



FULL YEAR RESULTS 2018

AGENDA

Introduction	David Squires	CEO
2018 Full Year Results	Bindi Foyle	FD
Markets & Outlook	David Squires	CEO



2018 FULL YEAR RESULTS

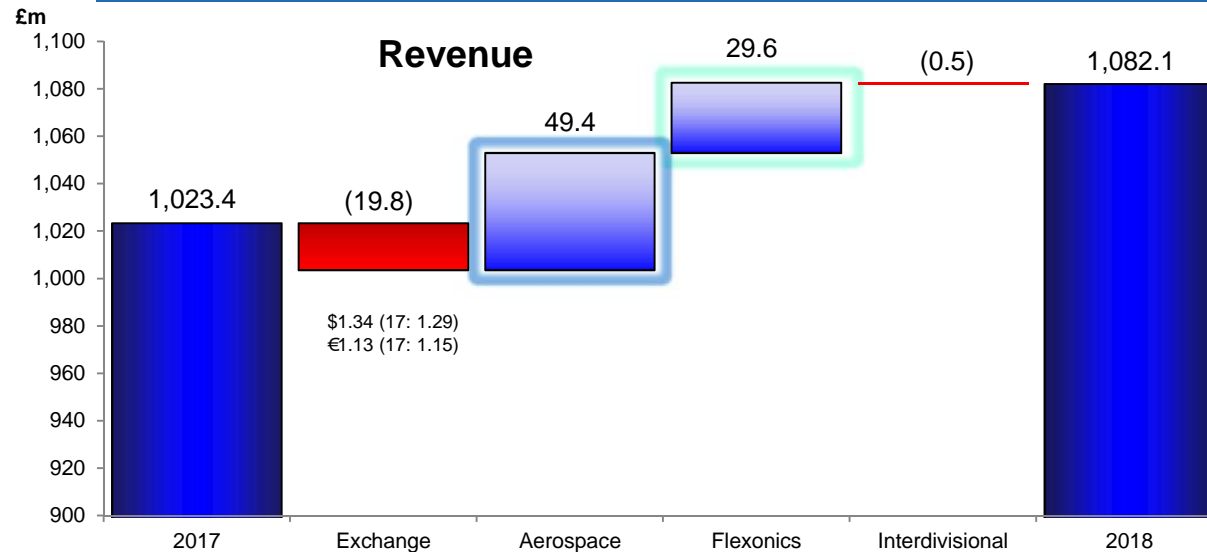

Cautionary Statement

This document contains certain forward-looking statements. Such statements have been made in good faith based on information available at the time of announcing the results for the year ended 31 December 2018. These statements should therefore be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information.

FINANCIAL HIGHLIGHTS

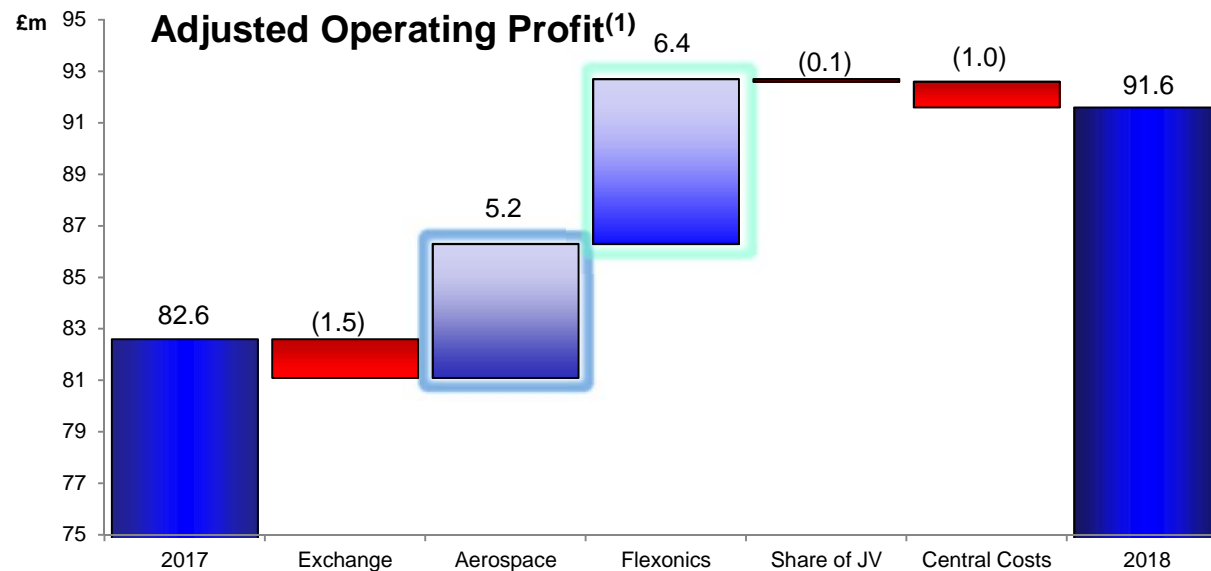
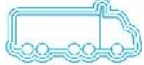
	2018	2017	Change	constant currency
Revenue	£1,082.1m	£1,023.4m	+6%	+8%
Adjusted Operating Profit	£91.6m	£82.6m	+11%	+13%
Adjusted Operating Margin	8.5%	8.1%	+40bps	+40bps
Adjusted Profit before Tax	£83.0m	£73.1m	+14%	+15%
Adjusted Earnings per Share	16.08p	14.39p	+12%	
Total Dividend per Share	7.42p	6.95p	+7%	
Free Cash Flow	£45.3m	£58.3m	-22%	
Net Debt	£153.0m	£155.3m	Net Debt:EBITDA 1.1x (2017: 1.3x)	
Return on Capital Employed	13.0%	11.9%	+110bps	

2018 AT A GLANCE

Aerospace			
	2018	2017	Change
	£m	£m	
Revenue	760.4	711.0	+6.9%
Adj OP⁽¹⁾	80.4	75.2	+6.9%
Margin	10.6%	10.6%	-

- Large Commercial ↑ £31.4m
- Regional & Business ↑ £7.7m
- Military ↑ £6.0m
- Other ↑ £4.3m
- Margin stable - operational efficiencies and learning curve improvements offset the impact of volume reduction on mature programmes and product introduction costs on new programmes

Flexonics			
	2018	2017	Change
	£m	£m	
Revenue	322.9	293.3	+10.1%
Adj OP⁽¹⁾	26.1	19.7	+32.5%
Margin	8.1%	6.7%	+140bps

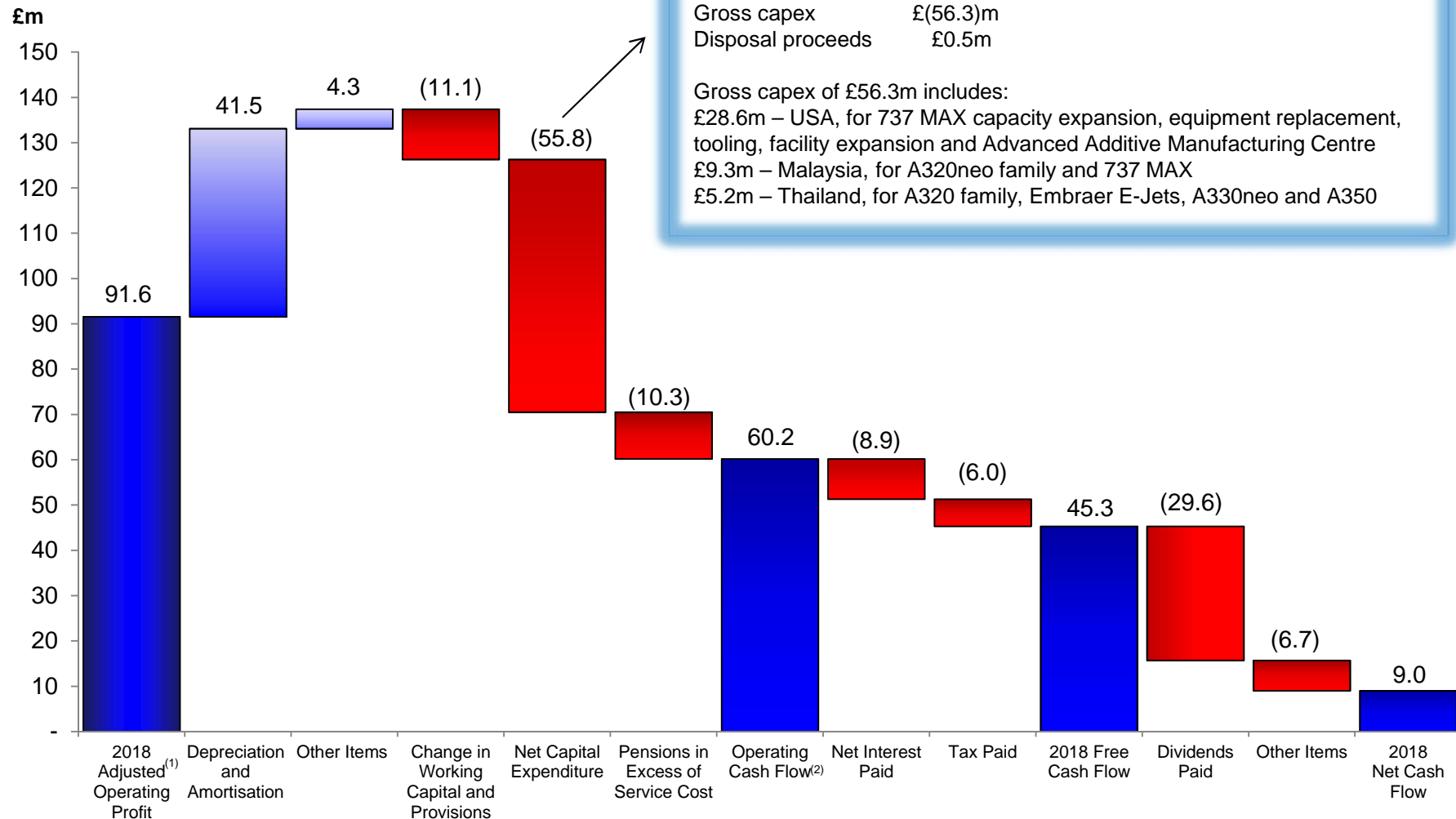
- Truck & Off-highway ↑ £17.3m
- Passenger Vehicles ↓ £(5.0)m
- Power & Energy ↑ £16.6m
- Other ↑ £0.7m
- Margin ↑ 140 bps from higher demand and volume, coupled with benefits from cost management and efficiency initiatives

(1) Adjusted operating profit is as defined on page 6 and for Divisions on page 41 and 52.

ADJUSTED AND REPORTED PROFIT

	2018 £m	2017 £m	Change
Adjusted operating profit	91.6	82.6	+11% (13% on constant currency basis)
Net interest payable – borrowings and cash	(8.8)	(9.3)	
– retirement benefits	0.2	(0.2)	
Adjusted profit before tax	83.0	73.1	+14% (15% on constant currency basis)
Tax (2018: 19.0%; 2017: 17.5%)	(15.8)	(12.8)	
Adjusted profit for the period	67.2	60.3	+11%
Amortisation of intangible assets from acquisitions	(15.4)	(17.1)	
UK Guaranteed Minimum Pensions	(2.4)	-	
US class action lawsuits	(3.9)	-	
Loss on disposal	-	(3.8)	
Related tax on above items	4.6	4.9	
Exceptional non-cash tax credit	-	16.0	
Reported profit for the period	50.1	60.3	-17%

CASH FLOW AND USE OF FUNDS



(1) Adjusted operating profit is as defined on page 6.

(2) Operating Cash Flow is defined as cash generated by operations after investment in Net Capital Expenditure

BALANCE SHEET

	Dec 2018 £m	Dec 2017 £m
Goodwill and other intangible assets	339.6	344.0
Investment in JV	3.0	2.4
Property, plant and equipment	285.6	256.1
Other long-term assets	2.9	2.4
Non current assets (before pension)	631.1	604.9
Inventories	177.8	154.5
Receivables	165.0	154.3
Payables and Provisions	(207.3)	(178.3)
Current tax liabilities (net)	(18.8)	(20.2)
Assets held for sale	-	3.9
Loan to JV (current)	-	0.2
Net current assets (before net debt items)	116.7	114.4
Retirement benefits (net)	18.5	4.7
Net debt	(153.0)	(155.3)
Other long-term liabilities	(45.1)	(37.1)
Net assets	568.2	531.6
Net debt to EBITDA	1.1x	1.3x

FX Impact from Dec 2017

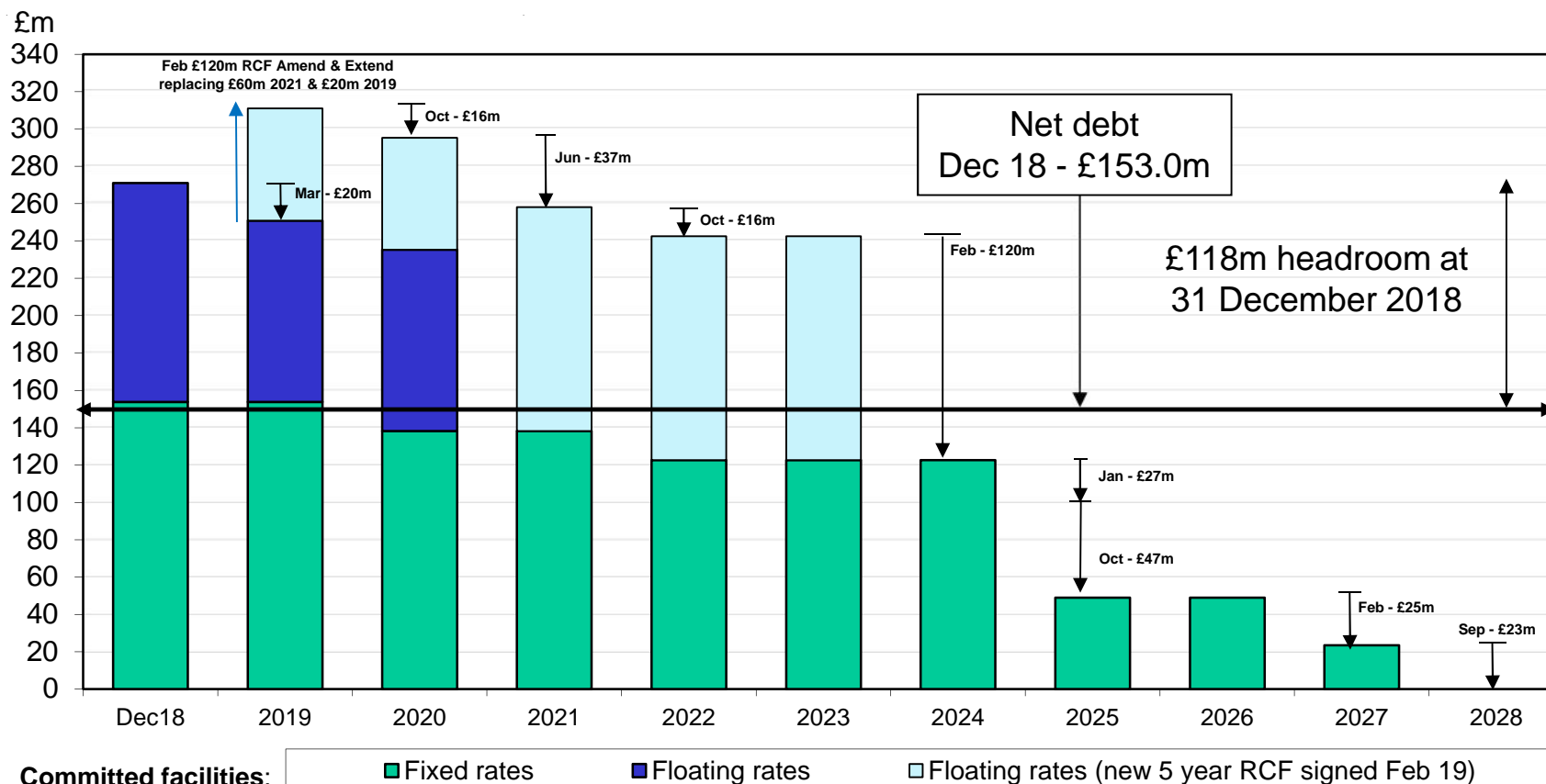
	£m
Non current assets	23.1
Working capital	4.8
Net debt	(6.7)

Retirement Benefits (net)

	£m
As at December 2017, net	4.7
Cash contributions	11.2
Actuarial gain on liabilities	22.5
Actuarial loss on assets	(16.7)
FX	(0.5)
Past service cost (GMP)	(2.4)
Other	(0.3)
As at December 2018, net	18.5

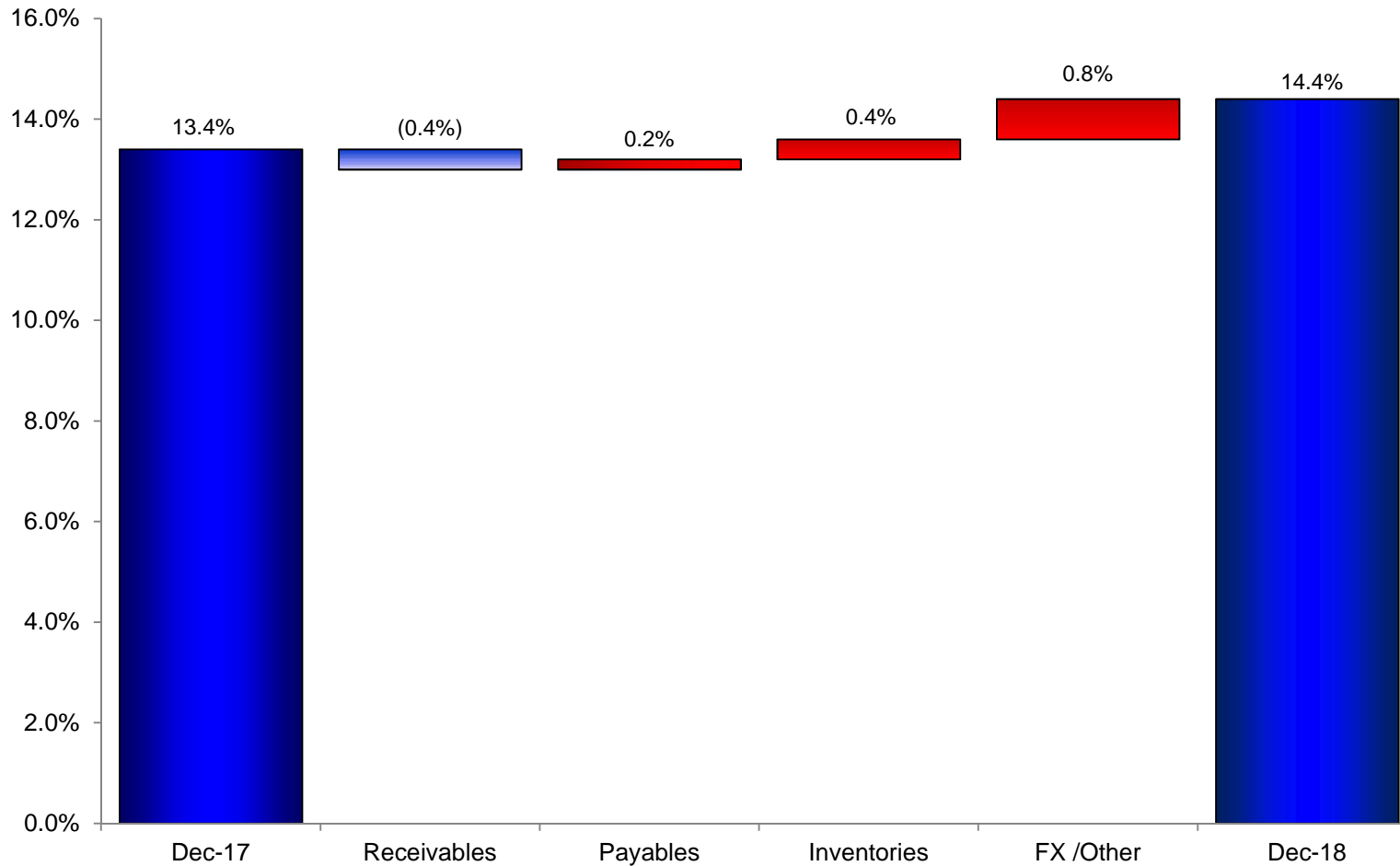
MATURITY PROFILE OF CREDIT FACILITIES

- ⇒ In February 2019 the Group refinanced its main UK RCF of £80m by increasing the committed facilities to £120m and extending the maturity to February 2024, presented below in light blue. The previous £80m was due to mature as follows: £20m in March 2019 and £60m in November 2021.
- ⇒ \$75m (6.84%) private placement was repaid in October 2018 and replaced by £27m (2.35%) private placement maturing in January 2025 and \$30m (4.18%) private placement maturing in September 2028.
- ⇒ In June 2018 the committed US RCF was rolled-forward to June 2021.



WORKING CAPITAL

Working capital as a % of revenue remains under 15%



IFRS 16 LEASES – FROM 1 JANUARY 2019

Opening Balance Sheet Adjustments:

⇒ Right of Use Assets	↑ £96.7m	} Net Balance Sheet Impact Nil
⇒ Lease Liabilities/ Net Debt	↑ £96.3m	
⇒ Working Capital and Other	↓ £0.4m	

Estimated Annual P&L Impact⁽¹⁾ :

⇒ Depreciation Charge	↑ £10.2m	} Therefore Profit Before Tax ↓ £2.5m
⇒ Lease Rental Costs	↓ £11.3m	
⇒ Interest Charge	↑ £3.6m	

This accounting change does not impact overall cash flow

Estimated Impact on other Ratios⁽²⁾ :

- ⇒ Return on Capital Employed ↓ 140bps
- ⇒ Lending Covenants are currently based on Frozen GAAP, therefore not impacted by IFRS 16
- ⇒ Therefore when calculating net debt: EBITDA ratio, the ratio should be reduced by approximately 0.6x to bring it back to Frozen GAAP

(1) The estimated annual financial impact has been updated from prior guidance in order to reflect the lease portfolio and financial conditions at the date of transition; actual financial impacts will differ as these conditions change.

(2) The effect on financial ratios are on annual basis utilising FY18 for illustration purposes only

2018 FINANCIAL SUMMARY

- ⇒ Senior delivered profitable growth in 2018
- ⇒ Sales increased to £1,082.1m, ↑ 6%
- ⇒ Group adjusted operating margin improvement of 40 bps, to 8.5%
- ⇒ Adjusted profit before tax of £83.0m, ↑ 14%
- ⇒ Healthy free cash flow of £45.3m after investing £56.3m in capital expenditure for further organic growth
- ⇒ Return on capital employed increased by 110 bps to 13.0%
- ⇒ Full year dividend proposed to increase by 6.8%



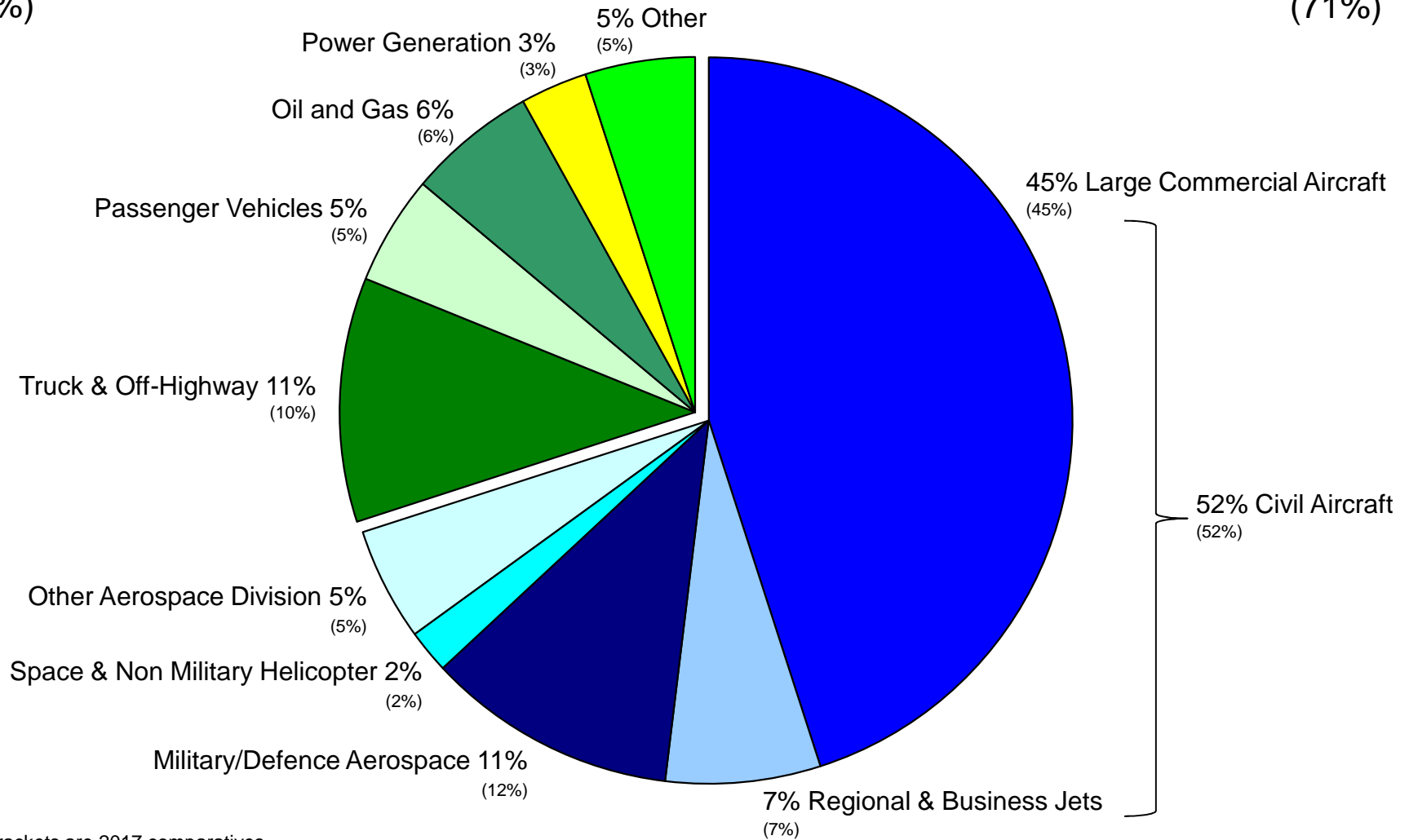
senior

MARKETS & OUTLOOK

SENIOR'S MARKETS – 2018

30% Flexonics Division
(29%)

Aerospace Division 70%
(71%)

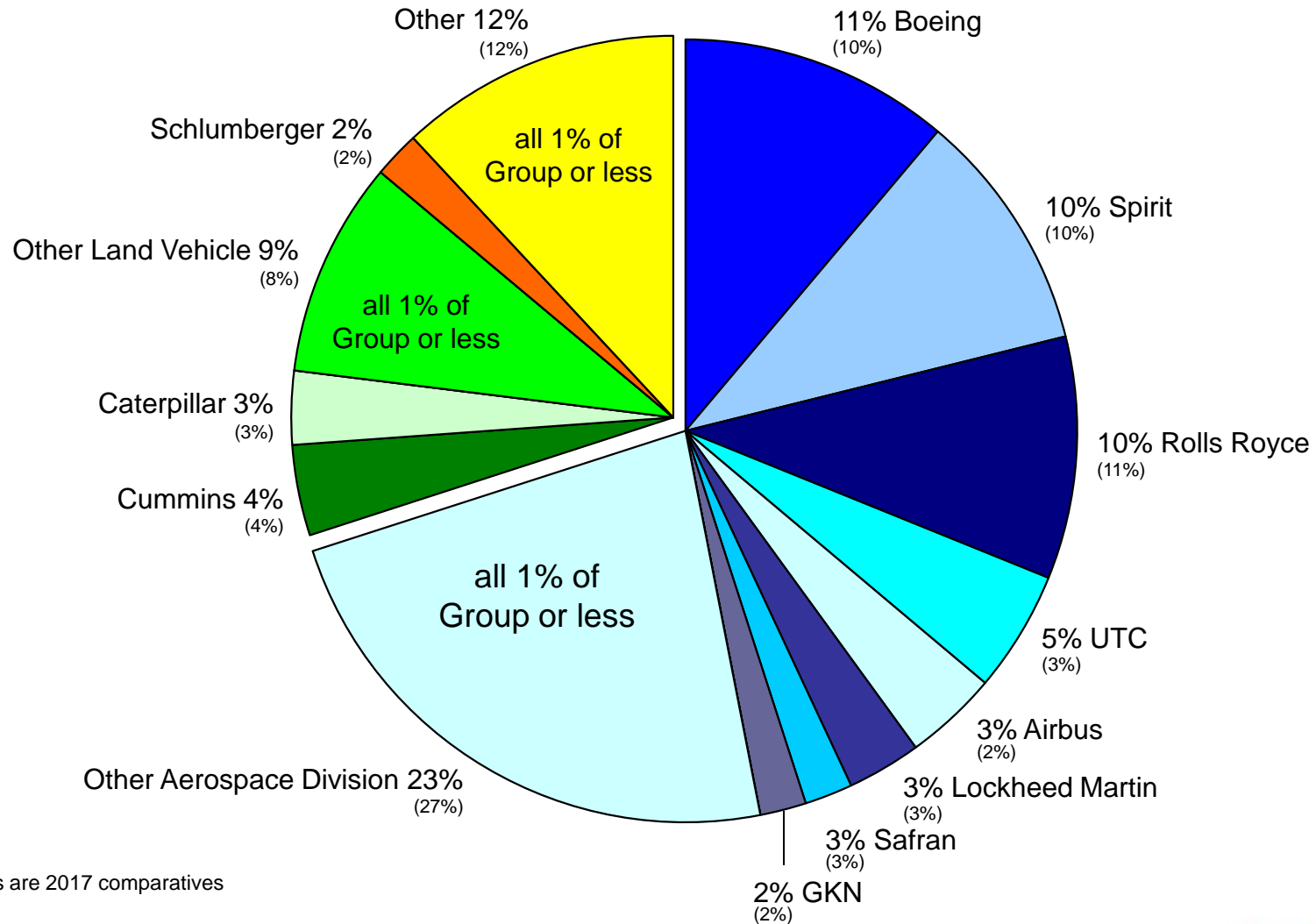


% in brackets are 2017 comparatives

SENIOR'S CUSTOMERS – 2018

30% Flexonics Division
(29%)

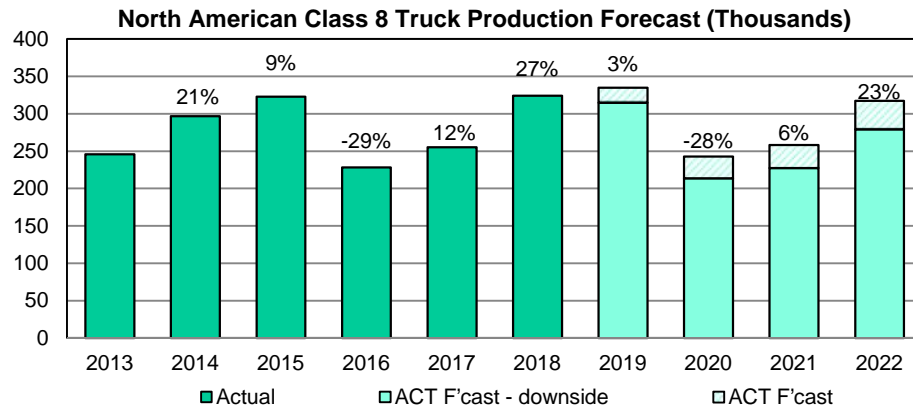
Aerospace Division 70%
(71%)



% in brackets are 2017 comparatives

LAND VEHICLES (16% of Group)

North American Truck and Off-Highway (8% of Group)



2018 compared to 2017:

- Market - N. Am. Class 8 truck production \uparrow 27%
- N. Am. Class 8 truck sales \uparrow 25%
- Group - N. Am. truck and off-highway sales \uparrow 20%⁽¹⁾

Group benefited from higher sales of EGR coolers for new vehicles as heavy-duty truck and off-highway production increased, partly offset by the expected decrease in sales of service parts for older models

Key Customer: Cummins (4% of Group),
Caterpillar (3% of Group)

Source: ACT Research & internal estimates

EU & ROW Truck and Off-Highway (3% of Group)

Group EU sales \uparrow 22%⁽¹⁾ over 2017

Group ROW sales \downarrow 11%⁽¹⁾ over 2017

- The Group benefited from ramp up of new programmes in Europe. ROW sales decreased by £1.0m as growth from India was offset by lower direct sales to China as some products transitioned to our China joint venture

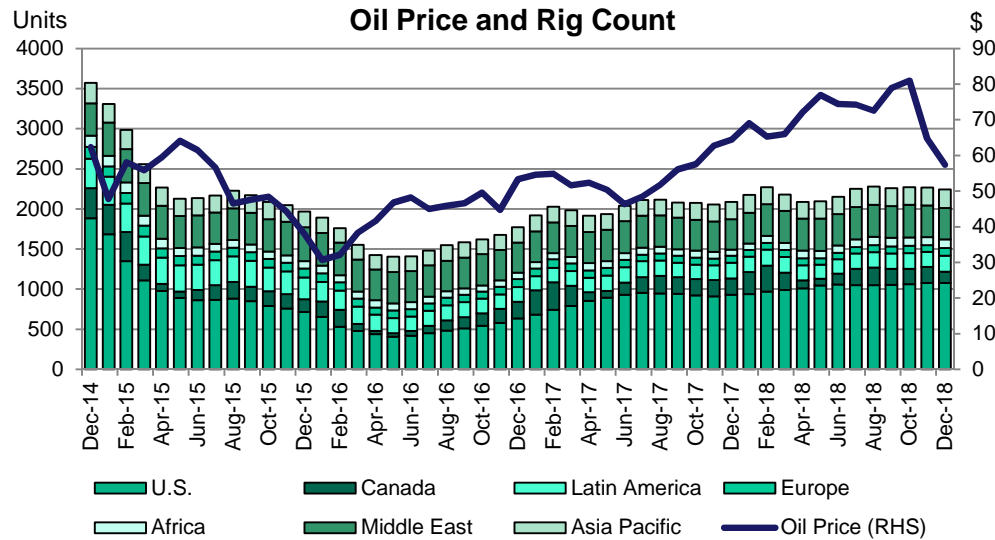
Passenger Vehicles (5% of Group)

Group sales \downarrow 9%⁽¹⁾ over 2017

- Group sales decreased as we elected not to add new business at low margins with high capital requirements
- In February 2019, we successfully completed the sale of Senior Flexonics Blois
- Tightening of global environment legislation will increase future demand of electric/hybrid engines

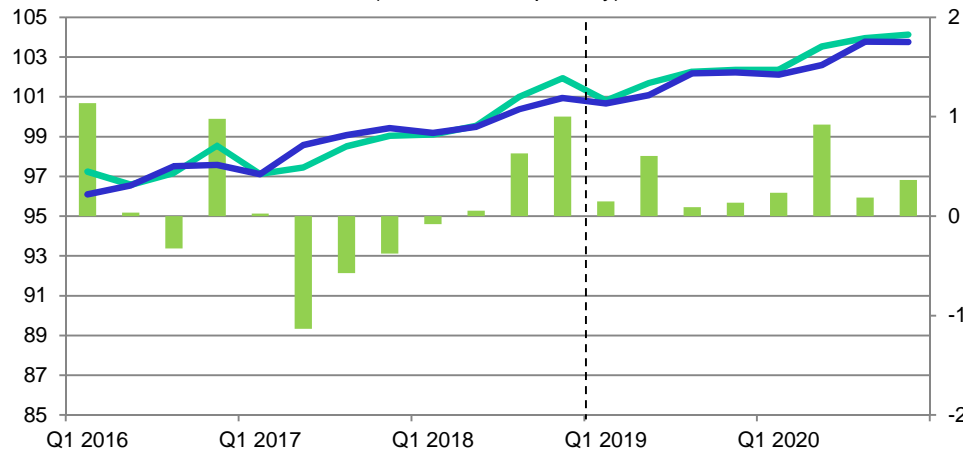
Senior is developing solutions for the next generation of more efficient internal combustion engines, as well as electrified land vehicle applications

POWER & ENERGY (14% of Group)



Source: Rig count data from Baker Hughes, Oil price from EIA

World Liquid Fuels Production and Consumption Balance (million barrels per day)



Source: EIA, short-term energy outlook, Jun 2018

Implied Stock Change and Balance (RHS)
World Production
World Consumption

Group 2018 sales compared to 2017⁽¹⁾

Oil & Gas (6% of Group):

Sales ↑ 11% (£6.9m)

- **Upstream** benefitted from increased drilling activity in North America
- **Downstream** stable - aftermarket activity steady, first signs of new capital projects on horizon

Power Generation (3% of Group):

Sales ↑ 22% (£6.9m)

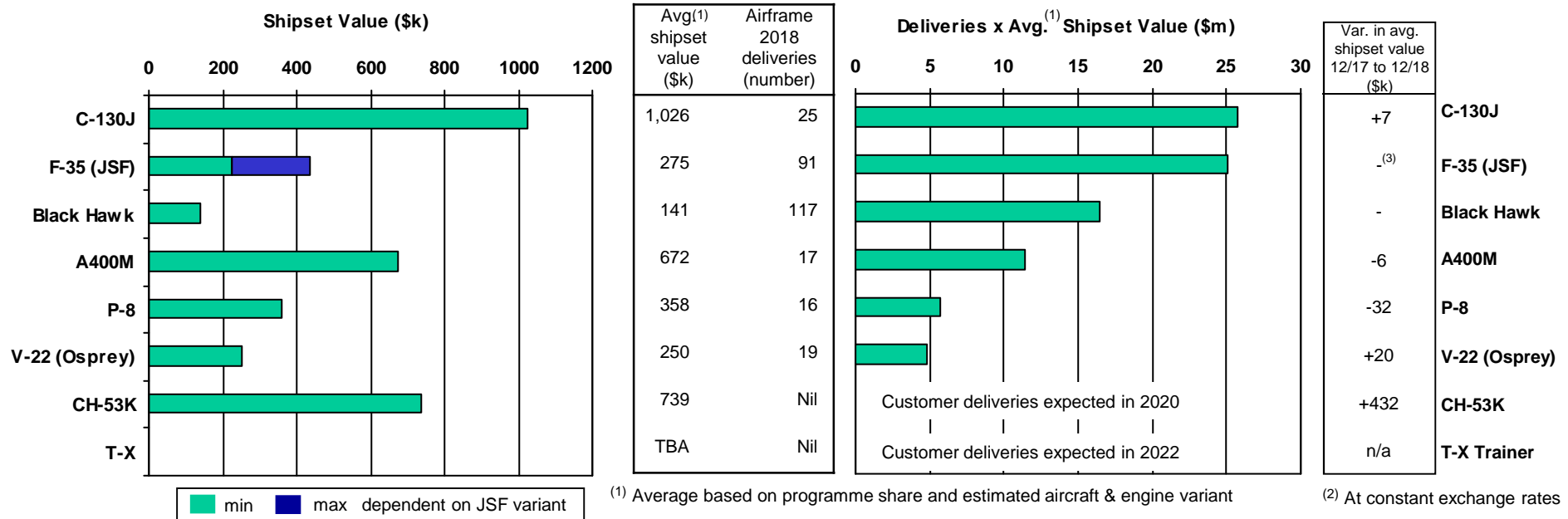
Power & energy benefited from higher North American and European activity

Other Markets (5% of Group):

Sales ↑ 7% (£2.8m)

H1 2019 may see output restricted in the US Permian Basin due to infrastructure constraints, with these expected to alleviate in the H2 2019

MILITARY AND DEFENCE (11% of Group)



	Deliveries (number)		Estimated Production (number)			Growth (%)
	2017	2018	2019	2020	2021	
C-130J	26	25	24	24	24	-4%
F-35 (JSF)	66	91	125	130	145	+59%
Black Hawk	155	117	90	85	75	-36%
A400M	19	17	10	8	8	-53%
P-8	19	16	16	16	16	-%
V-22 (Osprey)	22	19	16	12	12	-37%
CH-53K	-	-	-	6	8	na
T-X Trainer	-	-	-	-	-	na

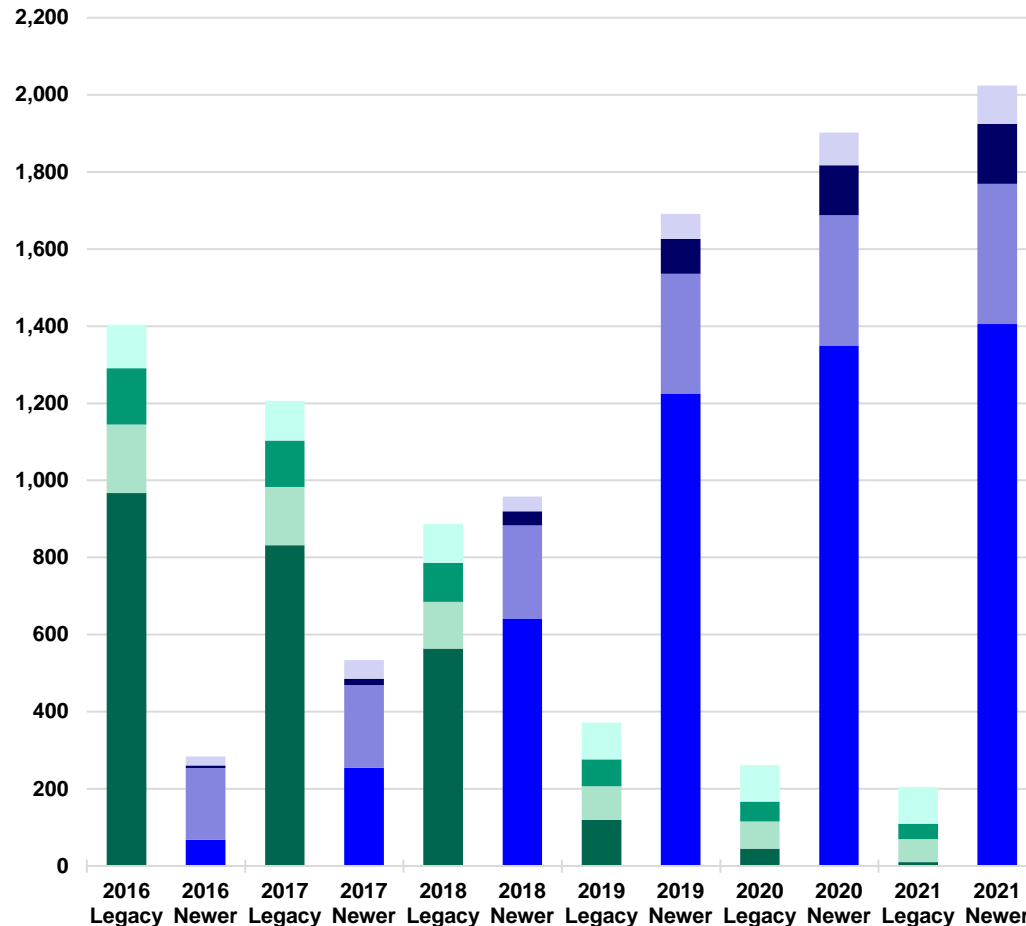
Group sales ↑ 5%⁽²⁾ compared to 2017

- ⇒ Group revenue increased due to the ramp-up of the Joint Strike Fighter partially offset by the anticipated decline in Black Hawk
- ⇒ Won additional content on V-22 Osprey and CH-53K
- ⇒ Shipset value reduction on P-8 due to customer insourcing
- ⇒ Senior remains well positioned to benefit from key growth platforms, particularly the Joint Strike Fighter, CH-53K and the new T-X trainer which are expected to grow significantly over the long term

(3) F-35 shipset value reported at Dec 2017 adjusted for variant split to \$275k

CIVIL AIRCRAFT (52% of Group)

Aircraft Deliveries/Production (number)



■ Legacy 737, A320
 ■ Legacy ERJ 170-195, CRJ 700/900
 ■ 737 MAX, A320neo
 ■ A220, E2-Jet, MRJ
 ■ Legacy A330, 767, 777
 ■ GL5000/6000, Challenger 350
 ■ A330neo, A350, 787, 777X
 ■ HondaJet, GL 7500

Group sales ↑ 8%⁽¹⁾ compared to 2017

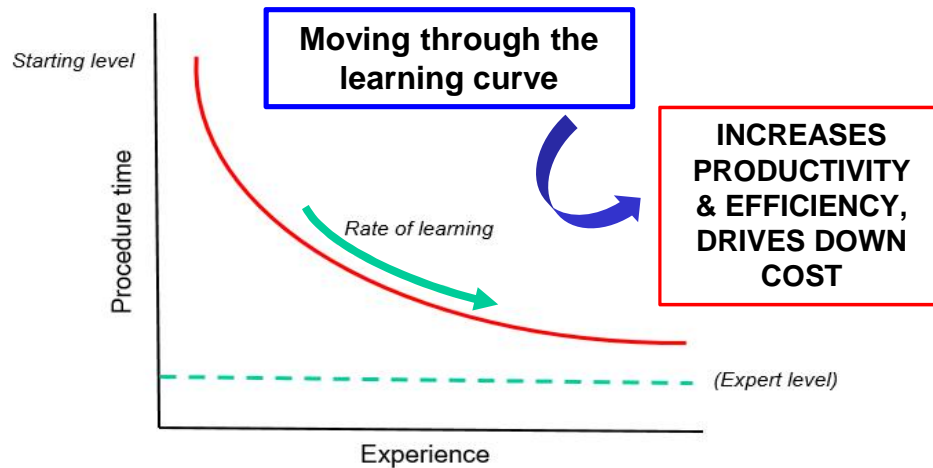
- ⇒ 2018 was the cross-over year for new and mature aircraft platforms
- ⇒ 2019 will be the peak transition year
- ⇒ Many thousands of new parts introduced for these new platforms
- ⇒ Large Commercial Aircraft (45% of Group) Sales ↑ 7%⁽¹⁾ compared to 2017
- ⇒ Regional and Business Jets (7% of Group) Sales ↑ 11%⁽¹⁾ compared to 2017
- ⇒ Outlook for civil aircraft continues to be strong with good visibility; Boeing, Airbus and Independent forecasters predicting air traffic growth in excess of 4% pa over next 20 years

Source: Customers, Teal Group & internal estimates

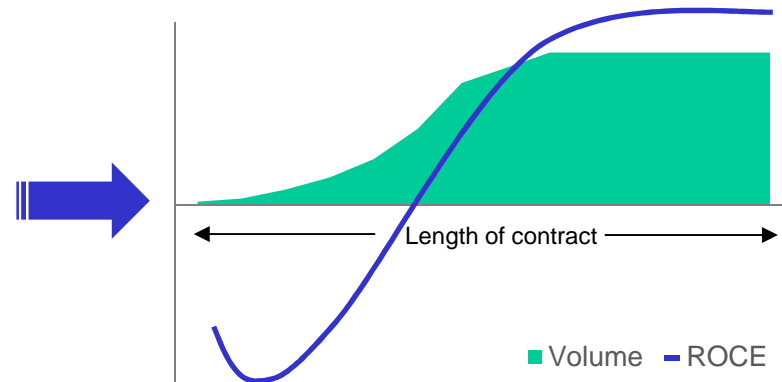
⁽¹⁾ At constant exchange rates

DELIVERING PROFITABLE GROWTH

NPI and industrialisation



Typical Aerospace Programme Profile



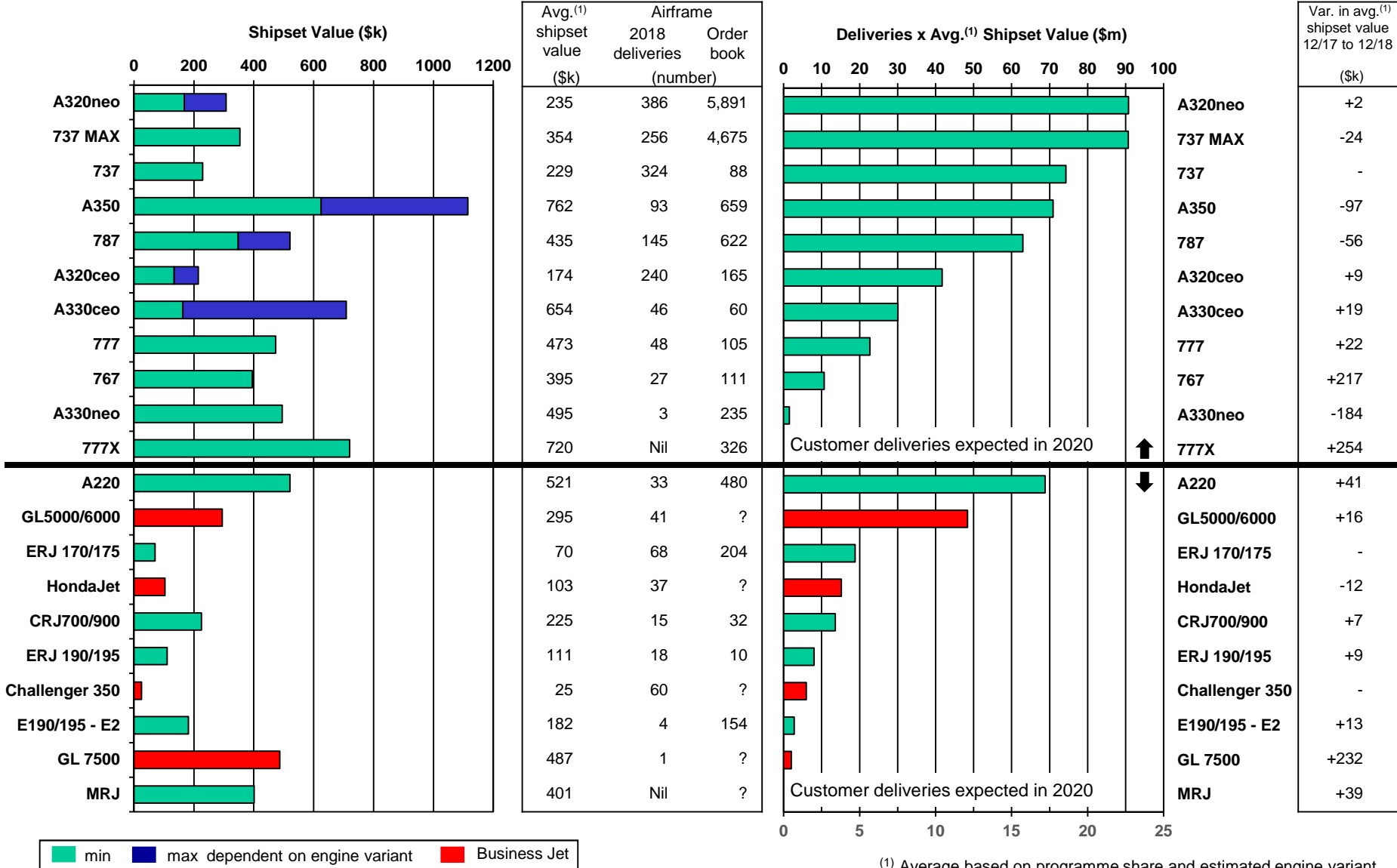
Capital expenditure investments



Focus on:

- ⇒ Delivering profitable growth
- ⇒ Driving shareholder value
- ⇒ Investments only approved if ROCE thresholds met

CIVIL AIRCRAFT (52% of Group)



(1) Average based on programme share and estimated engine variant

GROUP OUTLOOK

2019 trading has started in line with expectations

Visibility in the Aerospace Division remains good and our future prospects remain strong

- Continuing to balance ongoing cost reduction and learning curve improvements on newer programmes, with the cost of further new product introductions and industrialisation

Market conditions in our Flexonics Division are less certain

- After adjusting for the sale of Blois, we expect a slight decline in Flexonics top line which is potentially due to softer demand in some of our industrial markets
- However, currently expect margin progression in Flexonics in 2019 to offset the sales decline

The Board anticipates that, even with changeable geopolitical conditions, 2019 will be another year of improvement in performance for the Group

Looking further ahead, the Group is well-positioned, financially robust and expects to continue to make good progress

Currently assuming \$1.31 : £1 average for year
The currency translation impact of 10 cent movement in \$:£ = £5m adjusted operating profit; £9m net debt

senior

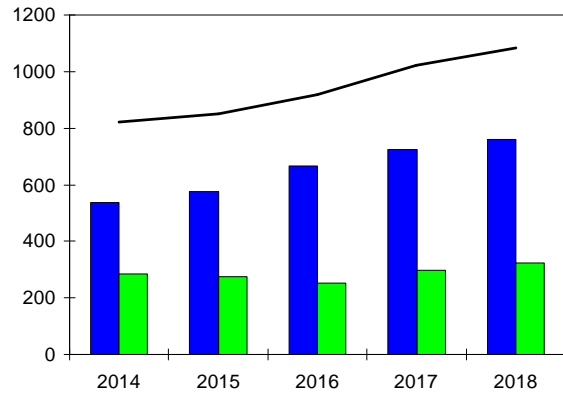


ANY
QUESTIONS?

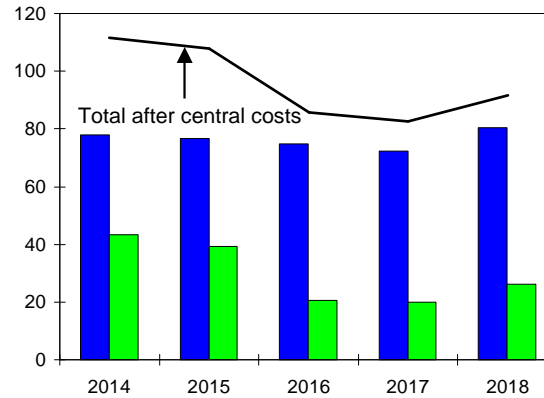
APPENDICES

GROUP EVOLUTION

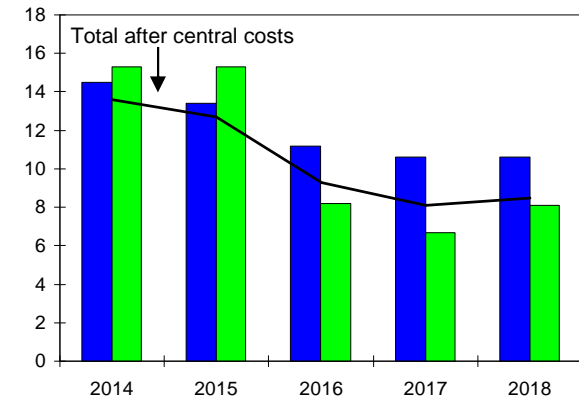
Revenue (£m)



Adjusted Operating Profit (£m)

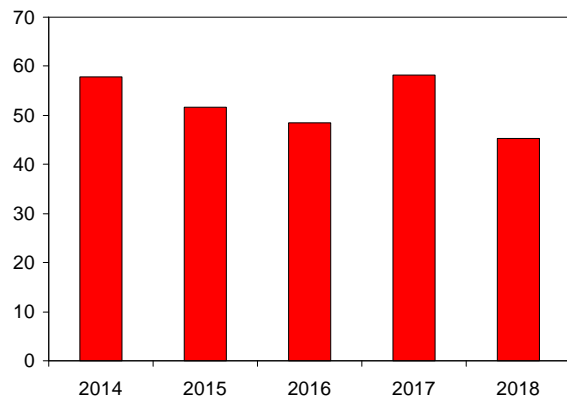


Adjusted Operating Margin (%)

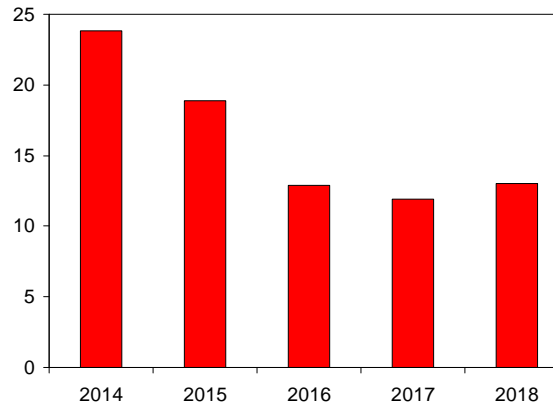


■ Aerospace ■ Flexonics — Group

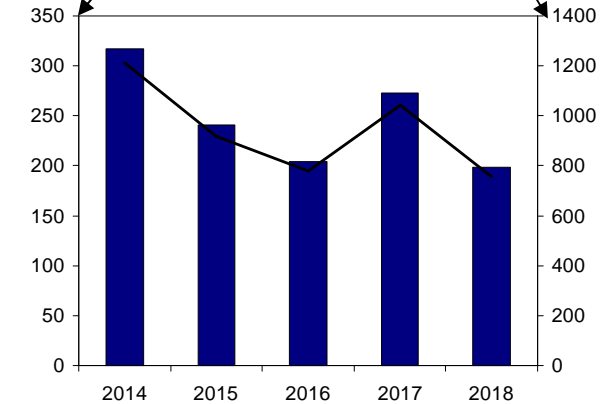
Free Cash Flow (£m)



Return on Capital Employed (%)



Share Price (p) / Market Capitalisation (£m)



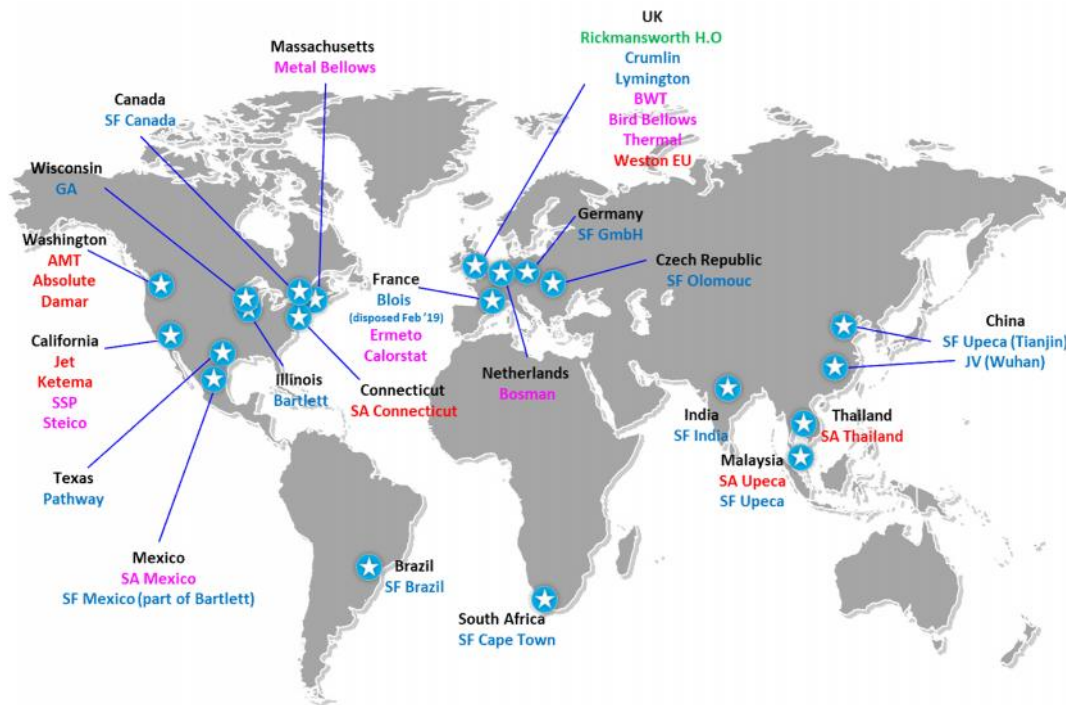
■ Group

■ Market Capitalisation — Share Price

TRADE CONSIDERATIONS

2018 split	Sales	Adj. OP	Employees
N. America	59%	66%	3,528
UK	16%	3%	1,504
Rest of Europe	12%	12%	1,157
Rest of World	13%	19%	1,996

- ⇒ Senior is an international manufacturing Group with 33⁽¹⁾ operating businesses in 14 countries
- ⇒ Within Europe, Senior has 12⁽¹⁾ operations across 5 countries, including the UK
- ⇒ Senior has 14 operations across North America
- ⇒ 84% of Group revenue is generated from operations outside the UK
- ⇒ We do not anticipate a significant direct impact from Brexit on the Group's activities, given the Group's global positioning.
- ⇒ 59% of Group revenue is generated from operations in North America: US - 56%; Mexico - 2%; Canada - 1%
- ⇒ 10 cents movement in the \$:£ exchange rate is estimated to affect full-year revenue by £48m, adjusted operating profit by £5m and net debt by £9m.
- ⇒ Monitoring ongoing geopolitical developments to assess any impact



(1) Including Blois which was disposed in February 2019

CURRENCY EFFECT

FULL YEAR			Translation Impact on FY 2017 ⁽¹⁾ (£m)	
Avg. FY 2017	Exchange Rates to GBP	Avg. FY 2018 ⁽¹⁾	Revenue	Adj. PBT ⁽²⁾
1.29	US \$	1.34	(22.3)	(1.5)
1.15	Euro €	1.13	1.8	0.1
17.13	South African Rand	17.50	(0.3)	(0.1)
43.93	Thai Baht	43.21	1.0	0.1
4.15	Brazilian Real	4.85	(1.1)	0.1
1.68	Canadian \$	1.73	(0.3)	-
30.18	Czech Rep. Koruna	29.03	0.6	0.2
84.34	Indian Rupee	91.02	(0.5)	(0.1)
5.56	Malaysian Ringgit	5.39	1.3	0.2
8.74	Chinese Renminbi	8.85	-	-
Net Impact on FY 2017			(19.8)	(1.0)

(1) The impact on 2017 results if exchange rates were at the 2018 average rates (translation impact only).

(2) Adjusted profit before tax (PBT) is as defined on page 6.

EARNINGS PER SHARE AND DIVIDENDS

	2018	2017	Change
Average number of shares			
Basic	417.8m	418.9m	-1.1m
Fully diluted	423.5m	421.8m	+1.7m
Adjusted earnings per share ⁽¹⁾			
Basic	16.08p	14.39p	+11.7%
Fully diluted	15.87p	14.30p	+11.0%
Dividends (pence per share) ⁽²⁾			
Interim	2.19p	2.05p	+6.8%
Final	5.23p	4.90p	+6.7%
Total	7.42p	6.95p	+6.8%
Dividend cost (£m) ⁽²⁾			
Interim	£9.1m	£8.5m	
Final	£21.8m	£20.5m	
Total	£30.9m	£29.0m	
Dividend cover ⁽¹⁾			
	2.2x	2.1x	

(1) Based on adjusted profit for the period as defined on page 6

(2) Final figures are proposed

CHANGE IN NET DEBT

	2018 £m	2017 £m
Free cash flow (page 7)	45.3	58.3
Dividends	(29.6)	(27.9)
Proceeds on disposal of business	-	0.4
Loan repayment by JV	0.5	0.3
Purchase of shares by employee benefit trust	(7.2)	(0.1)
Net cash inflow	9.0	31.0
Exchange variations	(6.7)	11.0
Non-cash items	-	0.8
Net debt – opening	(155.3)	(198.1)
Net debt – closing (page 31)	(153.0)	(155.3)
Net debt to EBITDA (page 32)	1.1x	1.3x

GROSS CAPITAL EXPENDITURE

	2018		2017	
	Capex	Depn ⁽¹⁾	Capex	Depn ⁽¹⁾
	£m	£m	£m	£m
Aerospace	43.3	29.0	41.0	27.7
Flexonics	12.8	12.3	13.4	12.9
Holding Companies	0.2	0.2	0.4	0.2
Total	56.3	41.5	54.8	40.8

(1) Depreciation of £39.5m (2017: £38.8m) and amortisation of software of £2.0m (2017: £2.0m).

USAGE OF CREDIT FACILITIES – December 2018

	<u>Interest</u> %	<u>Facility</u> £m	<u>Usage</u> £m	<u>Usage by Currency</u>			
				<u>£</u>	<u>\$</u>	<u>€</u>	<u>Other</u>
<u>US Private placements:</u>							
\$30.0m (Sep 2028)	4.18%	23.4	23.4	-	23.4	-	-
€28.0m (Feb 2027)	1.51%	25.2	25.2	-	-	25.2	-
\$60.0m (Oct 2025)	3.75%	47.0	47.0	-	47.0	-	-
£27.0m (Jan 2025)	2.35%	27.0	27.0	27.0	-	-	-
\$20.0m (Oct 2022)	3.42%	15.6	15.6	-	15.6	-	-
\$20.0m (Oct 2020)	6.94%	15.6	15.6	-	15.6	-	-
	3.49%	153.8	153.8	27.0	101.6	25.2	-
<u>Bank facilities:</u>							
RCF £20.0m ⁽¹⁾ (Mar 2019) Libor+60bps	1.35%	20.0	2.5	2.5	-	-	-
US RCF \$47.6m (Jun 2021) Libor+85bps	3.30%	37.2	14.3	-	14.3	-	-
RCF £60.0m ⁽¹⁾ (Nov 2021) Libor+85bps	1.60%	60.0	-	-	-	-	-
Total committed facilities		271.0	170.6	29.5	115.9	25.2	-
Overdrafts and bank loans		62.1	0.2	-	-	-	0.2
Finance leases		0.2	0.2	0.2	-	-	-
Gross debt		333.3	171.0	29.7	115.9	25.2	0.2
Cash and cash pooling		-	(17.2)	(1.4)	(4.3)	(4.8)	(6.7)
Debt transaction costs		(0.8)	(0.8)	(0.5)	(0.3)	-	-
Net debt		332.5	153.0	27.8	111.3	20.4	(6.5)

Headroom of £118m on committed facilities

(1) The UK RCF's of £60m and £20m were replaced by a committed £120m facility in February 2019. The new RCF has an interest rate of Libor +77.5bps at current leverage and utilisation.

COVENANTS

	Dec 2018	Jun 2018	Dec 2017	Jun 2017
Net debt	£153.0m	£148.8m	£155.3m	£181.6m
Net interest - rolling 12 months	£8.8m	£9.0m	£9.3m	£10.1m
EBITDA - rolling 12 months	£133.7m	£127.6m ⁽¹⁾	£123.9m ⁽¹⁾	£114.0m
Interest cover (to exceed 3.5 times)	15.2 x	14.2 x	13.3 x	11.3 x
Net debt to EBITDA (not to exceed 3 times)⁽²⁾	1.1 x	1.2 x	1.3 x	1.6 x

(1) For covenant purposes, for 12 months to June 2018 and December 2017, EBITDA excludes £1.6m profit in H2 2017 and £0.9m loss in FY 2017, respectively, relating to BWT Ilkeston facility's results prior to its disposal.

(2) The ratios of net debt to EBITDA are unchanged from those shown in the table with the required restatement of the net debt at average 12 months exchange rates.

PENSIONS

	12 Months 2018			2017	
	UK Funded £m	USA Funded £m	Various Unfunded £m	Total £m	Total £m
IAS 19 Retirement Benefit					
Scheme assets	321.2	47.1	0.4	368.7	348.5
Scheme liabilities	(301.8)	(54.3)	(7.9)	(364.0)	(358.9)
Scheme asset/(deficit) at opening	19.4	(7.2)	(7.5)	4.7	(10.4)
Current service cost	-	(0.4)	(0.1)	(0.5)	(0.9)
Past service cost (GMP)	(2.4)	-	-	(2.4)	
Running costs	(0.4)	-	-	(0.4)	(0.5)
Total employer cash contributions	8.6	2.2	0.4	11.2	11.1
Net interest charge	0.6	(0.3)	(0.1)	0.2	(0.2)
Actuarial variations - assets	(12.9)	(3.8)	-	(16.7)	17.8
- liabilities	18.0	4.6	(0.1)	22.5	(12.6)
Curtailment gain	-	-	0.4	0.4	-
Foreign exchange impact	-	(0.3)	(0.2)	(0.5)	0.4
Scheme asset/(deficit) at closing	30.9	(5.2)	(7.2)	18.5	4.7
Scheme assets	309.6	47.3	0.8	357.7	368.7
Scheme liabilities	(278.7)	(52.5)	(8.0)	(339.2)	(364.0)

Discount rate	2.9%
Price inflation	3.2%
Life expectancy of male aged 65 in 20 years	23.2yrs

UK Scheme Actuarial Valuation

Last valuation:	5 April 2016
Scheme assets at valuation:	£268.1m
Scheme liabilities at valuation:	(£305.5m)
Funding level:	88%

UK Scheme is closed to future accrual

2.4%	} UK 2017
3.1%	
23.3yrs	

STRATEGIC PRIORITIES

Autonomous and Collaborative Business Model	Focus on Growth	Talent Development
⇒ Empowerment and accountability	Outgrow our end markets by:	A strong focus on improving organisational capability
⇒ Retain entrepreneurial spirit whilst growing	⇒ Growing market share, particularly with key customers	⇒ Further develop leadership talent
⇒ Strong control framework and disciplined governance	⇒ Focusing on innovation	⇒ Upgrade functional capability across the Group
⇒ Economies of scale whilst maintaining autonomous business structure	⇒ Geographical expansion	⇒ Ensure robust succession plans are in place
	⇒ Seeking out and exploiting adjacent opportunities <ul style="list-style-type: none"> • organically and through acquisition 	⇒ Team with world-class external partners to develop Senior's top talent

STRATEGIC PRIORITIES

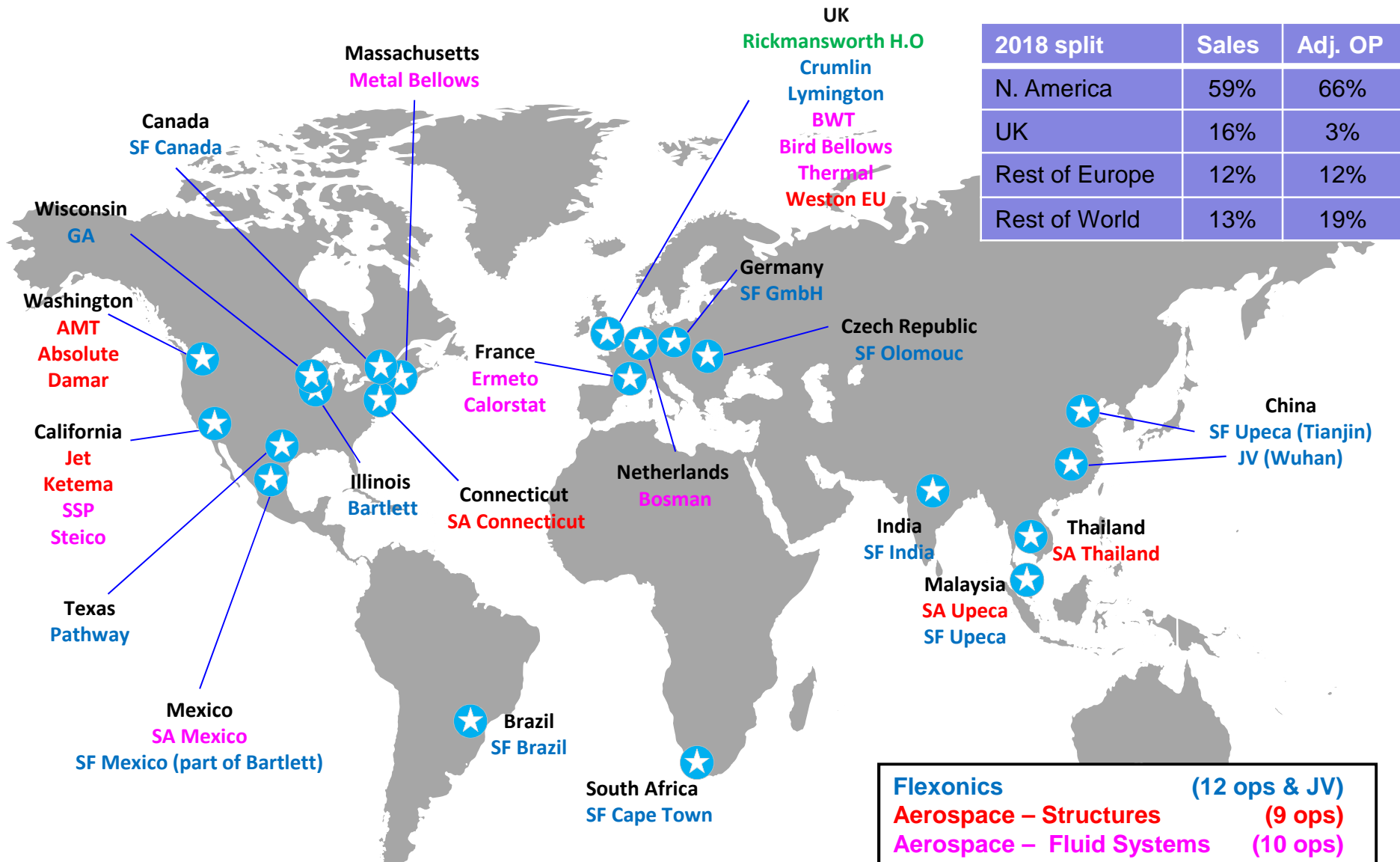
Competitive Cost Country Strategy	Considered and Effective Capital Deployment	High Performance Operating System
<p>Enhance global footprint to ensure businesses stay competitive at a capability and cost level</p> <ul style="list-style-type: none"> ⇒ Meet customers' cost and price challenges ⇒ Protect margins ⇒ Key investments: <ul style="list-style-type: none"> - Thailand - India - Malaysia - Mexico - China - Czech Republic ⇒ Actively move product lines and processes ⇒ Increasingly sophisticated capabilities in competitive cost economies 	<p>The executive team continually reviews investment priorities across the Group to ensure that the best choices are made for the allocation of capital</p> <ul style="list-style-type: none"> ⇒ Rigorous investment appraisal process ⇒ Group objective to maintain an overall return on capital employed in excess of the Group's cost of capital and to target a pre-tax return in excess of 15% 	<p>Key elements include:</p> <ul style="list-style-type: none"> ⇒ The Senior Operating System - an operational toolkit incorporating best practice processes: <ul style="list-style-type: none"> • Lean and continuous improvement techniques • Supplier management and development processes • Engineering, new product introduction (NPI) and project management processes • 5/6S methodology • Factory visual management systems • Risk and financial management ⇒ A strengthened business review process <ul style="list-style-type: none"> • KPI focus on performance, growth, operational excellence and talent development

ACQUISITION FRAMEWORK

More Likely → Less Likely

Division	Fluid Systems	Structures Flexonics			New Markets
Market	Large Commercial Defence General Industrial	Rotorcraft Energy Truck/ Off Highway	Reg Jet Automotive Medical	Biz Jet Renewables	VLJ Semi-conductor Equipment
Product	Aero Ducting High Temp. Composites Thermal Management Products	Control Bellows Emission Control Expansion Joints	Precision Machining		Auto Piping Industrial Tube
Nature	Own design / IP Higher Value Assy.	Highly Engineered BTP Components			Commodity BTP
Geography	North America Asia	UK	Europe South America		Africa Australasia
Ownership	Owner managed	Trade		Venture Capital	
Revenue	\$50 to \$100m	\$100m+		\$30 to \$50m	less than \$30m

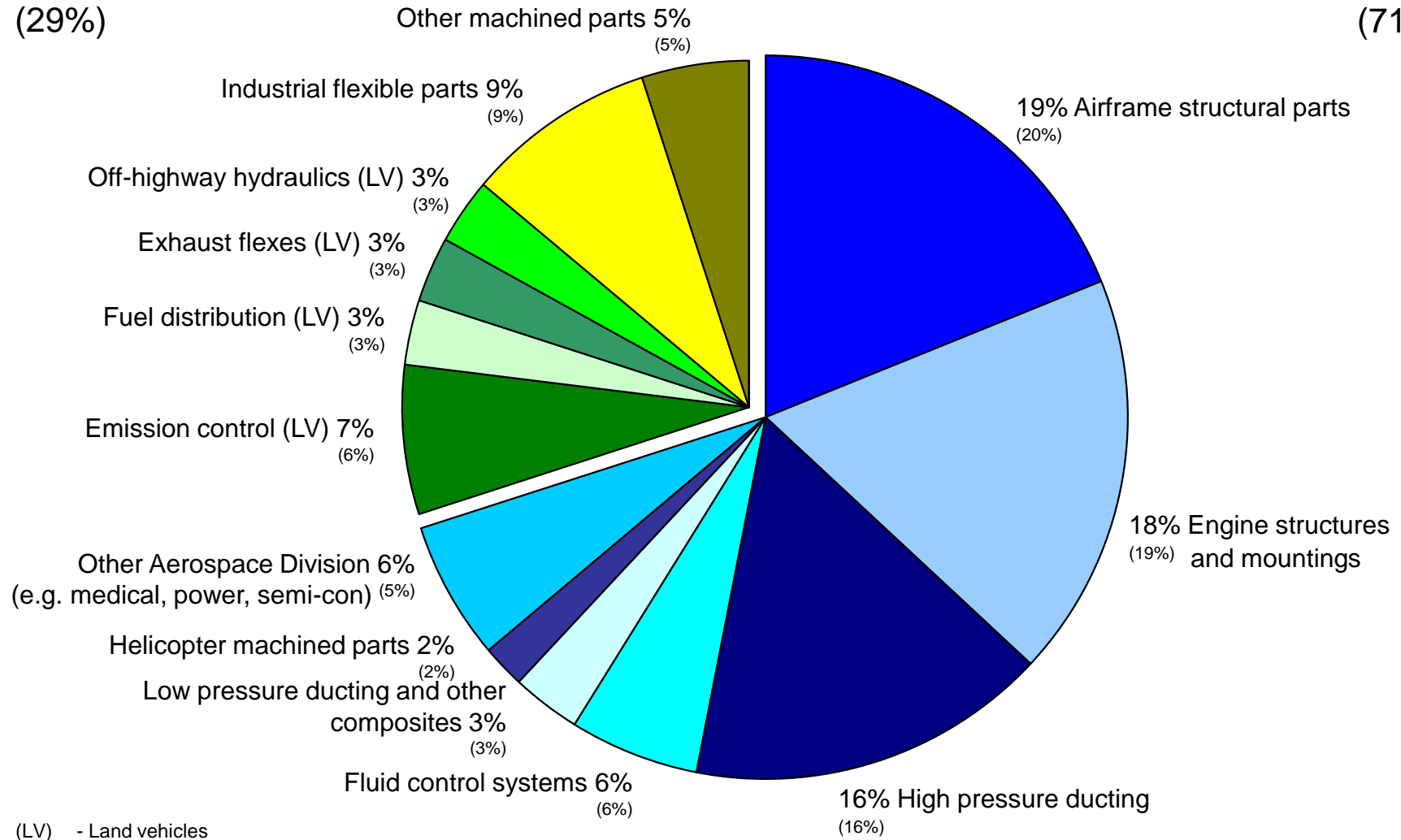
SENIOR'S LOCATIONS



SENIOR'S PRODUCTS – 2018

30% Flexonics Division
(29%)

Aerospace Division 70%
(71%)





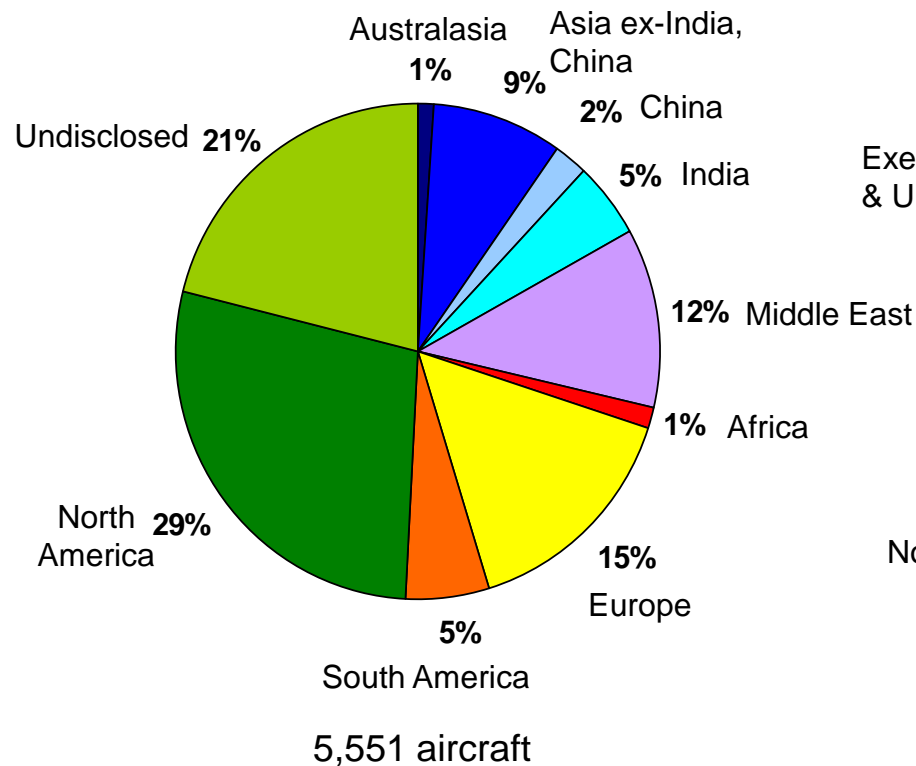
senior

AEROSPACE DIVISION

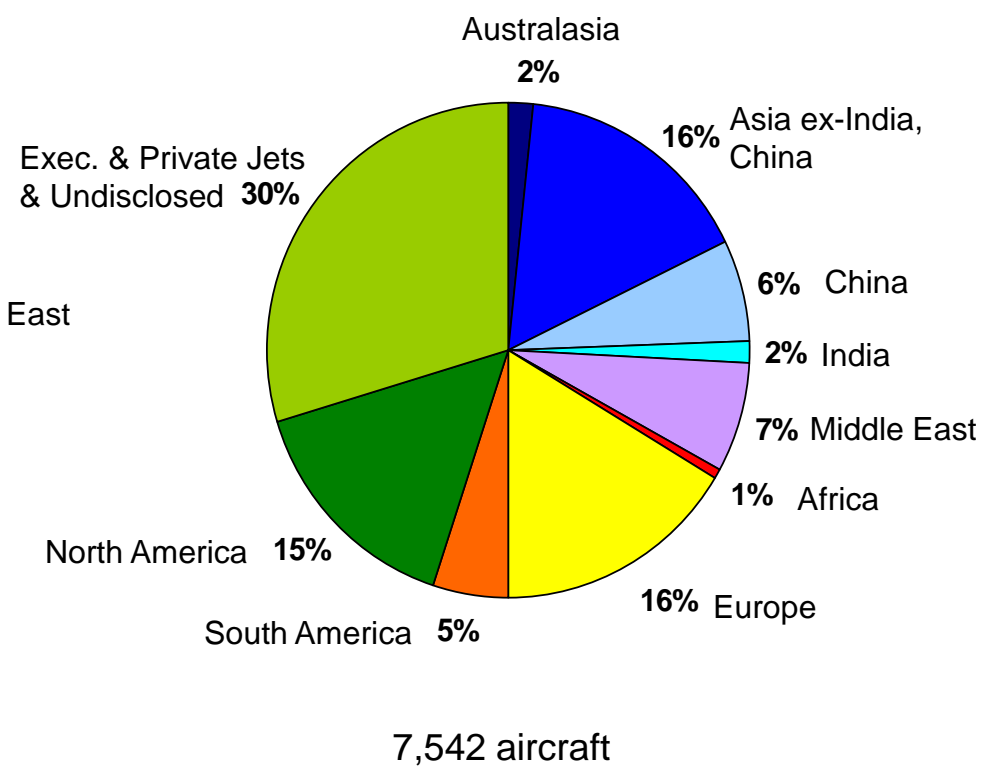


AEROSPACE – LARGE COMMERCIAL AIRCRAFT BACKLOG

Boeing backlog by region: Dec 2018



Airbus backlog by region: Dec 2018



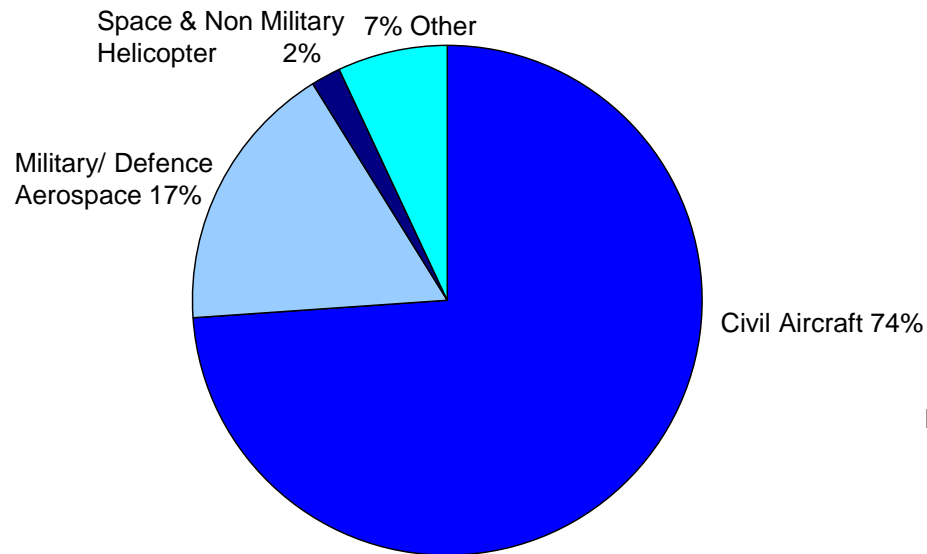
Source: Boeing and Airbus

AEROSPACE DIVISION: A SUMMARY

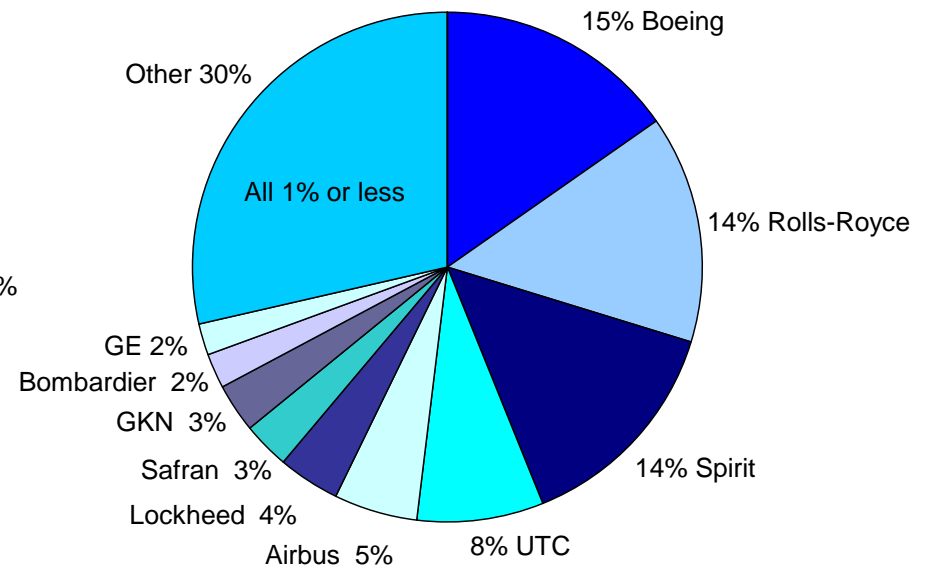
	2018	2017 ⁽¹⁾	Change
Revenue	£760.4m	£711.0m	+6.9%
Adjusted Operating Profit ⁽²⁾	£80.4m	£75.2m	+6.9%
Adjusted Operating Margin ⁽²⁾	10.6%	10.6%	-

19 Operations	
NAFTA	10
Europe	3
UK	4
ROW	2

Markets

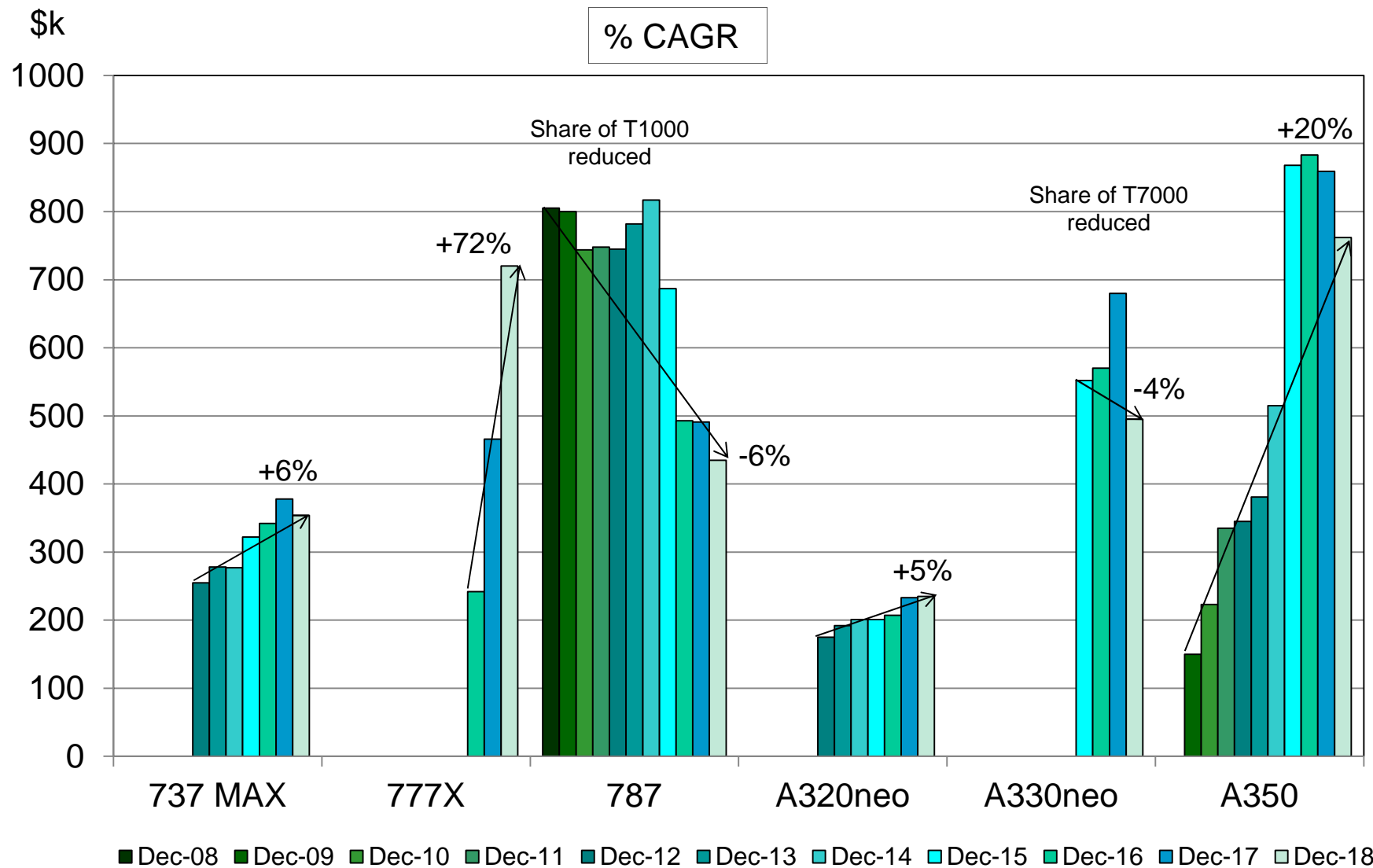


Customers



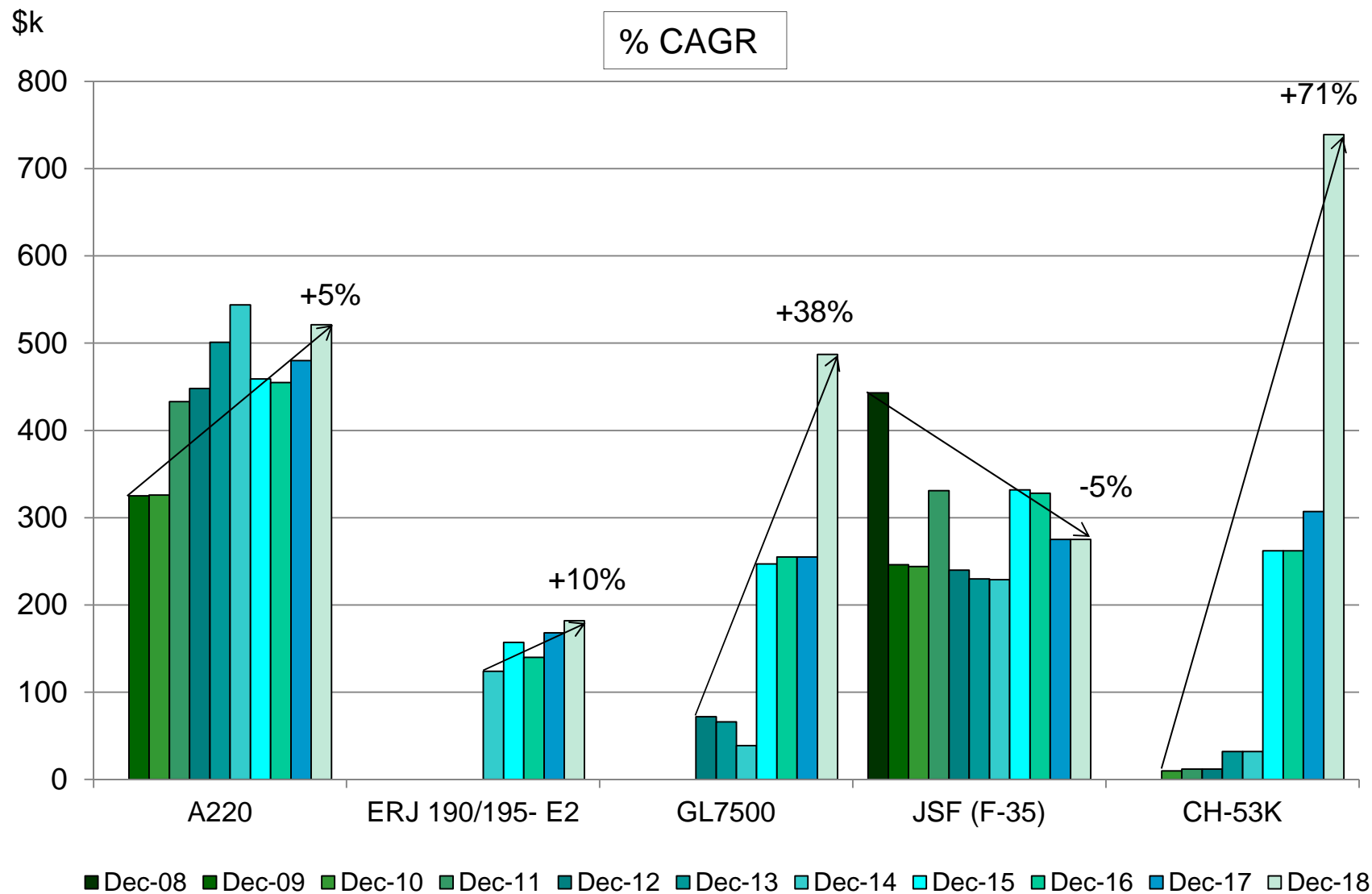
(1) All at 2018 exchange rates – translation effect only.
 (2) Before amortisation of intangible assets from acquisitions £8.3m (2017: £8.5m).

SHIPSET VALUE⁽¹⁾ PROGRESSION – Large Commercial Aircraft



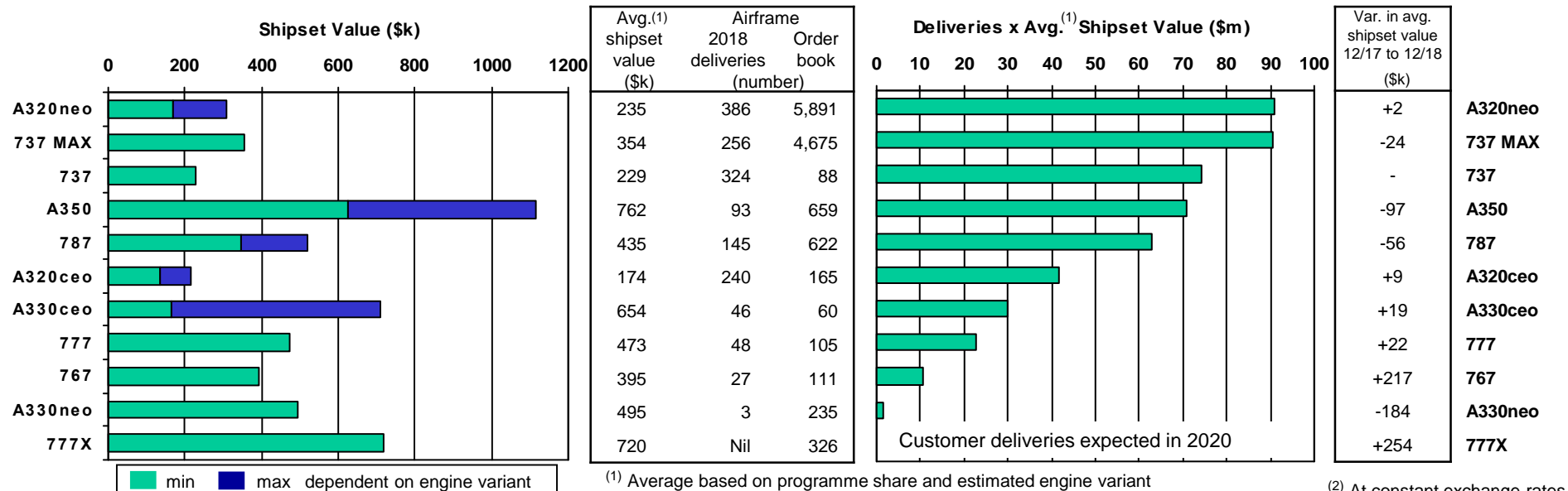
⁽¹⁾ Average based on programme share and estimated engine variant

SHIPSET VALUE⁽¹⁾ PROGRESSION – Regional, Business and Military



⁽¹⁾ Average based on programme share and estimated engine variant

LARGE COMMERCIAL AIRCRAFT (45% of Group)



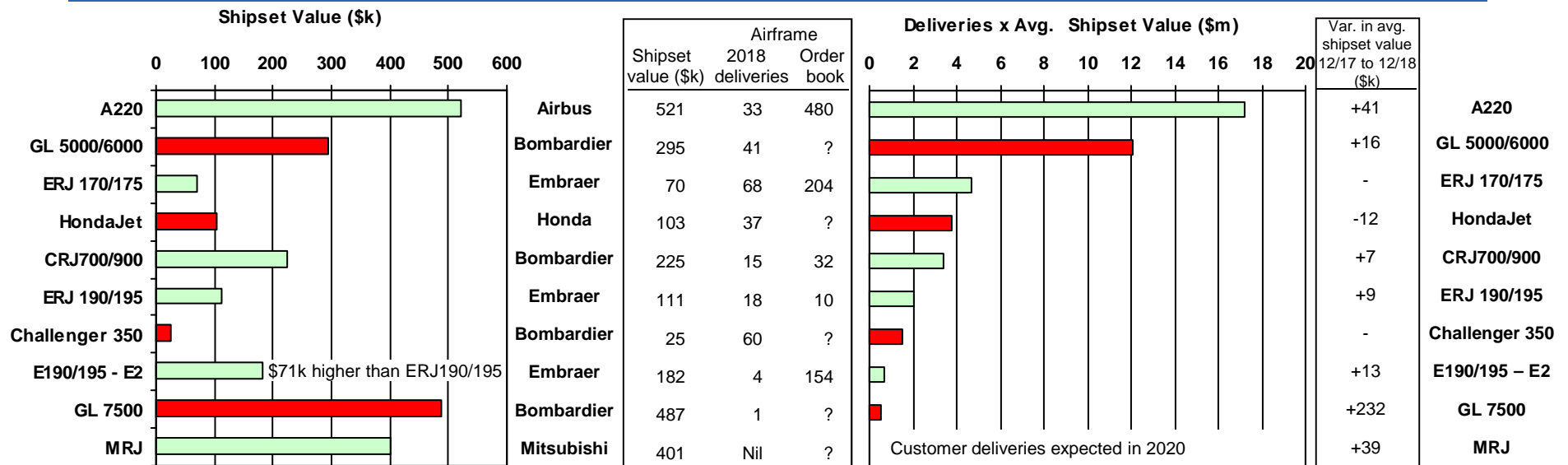
	Deliveries (number)		Estimated Production (number)			Growth (%)
	2017	2018	2019	2020	2021	
A320ceo	377	240	75	30	0	+17%
A320neo	181	386	630	695	735	
737	455	324	45	15	10	+17%
737 MAX	74	256	595	655	670	
A350	78	93	110	110	110	+18%
787	136	145	162	168	168	+16%
A330ceo	67	46	12	6	6	+2%
A330neo	-	3	30	40	44	
777	74	48	45	30	18	+25%
777X	-	-	9	20	42	
767	10	27	30	35	36	+33%

Group sales ↑ 7%⁽²⁾ compared to 2017

- ⇒ Won additional content on key growth platforms including 777X and A320neo
- ⇒ 737 MAX reduction due to customer furnished materials
- ⇒ Shipset values for 787, A330neo and A350 decreased, as previously noted, due to planned dual sourcing. Full impact mitigated by additional content gains
- ⇒ Good content on MC-21 (\$200k, EIS 2021) and C919 (\$130k, EIS 2021)

Source: Customers, Teal Group & internal estimates

REGIONAL AND BUSINESS JETS (7% of Group)



(1) At constant exchange rates

	Deliveries (number)		Estimated Production (number)			Growth (%)
	2017	2018	2019	2020	2021	2018-2021
A220	17	33	60	70	80	+142%
GL 5000/6000	45	41	40	40	40	-2%
ERJ 170/175	79	68	45	30	25	-63%
HondaJet	48	37	50	55	55	+49%
CRJ700/900	19	15	15	15	15	-%
ERJ 190/195	22	18	10	6	0	-100%
Challenger 350	56	60	55	55	55	-8%
E190/195 - E2	-	4	30	55	65	+1525%
GL 7500	-	1	15	30	45	+4400%
MRJ	-	-	-	4	10	na



Group sales ↑ 11%⁽¹⁾ compared to 2017

- ⇒ Group sales increase reflective of increased production of A220 and Embraer E2-Jet
- ⇒ Senior to outgrow the market as newer programmes come into service and ramp up
- ⇒ Increased shipset value on growth platforms: A220, Global 7500, E2-Jet and MRJ


Source: Customers, GAMA, Teal Group & internal estimates

FLUID CONVEYANCE

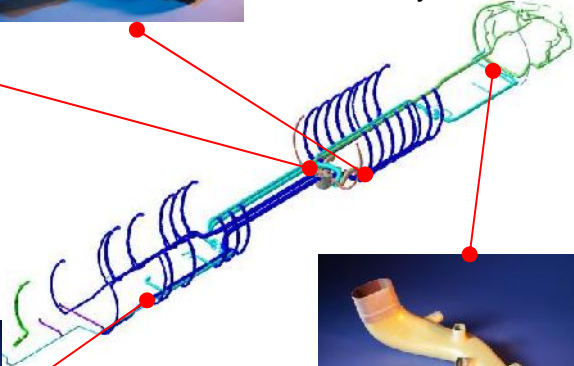
Low Pressure Ducting

Engineered Silencer Duct Assembly





Low Pressure Ducting Cabin Assembly




Typical Regional Jet Ducting Layout

Low Pressure Ducting Assemblies

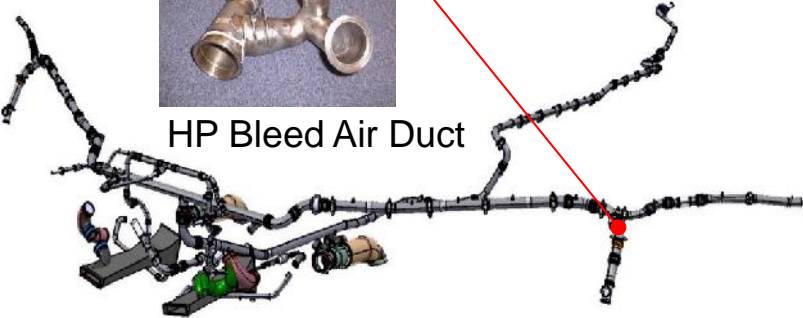
High Pressure Ducting

Welded Duct Assemblies



HP Bleed Air Duct



Airbus A220 High Pressure Ducting Layout

Typical Wing Duct Products

Main Operations: BWT

Main Customers: Bombardier, Mitsubishi, Embraer

SSP, Steico, Bird Bellows, Calorstat

Airbus, Boeing, Bombardier, Lockheed Martin

FLUID CONVEYANCE

Aerospace Control Products



Welded Bellows
Maintenance Free Accumulators



Control Actuators

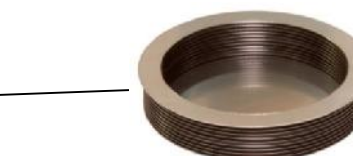


Hydraulic System Couplings

Non-Aerospace Control Products



Pin Lift Actuators
(Semi-Conductor)



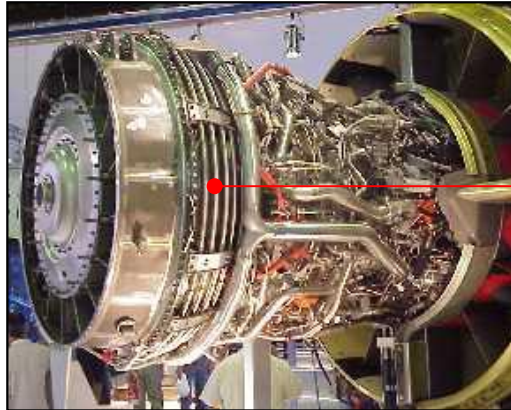
Drug Pump Implants
(Medical)

Main Operations: Metal Bellows, Calorstat, Bird Bellows, Ermeto

Main Customers: Airbus, Boeing, Lockheed Martin, Northrop Grumman, Embraer, LAM Industries

GAS TURBINE ENGINES

Fluid Conveyance Systems



Engine Bleed Ducts, Gimbals, Vibreakers, Ball Joints



Active Clearance Control System



Hydraulic/Fuel Feed Manifolds

Engine Components



Engine Casing (B787 Trent 1000)



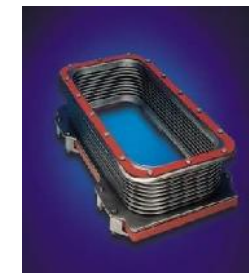
Static Seals



Bent tubes



Aerofoil for gas turbine engines



Bellows Face Seals

Main Operations: Bosman, Ermeto, Metal Bellows, Bird Bellows, SSP, Thermal Engineering

Main Customers: Rolls-Royce, Snecma, MTU, UTC (Pratt & Whitney)

Ketema, Jet, Weston, S A Thailand, Thermal Engineering, Bird Bellows, Metal Bellows, Steico, Ermeto

GE, Rolls-Royce, Honeywell, UTC (P&W), Safran

STRUCTURES

Airframe



737 Boeing Wing Ribs



737 Main Landing Gear Wheel Well

Assemblies



737 Wing to Body Frame (Birdcage)



737 Air Inlet (2ea) Ram Air

777X Folding Wing Tip



Main Operations: AMT, Absolute, Damar, Mexico, Weston, S A Thailand, S A Upeca

Main Customers: Boeing, Spirit, UTC (Goodrich)

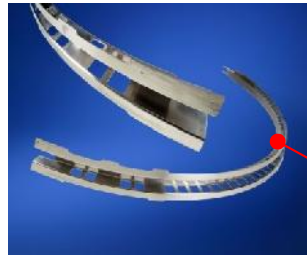
AMT, Weston, S A Thailand

Boeing, Spirit, Zodiac

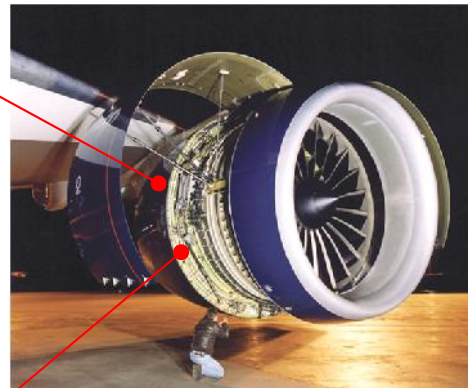
STRUCTURES

Nacelles

Helicopter Transmissions



B777 Engine Nacelle Housing



777 Load Share Ring



CF34-10 Torque Box Ring,
(Embraer 190)



Sikorsky UH60 Blackhawk



Blackhawk Gear Housing Assy.



Blackhawk Spindle

Main Operations: Jet, Ketema, Thermal Engineering

S A Connecticut

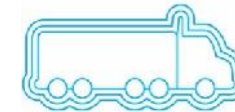
Main Customers: Boeing, Goodrich, Spirit, Middle River (GE)

Lockheed Martin (Sikorsky), Rolls-Royce



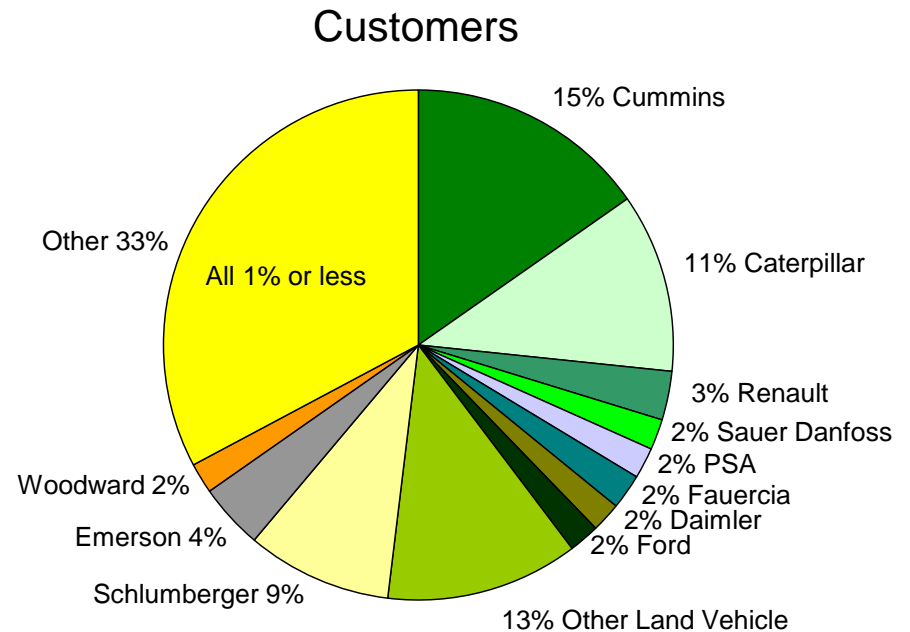
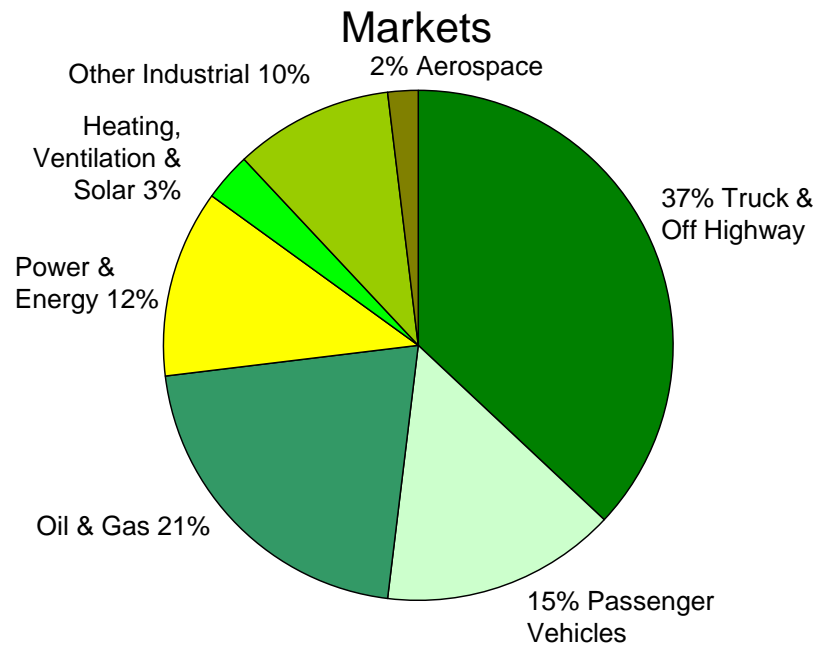
senior

FLEXONICS DIVISION



FLEXONICS DIVISION: A SUMMARY

	2018	2017 ⁽¹⁾	Change	14 ⁽³⁾ Operations Incl JV
Revenue	£322.9m	£293.3m	+10.1%	NAFTA 4
Adjusted Operating Profit ⁽²⁾	£26.1m	£19.7m	+32.5%	Europe 3 ⁽³⁾
Adjusted Operating Margin ⁽²⁾	8.1%	6.7%	+140bps	UK 2
				ROW 4
				China JV 1



(1) All at 2018 exchange rates – translation effect only.
 (2) Before amortisation of intangible assets from acquisitions £7.1m (2017: £8.6m).
 (3) Prior to sale of French operation, Senior Flexonics Blois.

LAND VEHICLE EMISSION CONTROL

Tubes

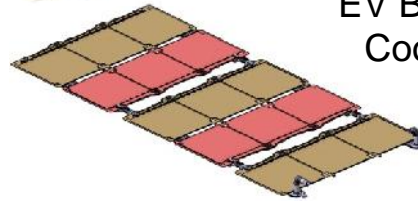
Turbo-oil
feed and
drain



Exhaust
Bellows



EV Battery
Cooling



Common Rails



Diesel fuel injector components



EGR Coolers/Heat
Exchangers

Main Operations: Bartlett, GA, Germany, Cape Town, Sao Paulo, New Delhi, Wuhan JV, Crumlin

Main Customers: Cummins, CAT, MAN, Scania, JCB, Ford, Renault, JLR, Faurecia, Tenneco

INDUSTRIAL PROCESS CONTROL (1)



Metal Expansion Joints



Fabric Expansion Joints



Petrochemical,
Refineries, &
Steel Mills

Power
Generation



Dampers/Diverter



Oil & Gas Directional Drilling Equipment



Oilfield Services
Packers



Flow Control Valve
Bodies

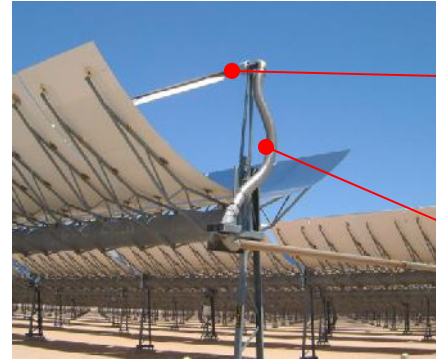
Main Operations: Pathway, S F Upeca, LPE

Main Customers: US domestic operators (400+), Constructors (Global), Emerson, Schlumberger

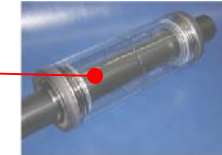
INDUSTRIAL PROCESS CONTROL (2)



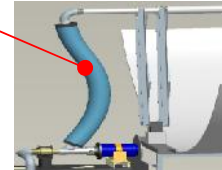
Flexible Tubes & Hoses



CSP - Solar Troughs



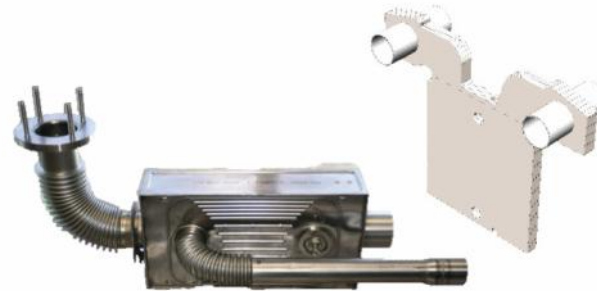
Vacuum Seal Bellows



RotationFlex®



Medical Heat Exchangers



Fuel Cell Components



Instrument Control Bellows

Main Operations: Bartlett, Canada, Germany, Crumlin

Main Customers: Medtronic, Valliant, Rioglass, Bloom Energy

INDEX

Presentation

Financial highlights	4
2018 at a glance	5
Adjusted and reported profit	6
Cash flow and use of funds	7
Balance sheet	8
Maturing profile of credit facilities	9
Working capital	10
IFRS 16 leases – from 1 January 2019	11
2018 financial summary	12
Senior's markets	14
Senior's customers	15
Land vehicles	16
Power & Energy	17
Military and defence	18
Civil aircraft	19
Delivering profitable growth	20
Civil aircraft	21
Group outlook	22

Appendices

Group evolution	25
Trade considerations	26
Currency effect	27
Earnings per share and dividends	28
Change in net debt	29
Gross capital expenditure	30
Usage of credit facilities	31
Covenants	32
Pensions	33
Strategic priorities	34 to 35
Acquisition framework	36
Senior's locations	37
Senior's products	38
Aerospace large commercial aircraft backlog	40
Aerospace Division information	41 to 50
Flexonics Division information	52 to 55