%	
Adjusted earnings per share	14.7p	9.9p	48.5%	
Interim dividend per share	5.4p	5.3p	1.9%	

1 Group adjusted operating profit is before specific adjusting items and amortisation of intangible assets

Group adjusted operating profit bridge



- 1H 2023 results reduced due to cyber incident, now recovered in 1H 2024
- Volume growth through 1H despite industrial slowdown impacting core markets in 2H 2023
- Savings from restructuring and simplifying our structure and operational footprint
- Increased investment in IT infrastructure
- FX headwinds continue to impact operating profit

Cash flow summary

£m	1H 2024	1H 2023
EBITDA	**92.6**	**69.5**
Change in working capital	(22.0)	(45.2)
Net capital expenditure	(44.6)	(24.0)
Net interest	(7.3)	(4.5)
Tax paid	(16.0)	(15.8)
Lease payments & other items	(7.0)	(4.5)
Exceptional costs	(3.6)	(12.6)
Free cash flow	**(7.9)**	**(37.1)**
Acquisitions	(4.9)	-
Dividends paid	(19.1)	(19.1)
Other items	(5.2)	(3.8)
Net cash flow	**(37.1)**	**(60.0)**
Closing net debt excl. lease liabilities	**(222.3)**	**(208.5)**
Net debt (excl. lease liabilities)/EBITDA	**1.3**	**1.3**

Working capital outflow of
£(22.0)m

2023 1H : £(45.2)m

Capital investment of
£44.6m

2023 1H : £24.0m

Free cash flow of
£(7.9)m

2023 1H : £(37.1)m

Net debt (excl lease liabilities) of £222.3m, net debt/EBITDA of **1.3x**

2023 1H : 1.3x

Simplification and restructuring on track

£m	FY 2023	FY 2024	FY 2025	Total
Adjusted operating profit[1] benefits (incremental)	1	7	10	-
Costs charged to specific adjusting items	(7)	(11)	(2)	(20)

- Simplification into three segments supports our growth ambition by allowing resources to be focused on the most attractive opportunities:
  - Thermal Products
  - Performance Carbon
  - Technical Ceramics
- Further improvement in efficiency through the closure of four manufacturing sites
- Cost savings from simplification, along with back office streamlining and other cost reductions recognise weaker short-term demand in some of our Industrial end-markets

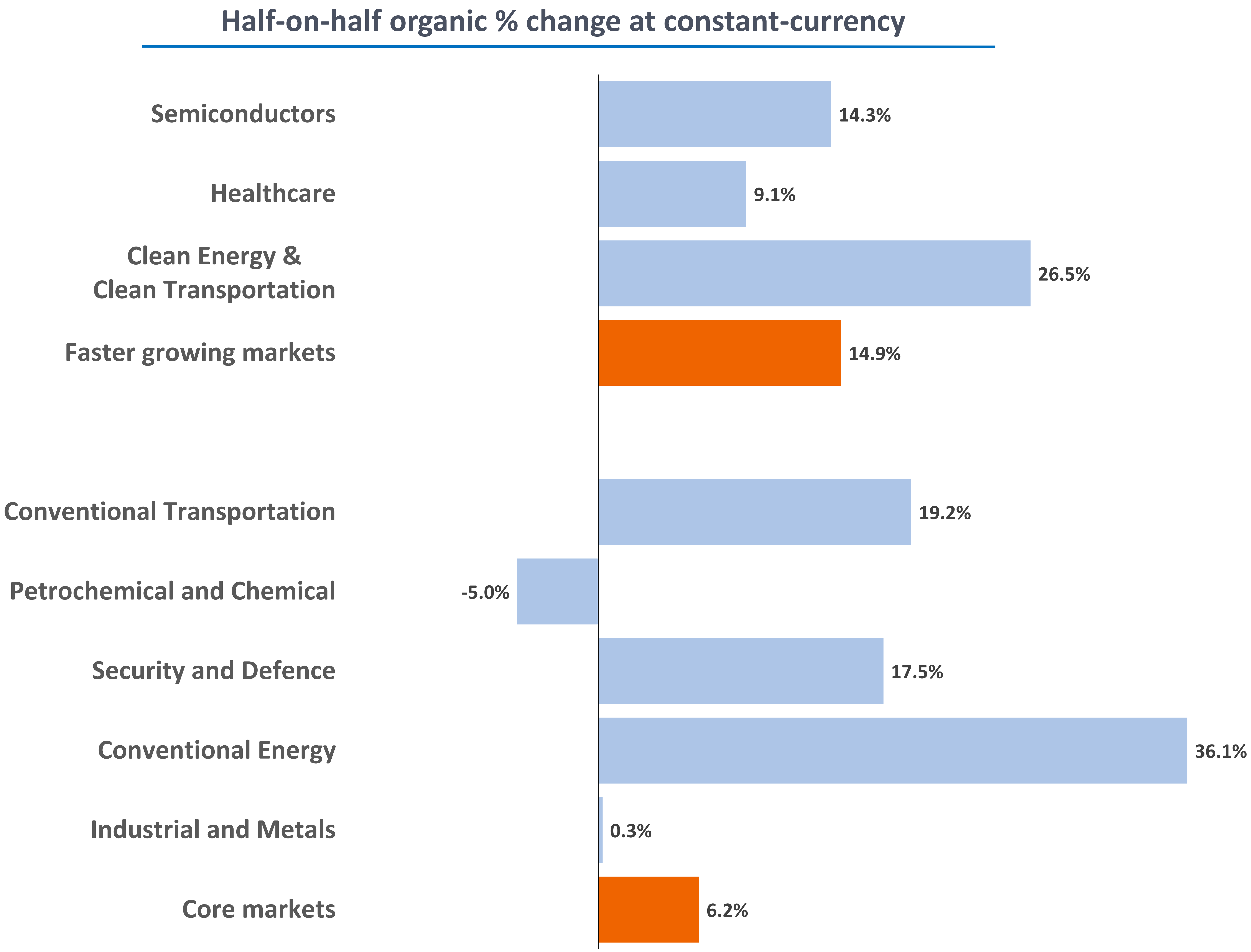
1 Adjusted operating profit is before specific adjusting items and amortisation of intangible assets

FY2024 technical guidance

Capital expenditure	c. £120m
Net finance charge: Interest charges (c. £15-16m) IAS 19 pensions net interest charge (c. £0.5m) IFRS 16 lease interest (c. £2m)	c. £17-19m
Effective tax rate	25-27%
Non-UK defined benefit pension scheme contributions	c. £3-4m
Foreign currency impacts	See slide 23
Dividend Policy in the medium term	c. 2.5x

Operational and strategic update
Pete Raby

Growth across major market segments



- Consumables for SiC power electronics and ion implant
- Feedthroughs for implantable devices
- Solar, wind and rail consumables

- Aerospace the primary driver
- Lower demand in consumable seals
- Broad-based growth in Defence demand
- Strong re-stocking post cyber recovery
- Declines in Europe and China offset by growth in North America

Segmental performance

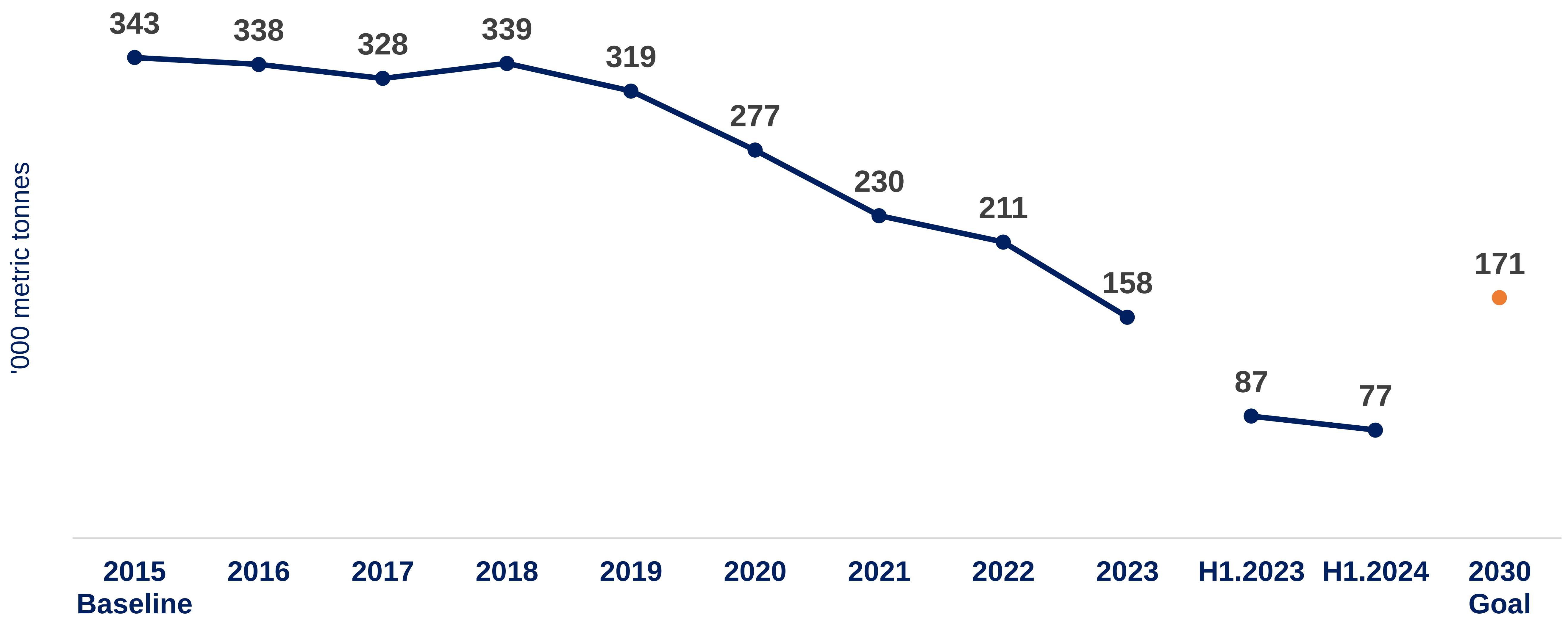
	Revenue £m		Organic constant-currency growth	Adjusted operating profit[1] £m		Margin %	
	1H 2024	1H 2023	%	1H 2024	1H 2023	1H 2024	1H 2023
Thermal Products	221.5	231.4	2.4%	24.2	15.8	10.9%	6.8%
Performance Carbon	178.9	157.4	18.1%	31.3	19.6	17.5%	12.5%
Technical Ceramics	172.2	165.1	6.7%	18.8	17.6	10.9%	10.7%
Corporate costs	-	-		(3.0)	(3.0)	-	-
Group	**572.6**	**553.9**	**8.2%**	**71.3**	**50.0**	**12.5%**	**9.0%**

- Organic growth in each segment driven by underlying markets and favourable 1H 2023 comparator
- Margins expand in each segment with drop through on sales, non-repeat of the cyber inefficiencies in 1H 2023 and restructuring savings

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

CO_2e emissions now 50% below 2015 baseline

Absolute CO_2e (Scope 1 and 2)[1]



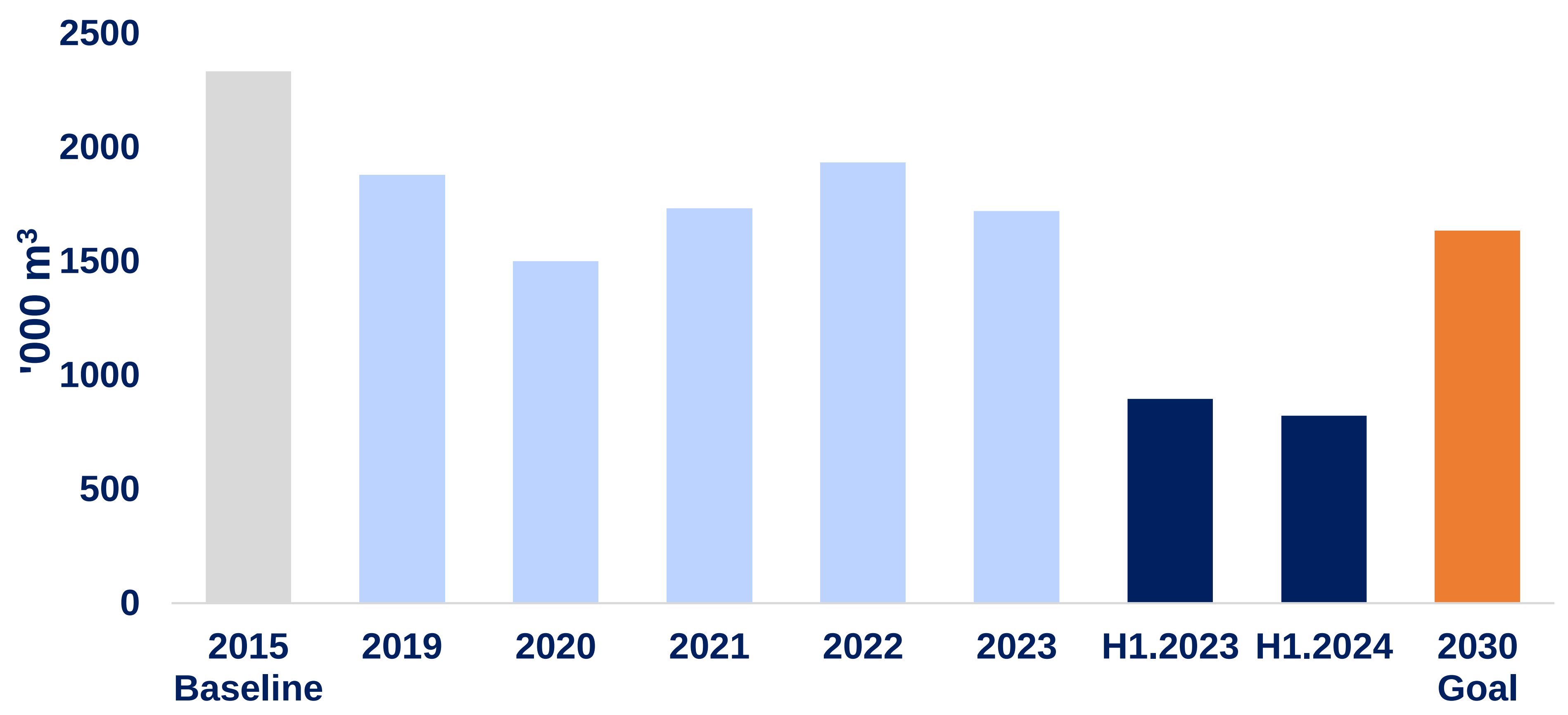
11.6% reduction in absolute CO_2e emissions compared with 1H 2023 driven by:

- **Green energy procurement:** transition to renewable and other carbon free energy sources
- **Efficiency and process optimisation actions:** changes to processes (e.g., kiln firing profiles) and equipment operating protocols e.g., equipment shutdowns and idling machines
- **Capital projects:** replacement of inefficient assets, transition from gas to electric fuel types, and improvement in control systems

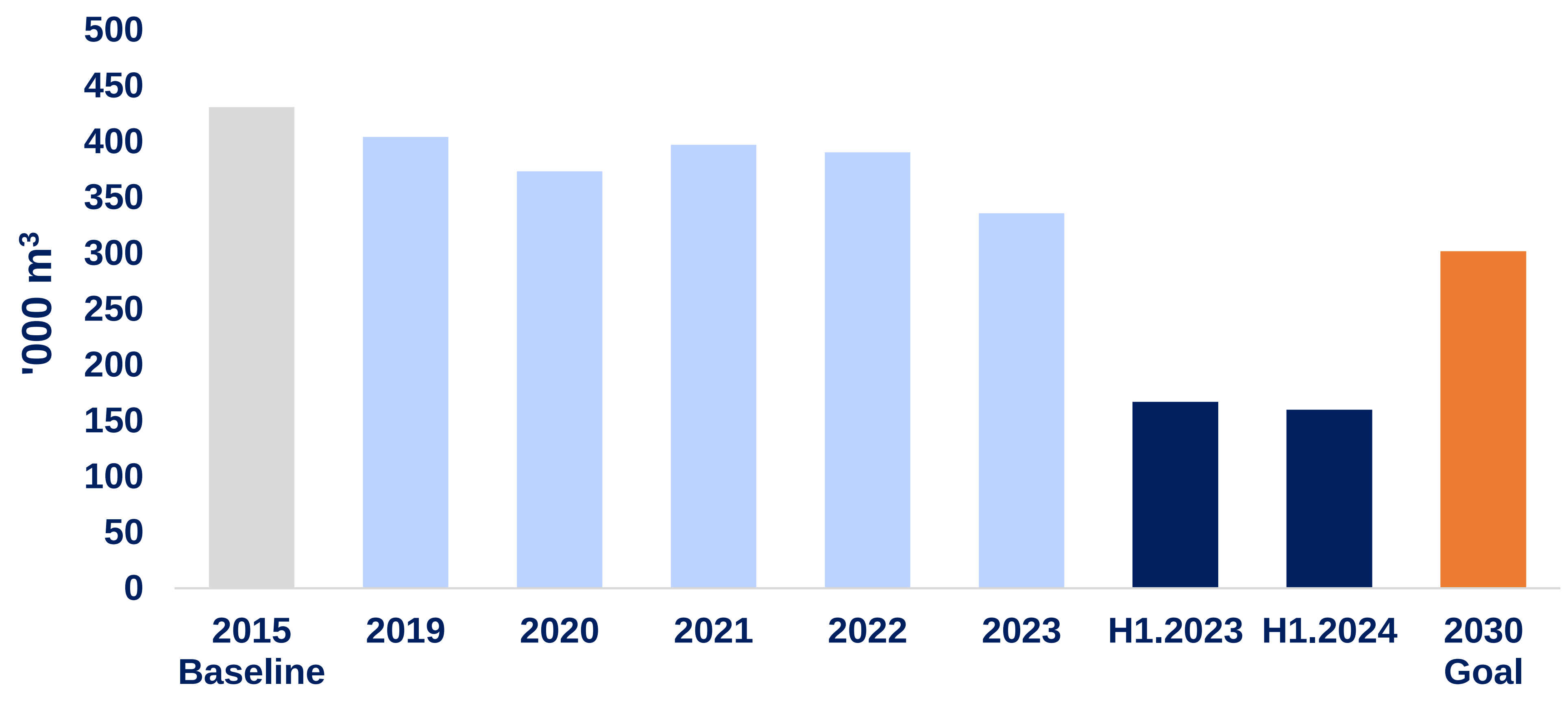
1 Scope 1 and 2 relate to CO_2e emissions from direct and indirect sources, respectively

Water, Safety and Diversity

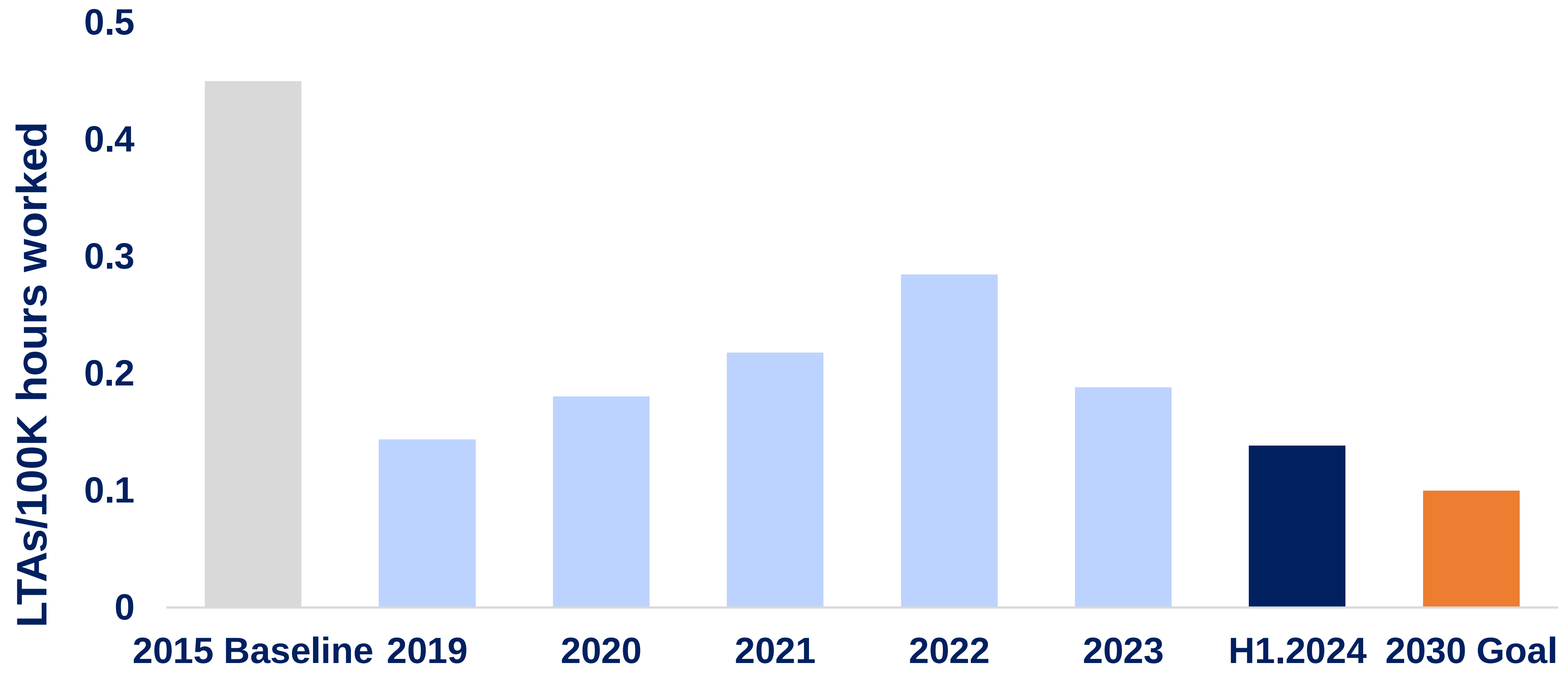
Water withdrawal



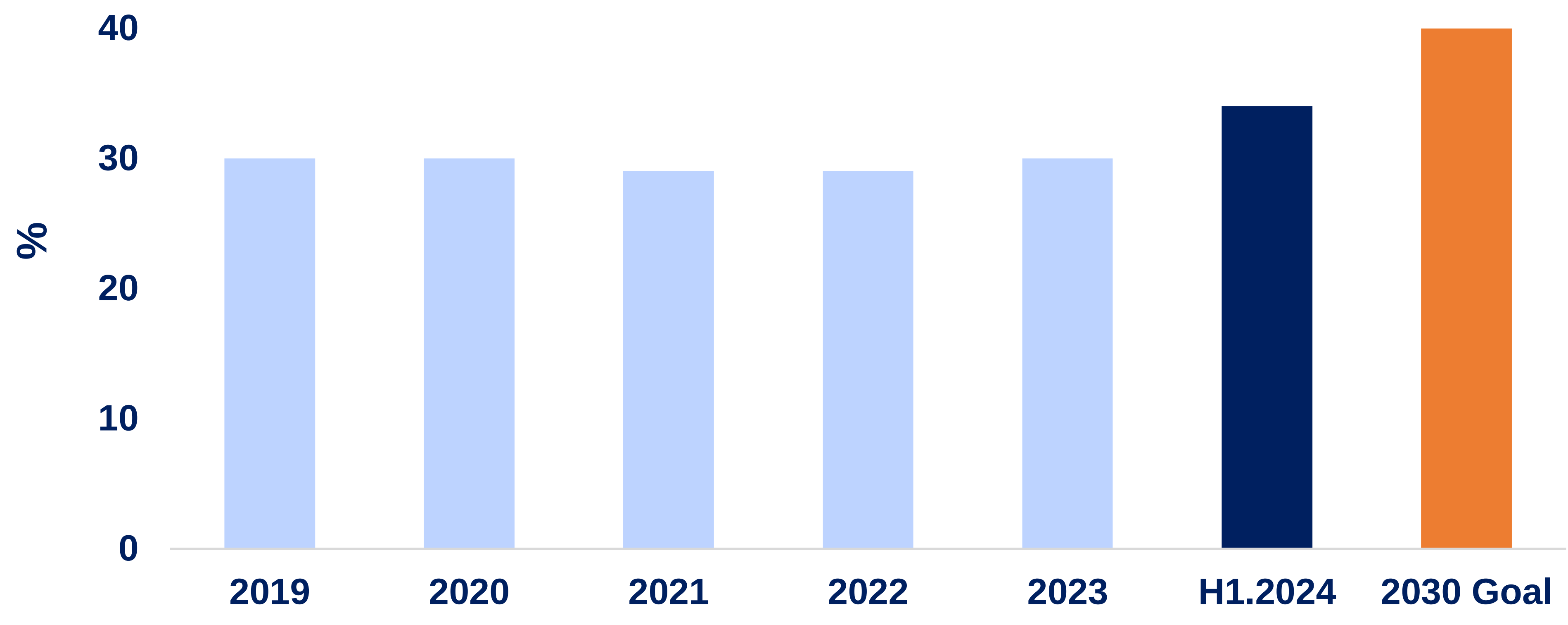
Water withdrawal in stressed areas



Lost time accident rate



% Female leadership population[1]



1 Leadership population consists of approximately 400 of the most senior individuals in the organisation

Leading differentiated positions

Market	Share of revenue (%) (1H 2024)	Market Position	Differentiation
Faster growing			L H
Semiconductors	9.9%	Emerging/Top 3	
Healthcare	7.3%	Leader	
Clean energy + clean transportation	5.2%	Emerging	
	22.4%		
Core			L H
Industrial	27.3%	Leader/Top 3	
Metals	12.8%	Top 3	
Petrochemical	9.0%	Leader	
Aerospace & Defence	18.3%	Leader	
Other (inc Automotive)	10.2%	Top 3	
	77.6%		

A disciplined approach to delivering improving growth and returns

Delivering enhanced EPS growth	Clear through cycle financial framework	1H 2024 delivery
Organic revenue growth	4-7% organic revenue growth	8.2%
+		
Continuing profit growth	12.5% to 15% adjusted operating profit margin	12.5%
+		
Accretive M&A	ROIC 17-20%	19.7%
+		
Additional shareholder returns	Leverage of 1.0x to 2.0x*	1.3x
=		
Enhanced EPS growth	Enhanced EPS growth	14.7p (+48.5% vs 2023)

* Leverage of 1.0-1.5 times without M&A, 1.0-2.0 times with M&A

Outlook

- Industrial and metals markets, particularly in Europe and China, remain weak, but we continue to see good momentum in our faster growing segments and in aerospace and defence
- Outlook for full-year constant currency revenue growth towards top end of our 4-7% financial framework range
- Revenue in the second half is expected to be in line with the first half
- Profit margin expected to remain around 12.5% with pricing and continuous improvement continuing to offset inflation
- Capital expenditure expected to be around £120m, as previously guided, as we invest in capacity for growth for our faster growing markets and in our core

Summary

- Organic constant currency revenue growth +8.2%, with +14.9% growth from our faster growing markets
- Margin performance within the range of our financial framework at 12.5%
- Our investment to increase capacity for the semiconductor market, lifting the Group’s growth rate, is on track
- Our plans for restructuring and simplifying our structure and operational footprint are progressing well
- Whilst mindful that demand in a number of end-markets remains uncertain, we remain well positioned with our market leading, differentiated positions
- Our strong balance sheet underpins investment opportunities and the ability to deliver good shareholder returns

Appendix

End-market mix (as a % of revenue)

Main markets by segment[1]

Thermal Products

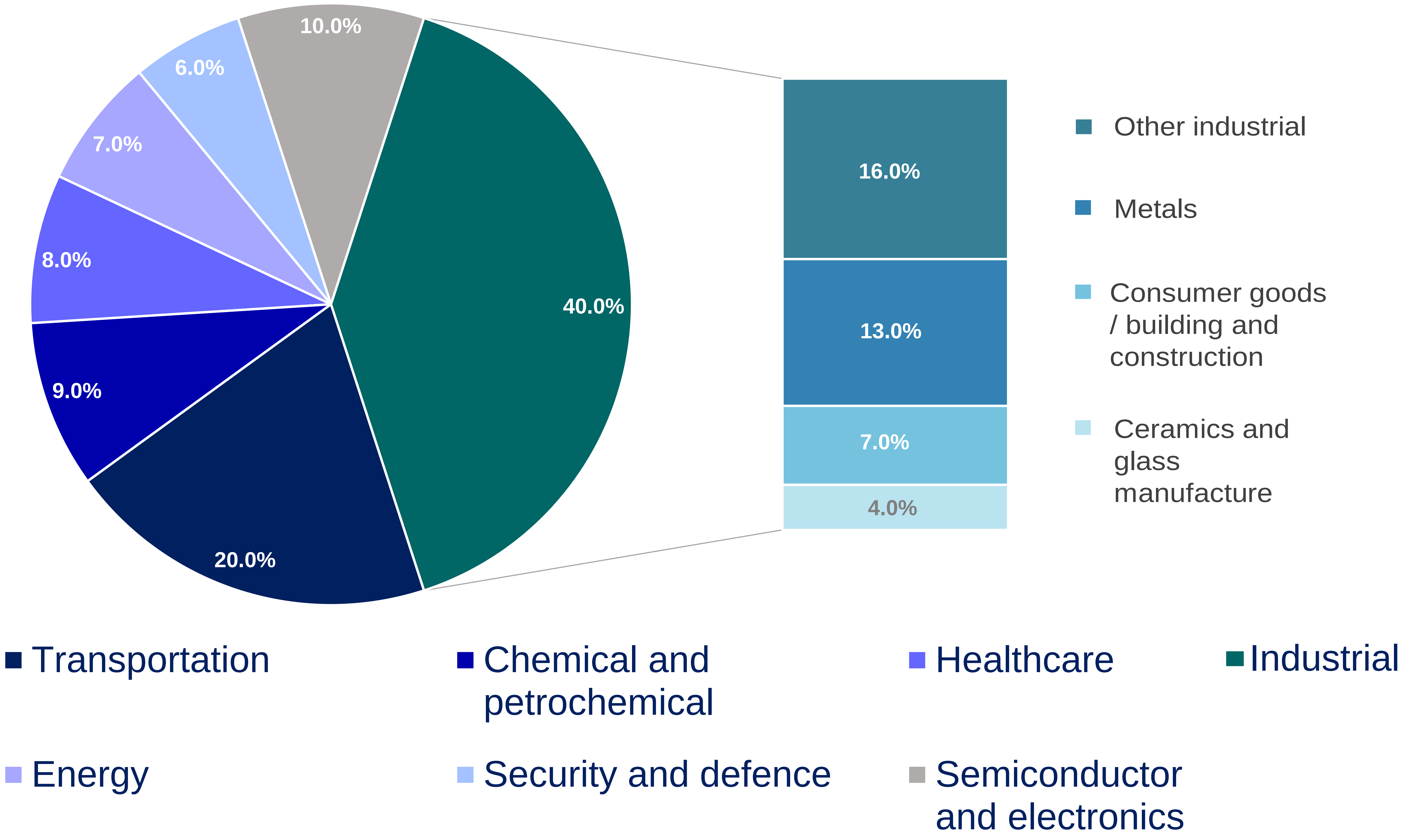
Industrial, Chemical and petrochemical, Metals, Automotive, Aluminium (automotive), Copper (construction), Precious metals

Performance Carbon

Rail, Industrial equipment, Power generation, Electronics and semiconductor, Petrochemical, Pumps, Aerospace, Automotive, Home appliances

Technical Ceramics

Industrial equipment, Electronics, Aerospace, Healthcare, Energy

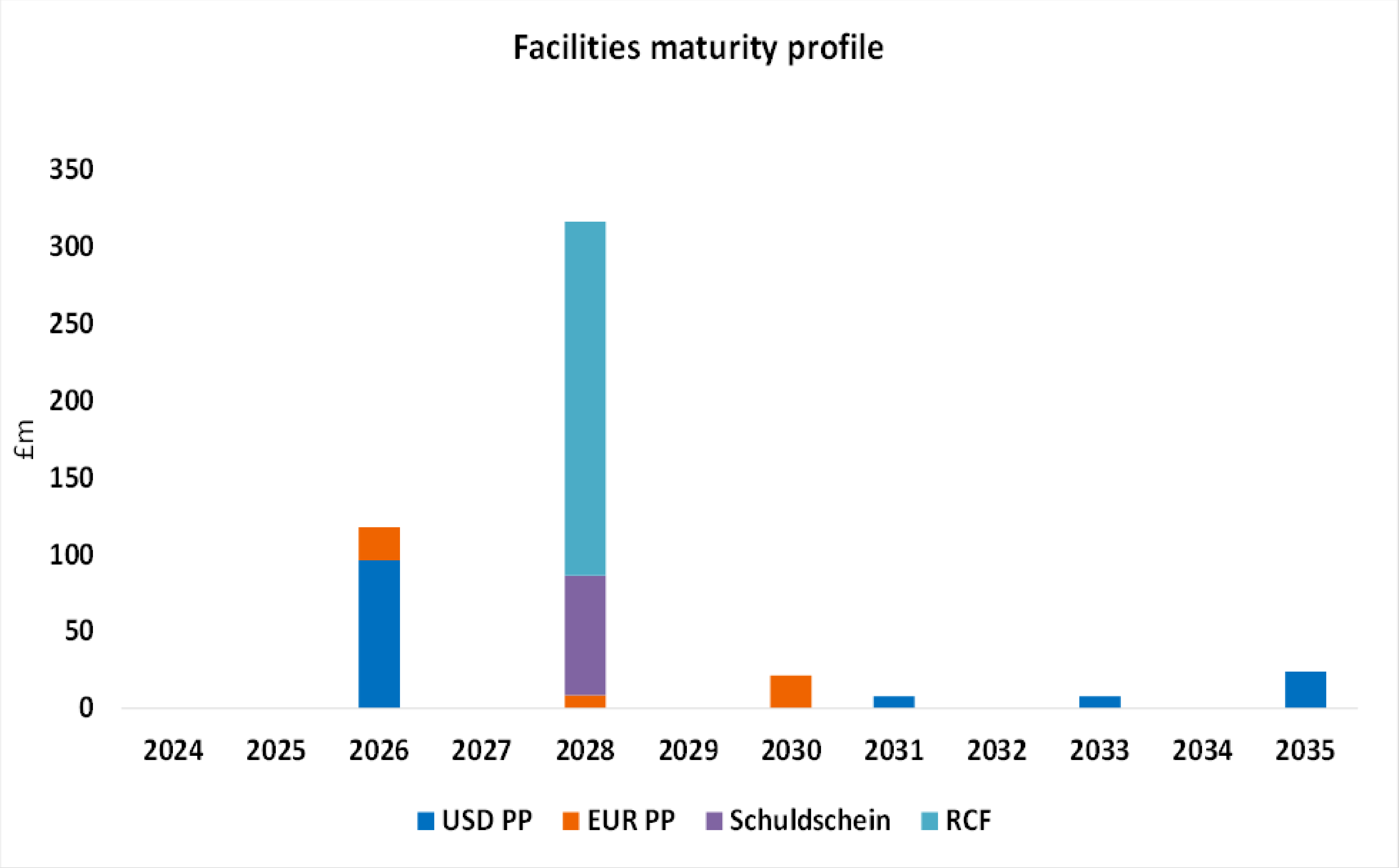


1. Categorisation includes both core and faster growing markets

Reported statutory figures

£m	Period ended 30 June 2024			Period ended 30 June 2023		
	Results before specific adjusting items	Specific adjusting items	Total	Results before specific adjusting items	Specific adjusting items	Total
Revenue	**572.6**	**-**	**572.6**	**553.9**	**-**	**553.9**
Operating costs before amortisation of intangible assets	(501.3)	(3.4)	(504.7)	(503.9)	(13.4)	(517.3)
Profit from operations before amortisation of intangible assets, impairments and reversal of impairments of non-financial assets	**71.3**	**(3.4)**	**67.9**	**50.0**	**(13.4)**	**36.6**
Amortisation of intangible assets	(1.1)	-	(1.1)	(2.1)	-	(2.1)
Impairment of non-financial assets	-	-	-	-	-	-
Reversal of impairment of non-financial assets	-	-	-	-	-	-
Operating profit	**70.2**	**(3.4)**	**66.8**	**47.9**	**(13.4)**	**34.5**
Net financing costs	(9.3)	-	(9.3)	(6.1)	-	(6.1)
Share of profit of associate (net of income tax)	-	-	-	-	-	-
Profit before taxation	**60.9**	**(3.4)**	**57.5**	**41.8**	**(13.4)**	**28.4**
Income tax expense	(15.8)	0.4	(15.4)	(11.3)	2.2	(9.1)
Profit from continuing operations	**45.1**	**(3.0)**	**42.1**	**30.5**	**(11.2)**	**19.3**
Profit from discontinued operations	-	-	-	-	-	-
Profit for the period	**45.1**	**(3.0)**	**42.1**	**30.5**	**(11.2)**	**19.3**
Profit for the period attributable to:						
Shareholders of the Company	40.4	(3.0)	37.4	26.0	(11.2)	14.8
Non-controlling interests	4.7	-	4.7	4.5	-	4.5
Profit for the period	**45.1**	**(3.0)**	**42.1**	**30.5**	**(11.2)**	**19.3**

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 leases: 1.3x (1H 2023: 1.3x).

Significant liquidity

- £159m available RCF plus available net cash and cash equivalents of £115m

Average cost of long-term debt = 4.2%

Foreign currency impacts

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

GBP to:	1H 2024 Closing rate	1H 2024 Average rate	1H 2023 Closing rate	1H 2023 Average rate
USD	1.26	1.27	1.27	1.23
Euro	1.18	1.17	1.16	1.14

For illustrative purposes, the table below provides details of the impact on 1H 2024 revenue and adjusted operating profit[1] if the actual reported results, calculated using 1H 2024 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 1H 2024 revenue/adjusted operating profit if:	Revenue £m	Adjusted operating profit[1] £m
GBP weakens by 10c against USD in isolation	22.2	2.8
GBP weakens by 10c against the Euro in isolation	10.4	1.8

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

Adjusted earnings per share

£m	1H 2024	1H 2023
Profit for the period attributable to shareholders of the Company	37.4	14.8
Profit from discontinued operations	-	-
Profit from continuing operations	37.4	14.8
Specific adjusting items	3.4	13.4
Amortisation of intangible assets	1.1	2.1
Tax effect of the above	(0.4)	(2.2)
Non-controlling interests share of the above adjustments	-	-
Adjusted earnings	**41.5**	**28.1**
Weighted average number of shares in the period	284.4	284.5
Adjusted earnings per share (pence)	**14.7p**	**9.9p**

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