



INTERIM RESULTS 2021

Resilient – Well Positioned for the Future

AGENDA

Introduction	David Squires	CEO
2021 Interim Results	Bindi Foyle	FD
Markets, Strategy & Outlook	David Squires	CEO

Cautionary Statement

This document has been prepared solely to provide additional information to enable shareholders to assess the Group's strategy and business objectives and the potential for the strategy and objectives to be fulfilled. It should not be relied upon by any other party or for any other purpose. This document contains certain forward-looking statements. Such statements are made by the Directors in good faith based on the information available to them at the time of their approval of this IMR and they should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

INVESTMENT CASE: POSITIONED FOR GROWTH

Our purpose to provide safe and innovative products for demanding thermal management and fluid conveyance applications



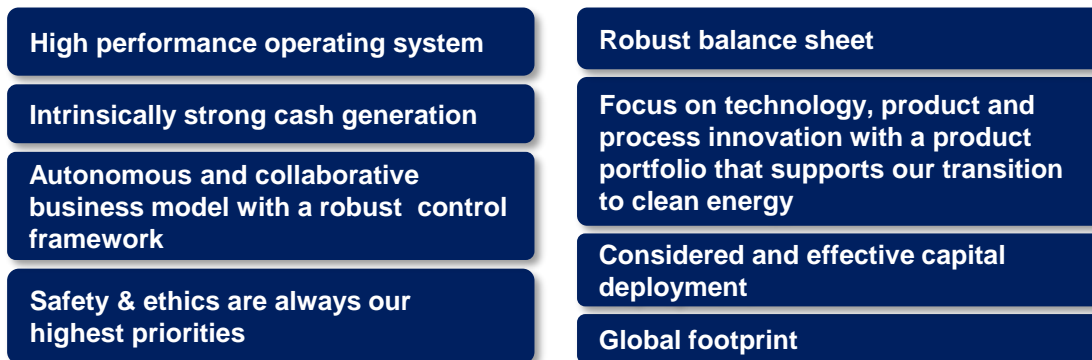
Trusted and collaborative high value-added engineering and manufacturing company delivering sustainable growth

Delivering minimum 13.5% ROCE* over medium-term

STRONG CORE END-MARKETS



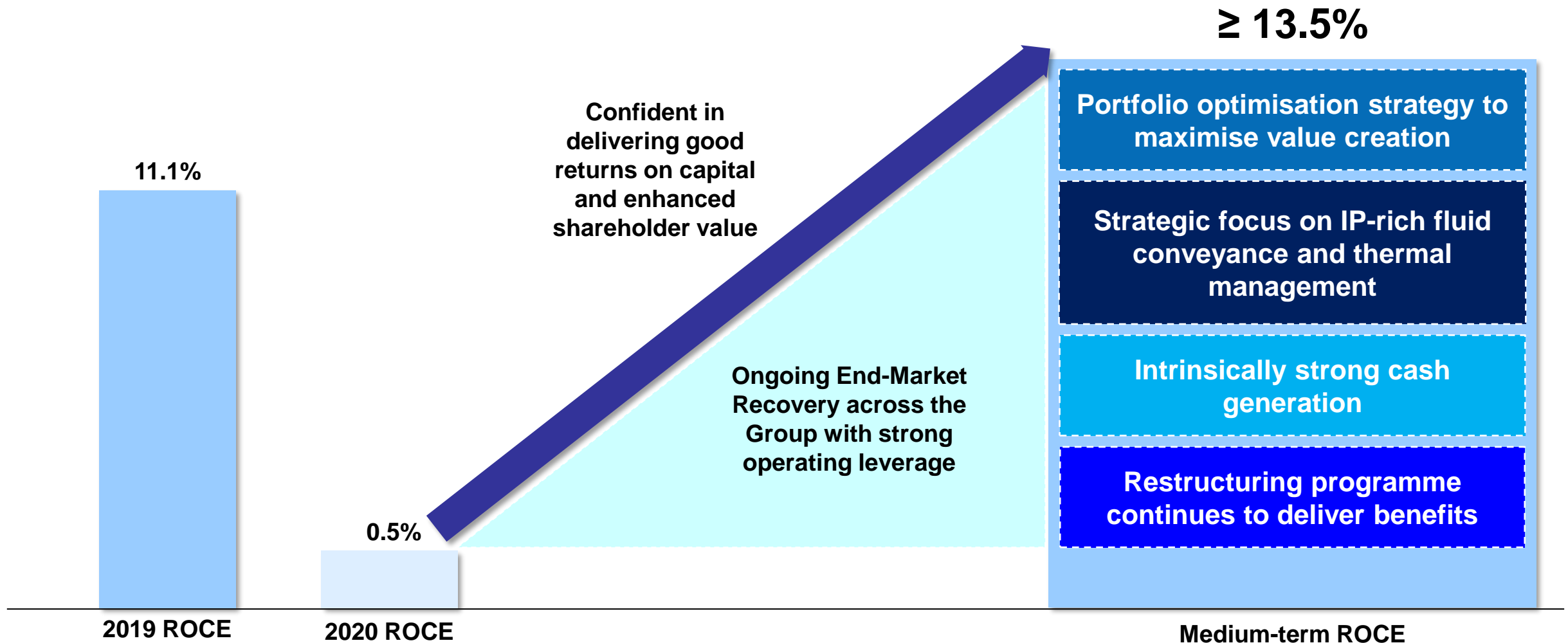
OUR DIFFERENTIATORS



ESG LEADERSHIP



MEDIUM TERM MINIMUM ROCE TARGET



Return on capital employed (ROCE) is the Group's adjusted operating profit divided by the average of the capital employed at the start and end of the period, capital employed being total equity plus net debt.

H1 HIGHLIGHTS

- Robust free cash flow of £19.2m
- Trading ahead of management's previous expectations
- Successful completion of the divestment of Senior Aerospace Connecticut
- Net debt/EBITDA of 2.0x, liquidity headroom increased to £215m
- Restructuring benefits tracking ahead of plan; now expecting cumulative annualised savings of around £50m for 2021
- Clear signs of recovery in our end markets
- Reaffirm improved expectations for Group performance for 2021 as stated in 9 July Post-Close Trading Update

Resilient – well positioned for the future

ENVIRONMENTAL, SOCIAL & GOVERNANCE

E

- ⇒ **First worldwide in our sector** to have emission reduction targets approved by the Science Based Targets initiative (for **Scope 1, 2 and 3**)
 - Scope 3 - **actively engaging with >300 key suppliers** with respect to their targets and commitment
- ⇒ Commenced work on **scenario analysis** as part of the TCFD recommendations
 - Expect to finalise the scenario analysis in **Q3 2021**



S

- ⇒ **Excellent participation and engagement** for our first group-wide Global Employee Opinion Survey
 - Very positive, valuable, and constructive feedback
 - Helps **implement specific continuous improvement plans**
- ⇒ Intend to run this **global survey annually**



G

- ⇒ Updated the Senior Group Code of Conduct in July 2021
 - Coincides with the launch of **2021 Code of Conduct training course**
 - A personal hard copy to every employee
- ⇒ Participation in the 30% Club which adopted the Parker Review recommendation
 - **2023 targets on gender and ethnic diversity already met**



For more downloadable information please visit <https://www.seniorplc.com/esg.aspx>



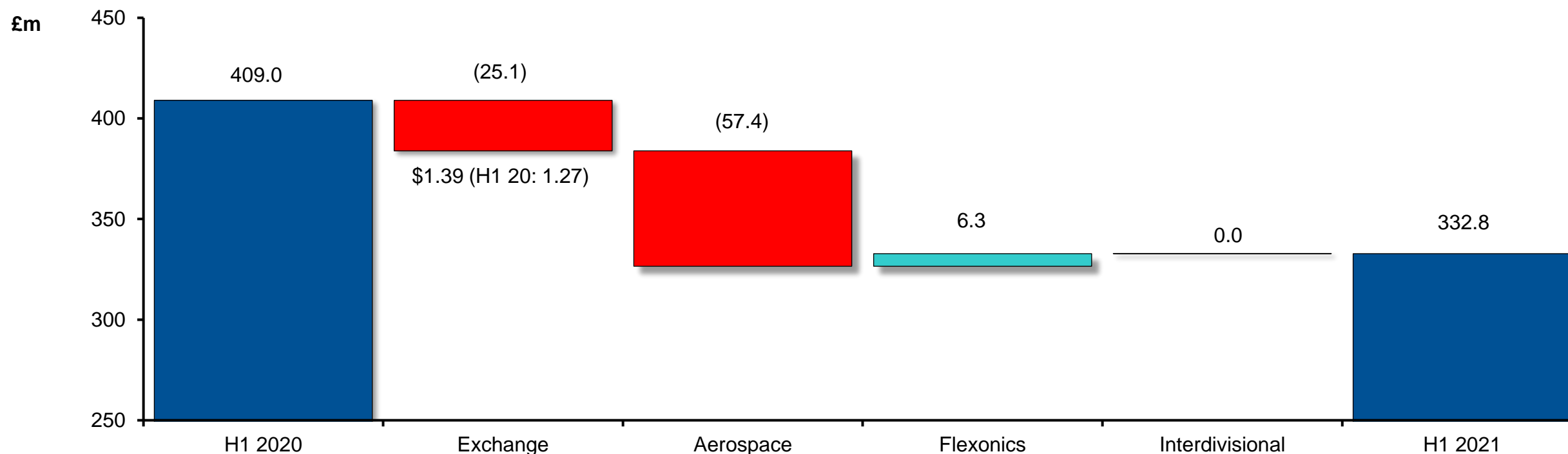
2021 INTERIM RESULTS



FINANCIAL HEADLINES

	H1 2021	H1 2020	Change	constant currency
Revenue	£332.8m	£409.0m	-19%	-13%
Adjusted Operating Profit	£5.2m	£9.0m	-42%	-34%
Adjusted Operating Margin	1.6%	2.2%	-60bps	-50bps
Adjusted Profit before Tax	£0.9m	£3.6m		
Adjusted Earnings per Share	0.10p	0.72p		
Free Cash Flow	£19.2m	£16.0m	+20%	
Net Debt (excluding capitalised leases)	£71.0m	£155.2m	£84m decrease	Net Debt:EBITDA 2.0x⁽¹⁾
ROCE	0.0%	6.8%		

H1 2021 REVENUE BRIDGE



Aerospace ⁽¹⁾



Revenue Reconciliation

	£m
H1 2020 revenue	280.5
Civil aerospace	(61.3)
Defence	6.3
Other markets	6.3
Disposal of business	(8.7)
H1 2021 revenue	223.1

Flexonics ⁽¹⁾

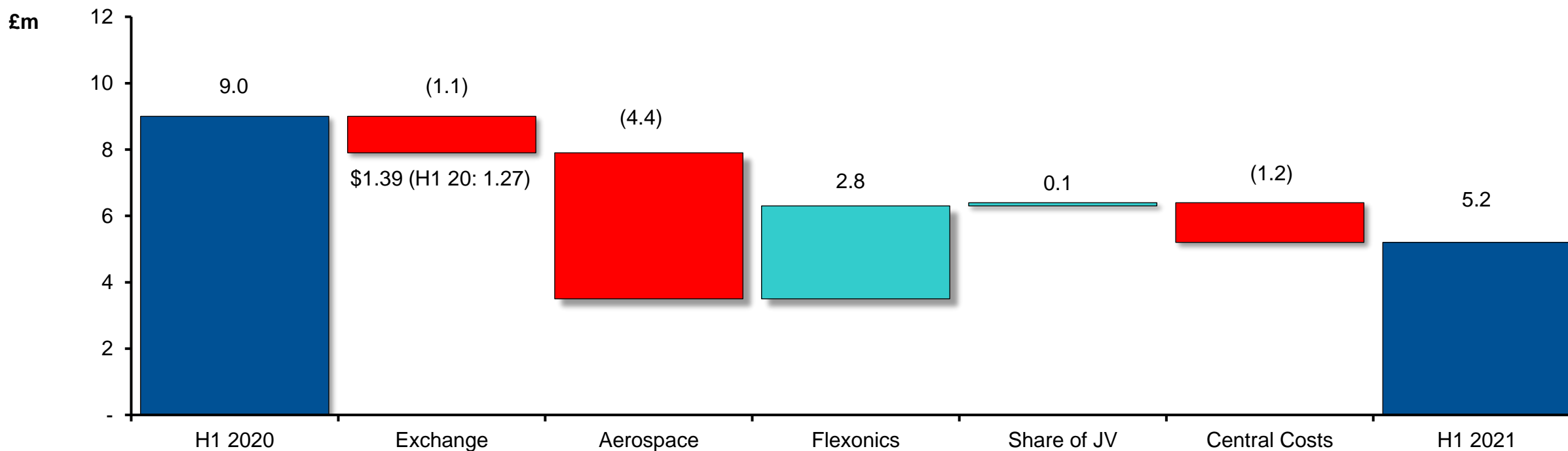


Revenue Reconciliation

	£m
H1 2020 revenue	103.7
Land vehicles	20.0
Power & energy	(13.7)
H1 2021 revenue	110.0

(1) The Divisional review is on a constant currency basis, whereby H1 2020 results have been translated using H1 2021 average exchange rates

H1 2021 ADJUSTED OPERATING PROFIT⁽²⁾ BRIDGE



Aerospace (1)



	H1 2021 £m	H1 2020 £m	Change
Revenue	223.1	280.5	-20.5%
Adj OP ⁽²⁾	5.1	9.5	-46.3%
Margin	2.3%	3.4%	-110bps

Decrease in adj OP reflected the drop through impact of the reduction in revenue and divestment of Senior Aerospace Connecticut, mitigated by additional restructuring savings

Flexonics (1)



	H1 2021 £m	H1 2020 £m	Change
Revenue	110.0	103.7	+6.1%
Adj OP ⁽²⁾	7.4	4.6	+60.9%
Margin	6.7%	4.4%	+230bps

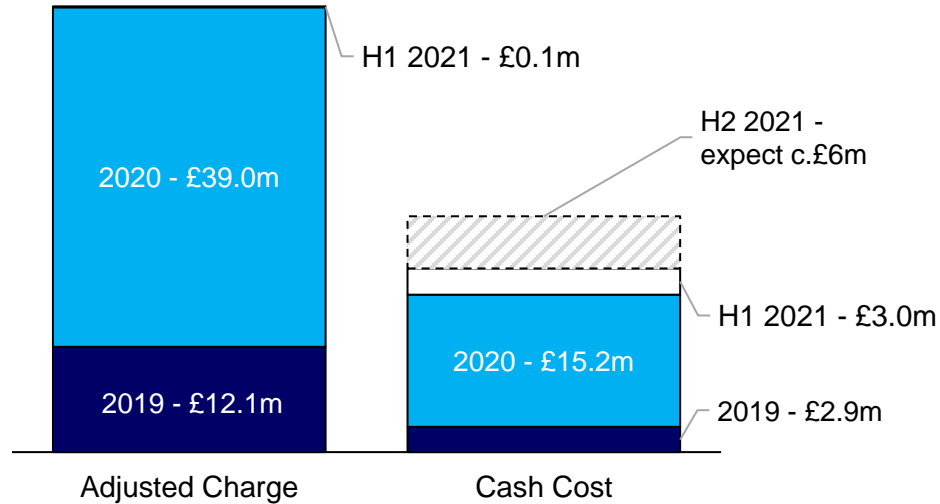
Increase in adj OP reflected the drop through impact of growth in revenue coupled with additional restructuring savings which more than offset the inflationary impact of freight and commodity costs

(1) The Divisional review is on a constant currency basis, whereby H1 2020 results have been translated using H1 2021 average exchange rates

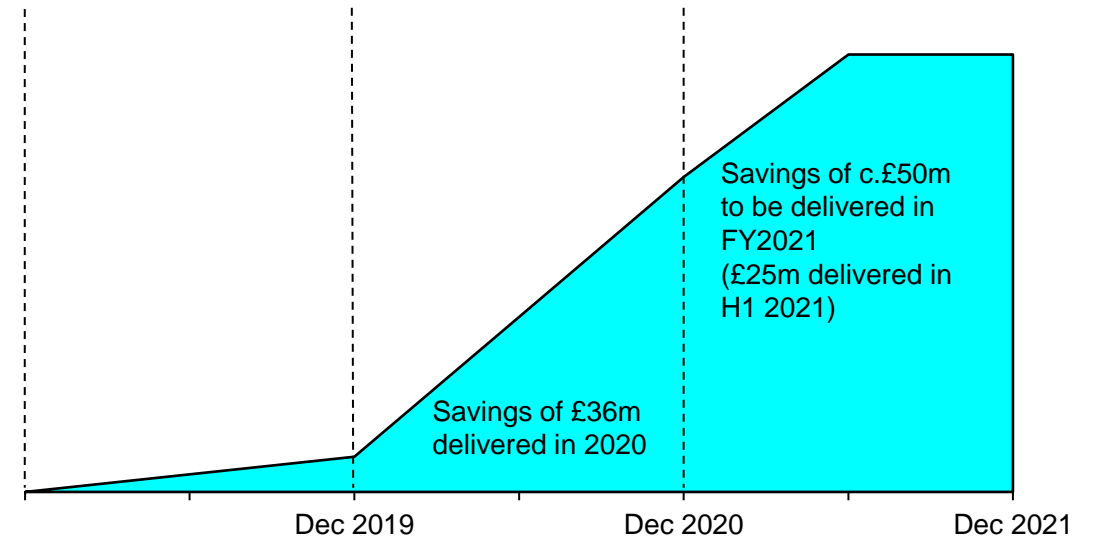
(2) Adjusted operating profit is as defined on page 12

RESTRUCTURING

Restructuring adjusted charge and cash cost



Savings benefits



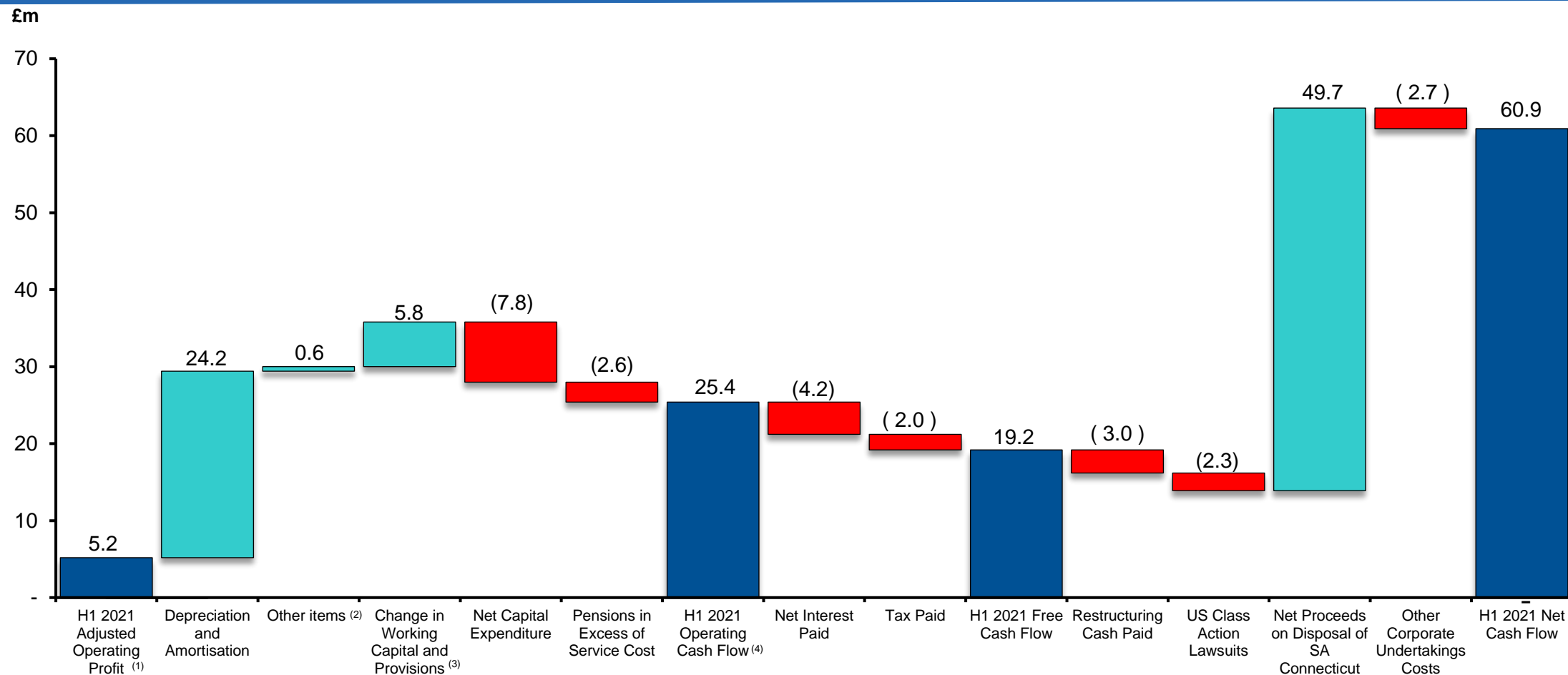
- ⇒ H1 2021 savings of £25m (H1 2020: £11m)
- ⇒ H2 2021 further cash outflow of around £6m due to closure of Senior Aerospace Bosman
- ⇒ Now expect cumulative annualised savings of around £50m for FY 2021 (FY 2020: £36m)

Restructuring programme is effective and delivering benefits ahead of plan

ADJUSTED AND REPORTED PROFIT

	H1 2021 £m	H1 2020 £m
Adjusted operating profit	5.2	9.0
Net finance costs – borrowings, cash	(3.2)	(4.3)
– lease liabilities (IFRS 16)	(1.3)	(1.5)
– retirement benefits	0.2	0.4
Adjusted profit before tax	0.9	3.6
Tax (H1 2021: 55.6%; H1 2020: 16.7%)	(0.5)	(0.6)
Adjusted profit for the period	0.4	3.0
Amortisation of intangible assets from acquisitions	-	(4.7)
Goodwill impairment and write-off	-	(110.5)
Restructuring	(0.1)	(20.0)
Corporate undertakings	21.5	(4.7)
Related tax on above items	(2.8)	27.3
Exceptional non-cash tax credit	0.6	-
Reported profit / (loss) for the period	19.6	(109.6)

CASH FLOW AND USE OF FUNDS



(1) Adjusted operating profit is as defined on page 12

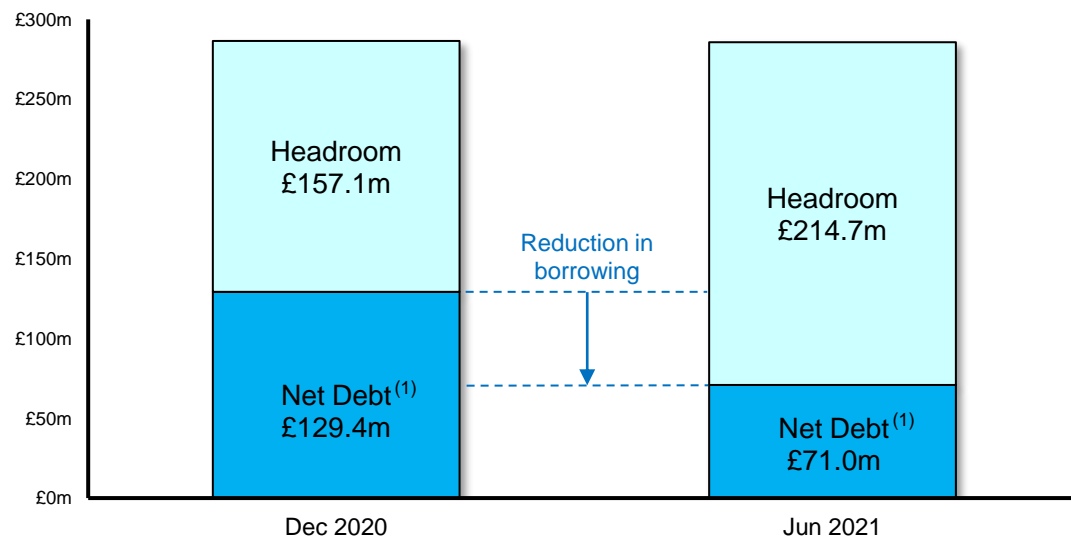
(2) Other Items comprises £1.8m share-based payment charges, (£0.2m) share of joint venture, and (£1.0m) working capital and provision currency movements

(3) Change in working capital and provisions excludes change in restructuring items of (£2.5m) provisions and (£0.9m) of inventory

(4) Operating cash flow is defined as cash generated by operations after investment in net capital expenditure, before costs of disposal activities, payments related to US class action lawsuits and restructuring cash paid

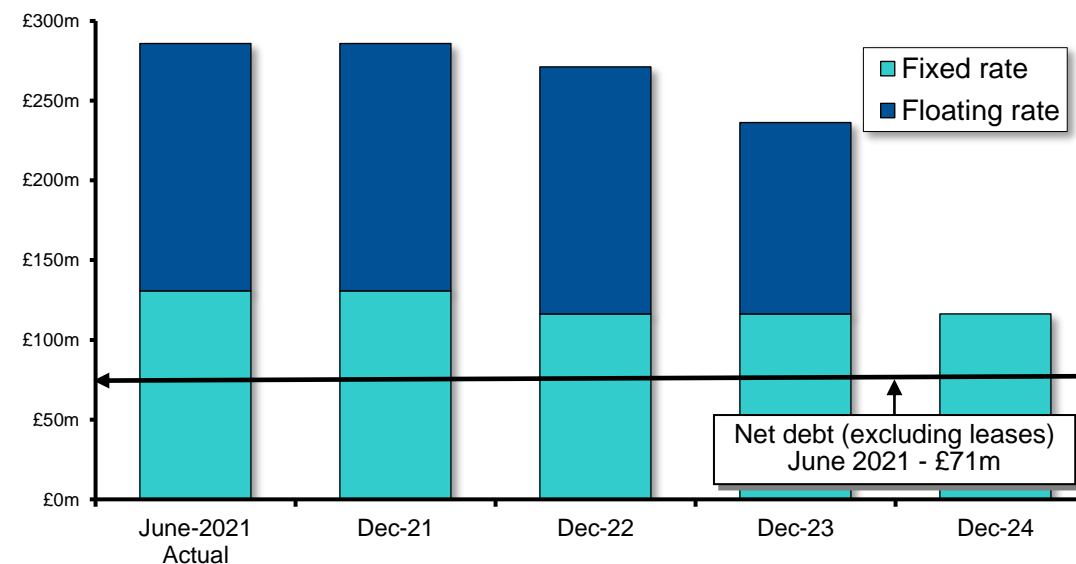
BALANCE SHEET STRENGTH

Credit facilities and headroom



- ⇒ Group balance sheet **remains robust** with **strong liquidity** and **stable** finance arrangements
- ⇒ Advanced our prune to grow strategy, divesting, closing or combining non-core or performance-challenged assets
- ⇒ **Net Debt:EBITDA = 2.0x at Jun 2021**

Profile of committed credit facilities



- ⇒ In April 2021, the \$50m US RCF agreement was further extended to 30 June 2023
- ⇒ No committed facility due for repayment until October 2022 (\$20m)
- ⇒ **Intrinsically strong cash generation** with businesses already capitalised and prepared for **recovery** and **growth**

Robust balance sheet, strong liquidity, stable financing

FINANCIAL SUMMARY

- ⇒ Robust cash performance with £19.2m free cash inflow
- ⇒ Both Divisions (Aerospace and Flexonics) were profitable
- ⇒ £214.7m liquidity headroom; Net debt/EBITDA of 2.0x
- ⇒ Restructuring benefits tracking ahead of plan; now expecting cumulative annualised savings of around £50m for 2021

Intrinsically strong cash generation; capitalised and prepared for recovery and growth



MARKETS

OUR MARKETS

34% Flexonics Division
(28%)



Power & Energy 16%
(17%)

Aerospace Division 66%
(72%)



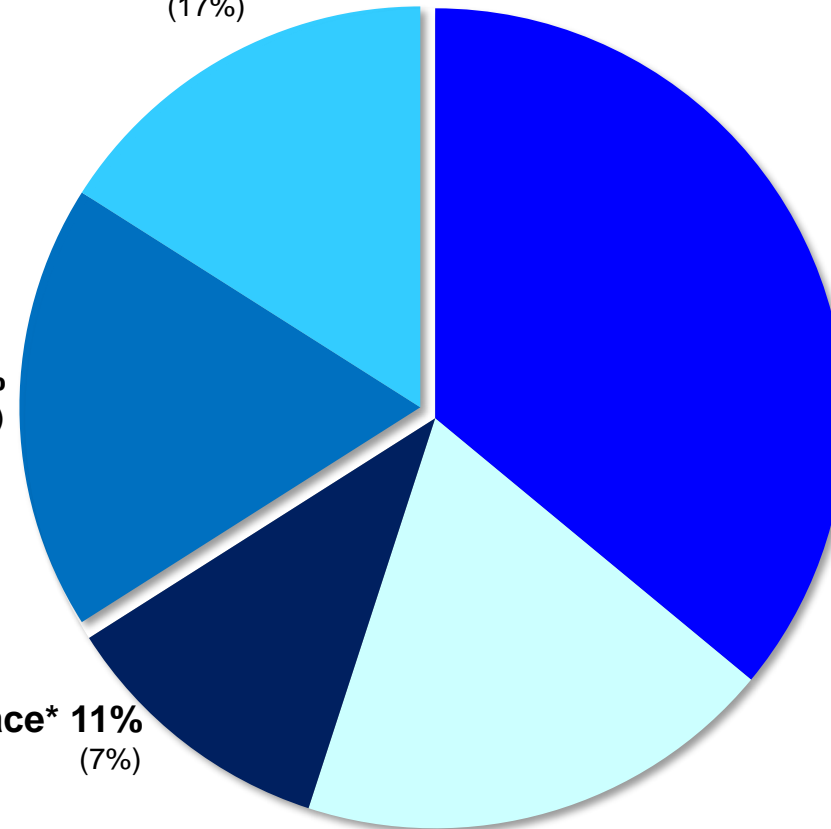
36% Civil Aerospace
(49%)



Other Aerospace* 11%
(7%)



Land Vehicles 18%
(11%)



Defence 19%
(16%)



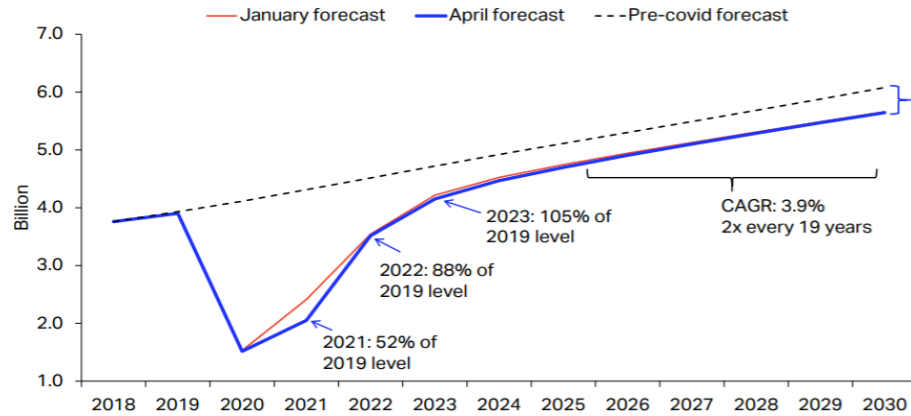
End markets composition based on H1 2021 revenue. % in brackets are H1 2020 comparatives. Revenues of both years are stated pro forma for disposal of Senior Aerospace Connecticut.

* "Other Aerospace" includes space, semi-conductor and medical.

END-MARKETS SHOWING CLEAR SIGNS OF RECOVERY

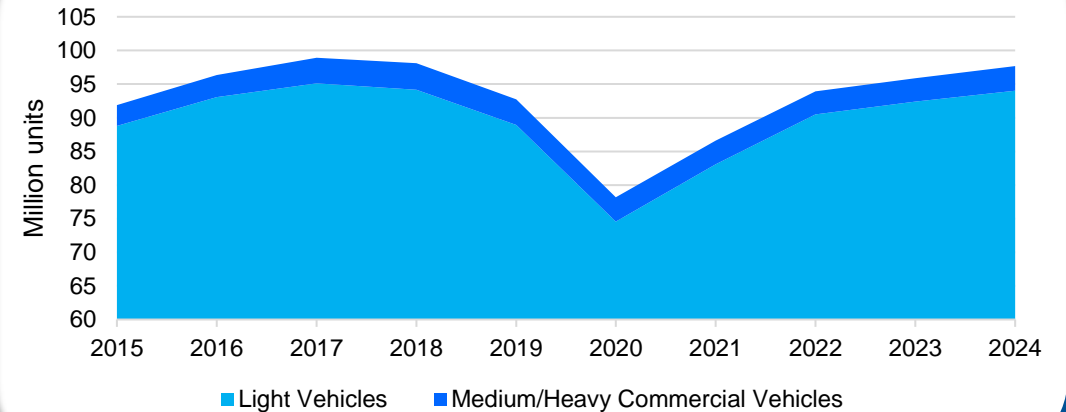
World Passengers Flows Long-run Outlook

Global O-D passengers, billion



Source: IATA, May 2021.

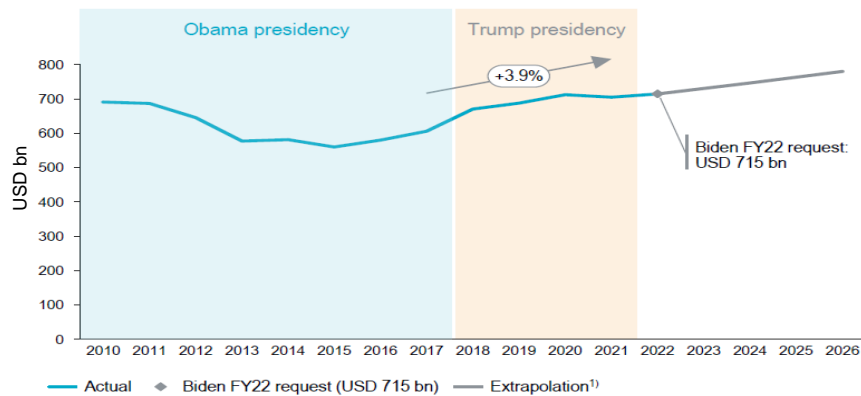
World Vehicles Production Forecast



Source: IHS Markit data, Jul 2021.

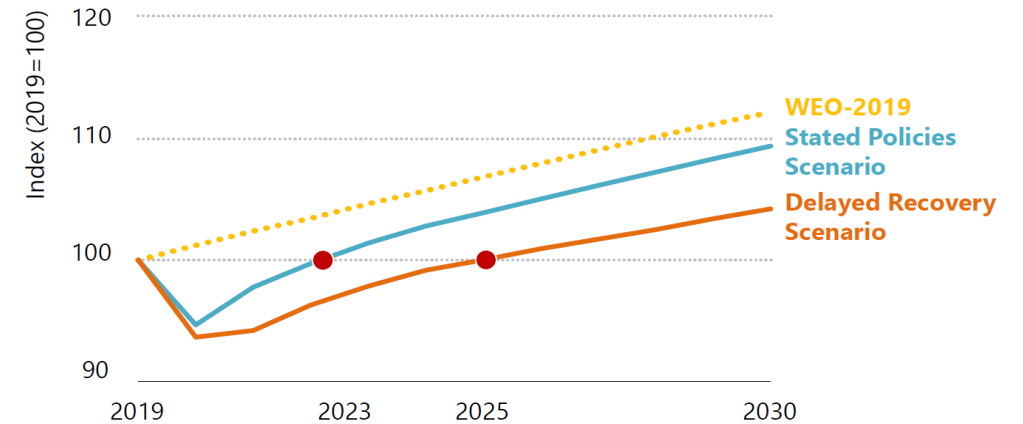
US Defence Spending

Nominal DoD budget, FY 2010-25F



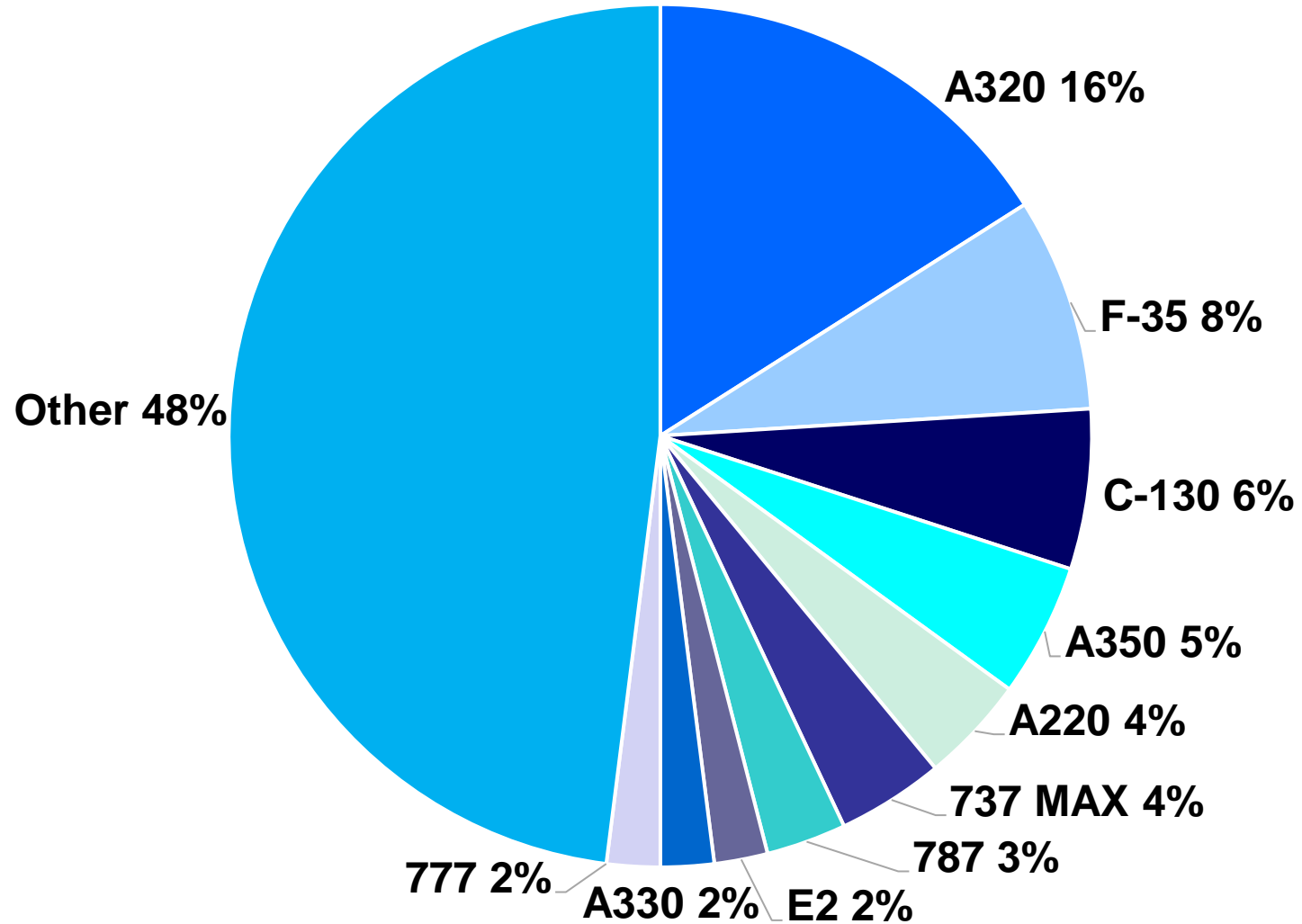
Source: US Department of Defense, US Office of Management and Budget, May 2021. Senior estimates.

World Energy Demand



Source: IEA, Oct 2020.

OUR DIVERSIFIED AEROSPACE & DEFENCE PLATFORMS

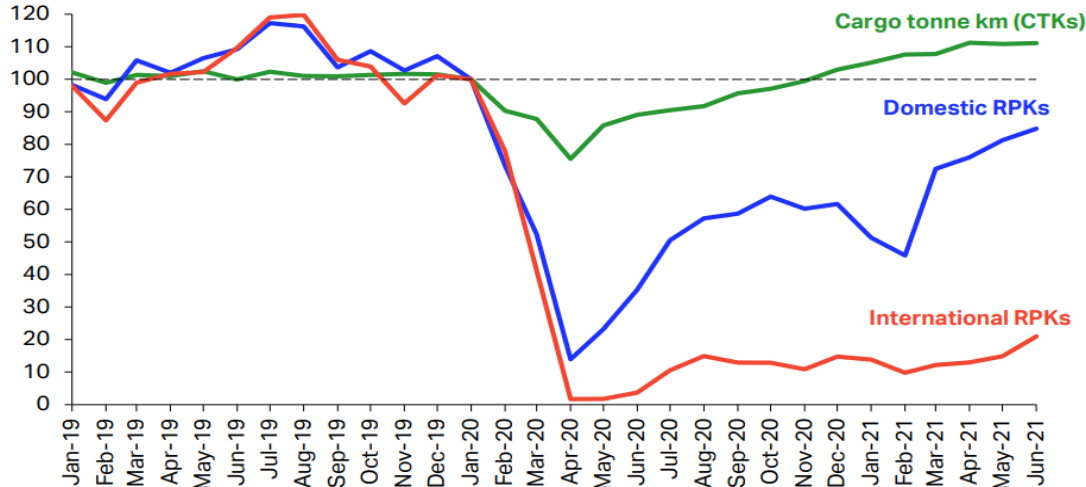


CIVIL AEROSPACE SHAPE OF MARKET RECOVERY (36% of Group)

- ⇒ Short-haul domestic travel is recovering first as vaccine rollout takes effect
- ⇒ Evidence from the US and China makes clear that there is an appetite for travel
- ⇒ In the medium term, IATA forecast that world passenger flows will reach 105% of 2019 levels by 2023

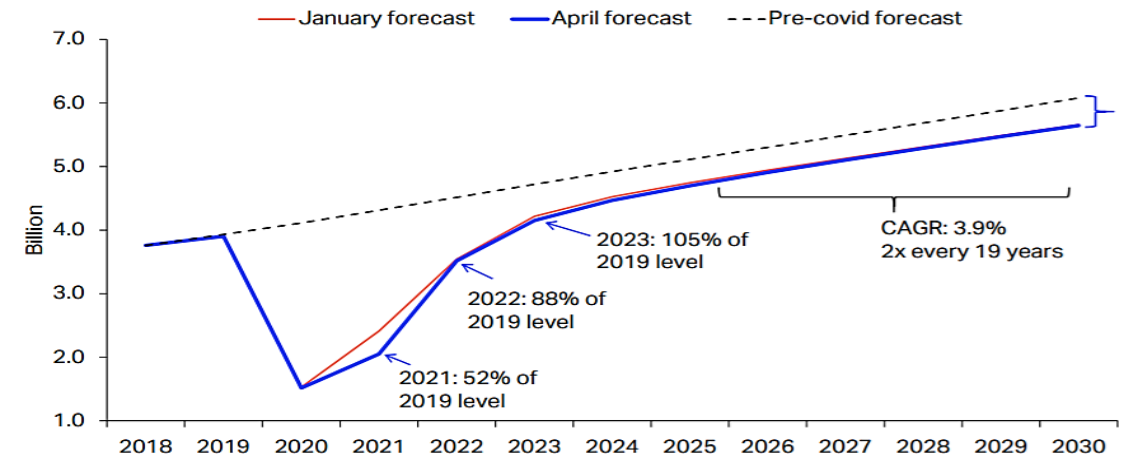
Strong domestic air passenger traffic recovery

RPKs and Seasonally adjusted CTKs (indexed, Jan 2020 = 100)



World Passengers Flows Long-run Outlook

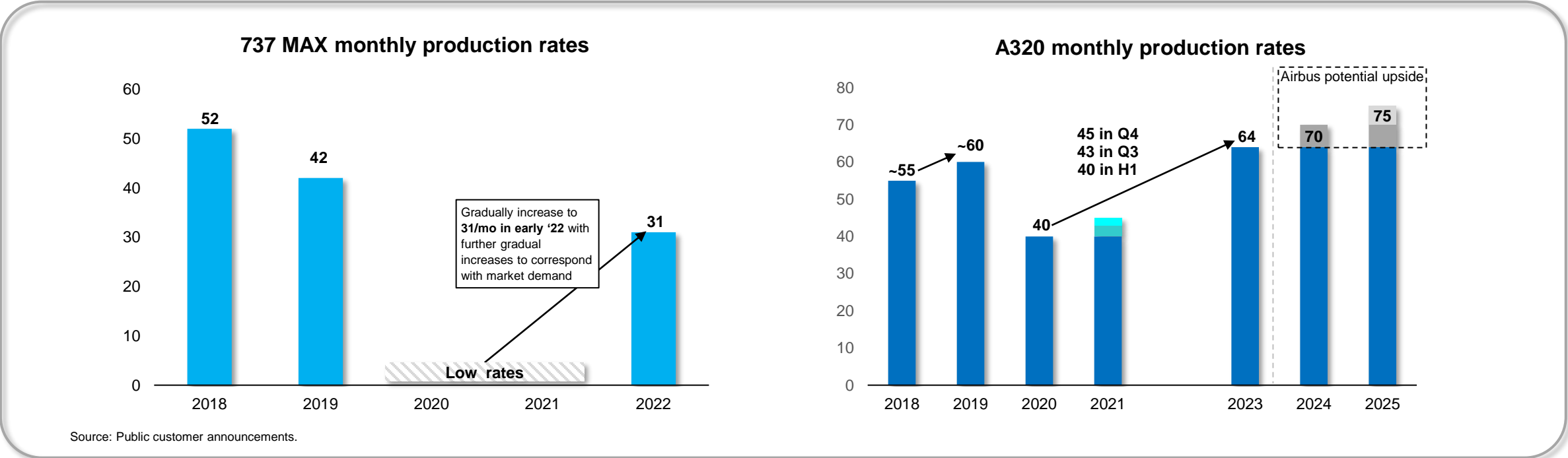
Global O-D passengers, billion



Source: IATA, "COVID-19 One Ocean, Two Shores: Time to Reconnect", Jul 2021 (left); IATA, "An almost full recovery of air travel in prospect", May 2021 (right).

CIVIL AEROSPACE SINGLE AISLE GROWTH

- ⇒ The lower operating cost and better sustainability of new aircraft will continue to be a necessity for the airline industry
- ⇒ Airbus and Boeing have confirmed plans to ramp up single aisle production

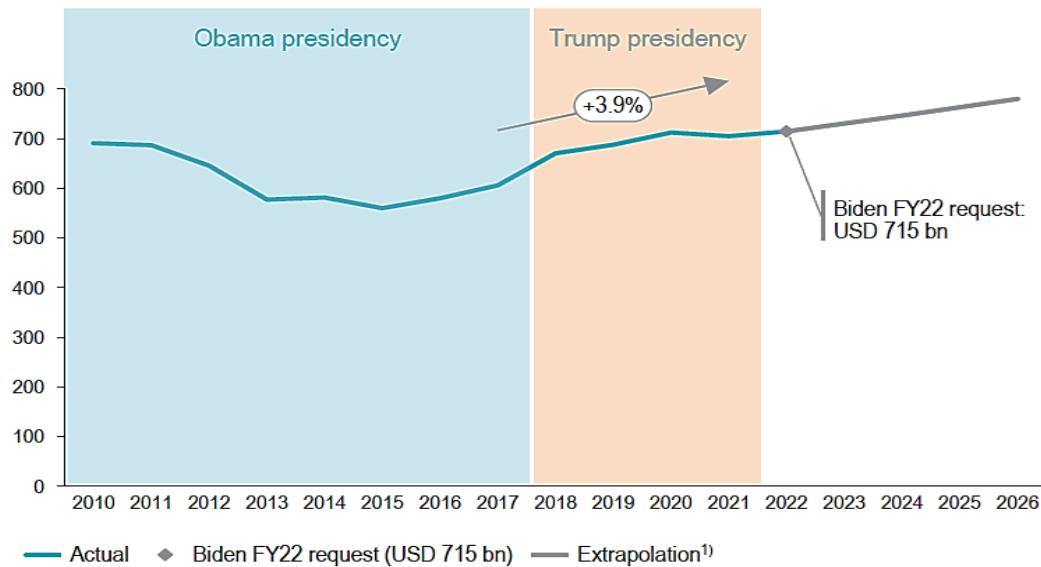


DEFENCE (19% of Group)

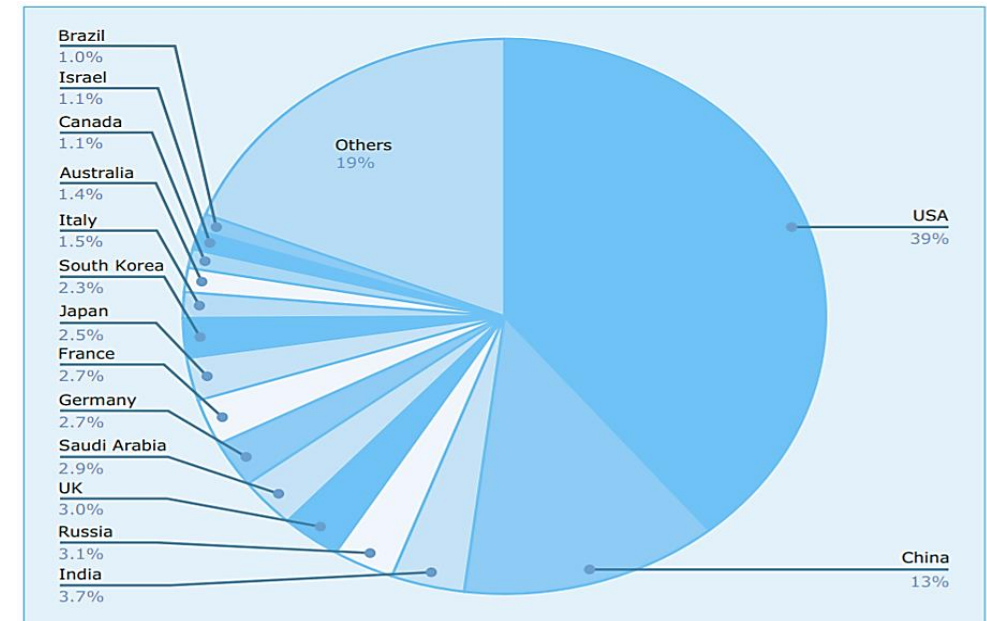
⇒ Senior focuses on the US as the largest defence market in the world

US defence spend continues to grow

Nominal DoD budget, FY 2010-25F [USD bn]



The US spends almost as much on defence as the next 12 countries combined

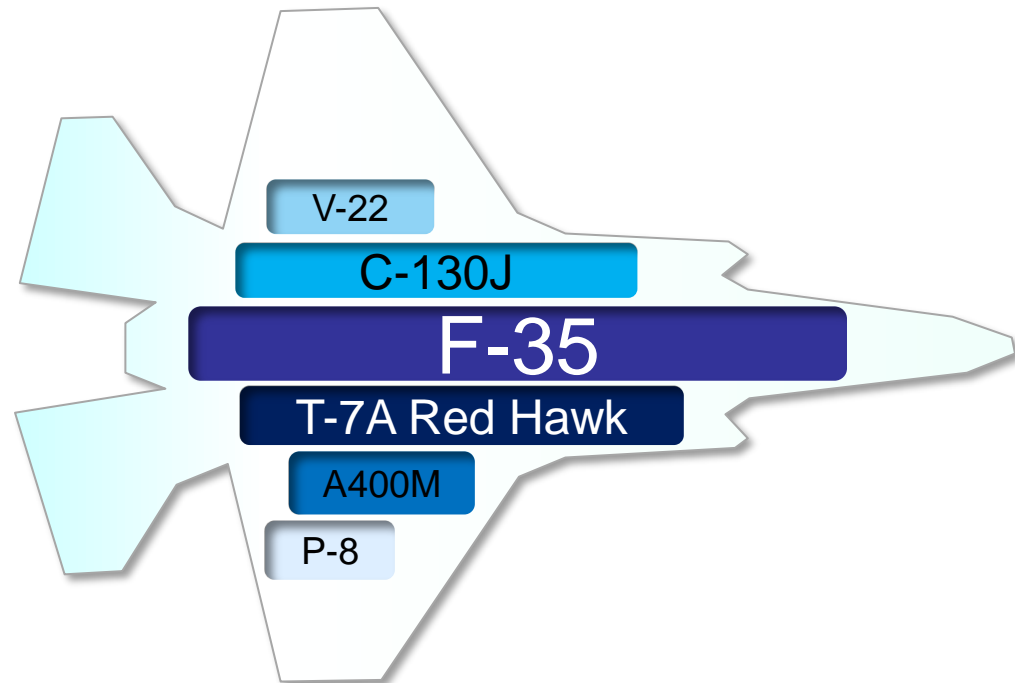


Source: US Department of Defense, US Office of Management and Budget, May 2021. Senior estimates (left); Stockholm International Peace Research Institute, "Trends in World Military Expenditure in 2020", Apr 2021 (right).

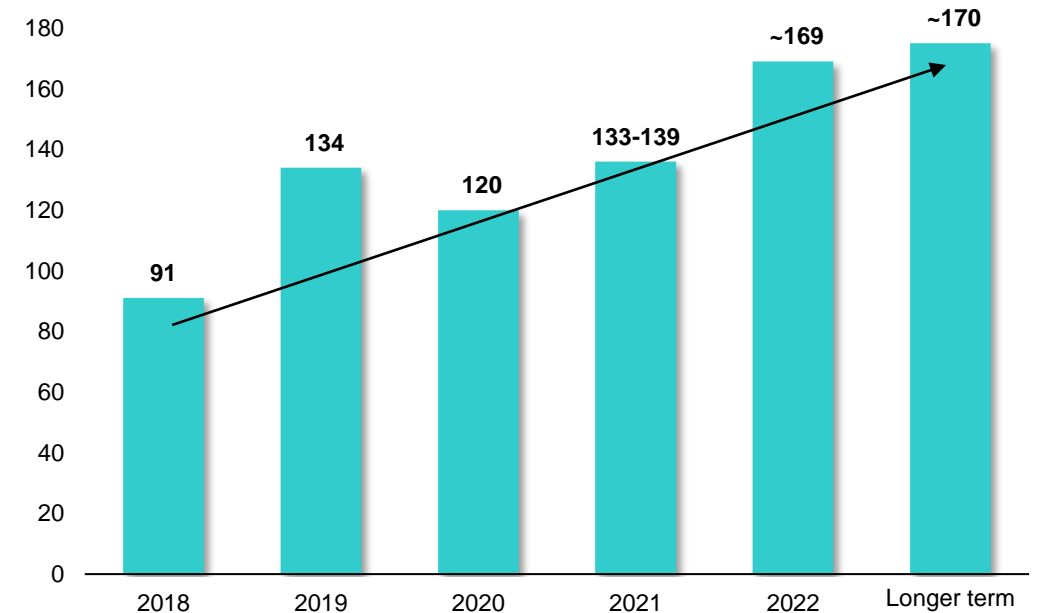
DEFENCE PLATFORMS

- ⇒ Senior is well placed with good content on key growth programmes such as F-35 and T-7A Red Hawk
- ⇒ Mature programmes such as the C-130 transport aircraft continue in series production

Senior benefits from positions on important defence programmes



F-35 annual production rates increasing

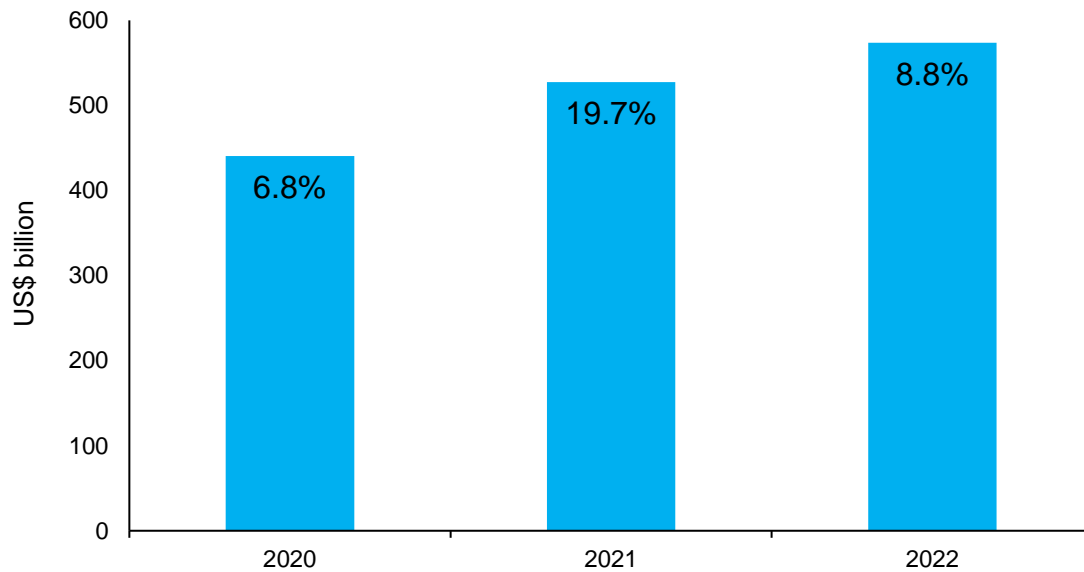


Source: Senior company information (left); public customer announcements (right).

OTHER MARKETS (11% of Group)

⇒ Senior's aerospace businesses supply to other markets e.g. space, semi-conductor equipment and medical

Global semi-conductor market growth



Our highly engineered proprietary products use our world class bellows technology to provide excellent solutions for applications into the semi-conductor equipment end-market

Source: Data sourced from World Semiconductor Trade Statistics, Jun 2021.

Our diversification into other attractive end-markets



Space



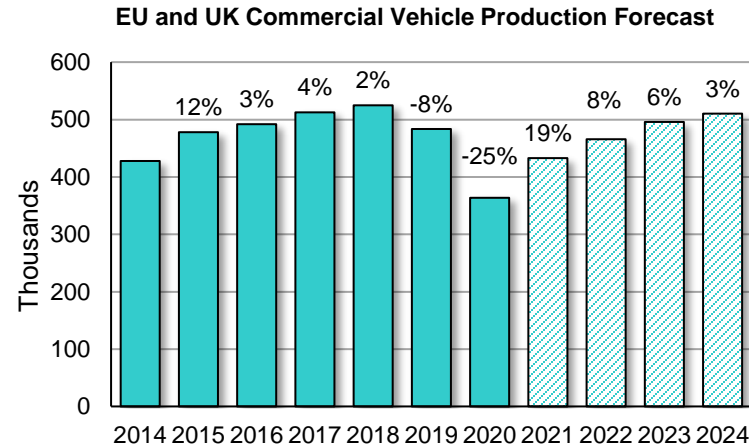
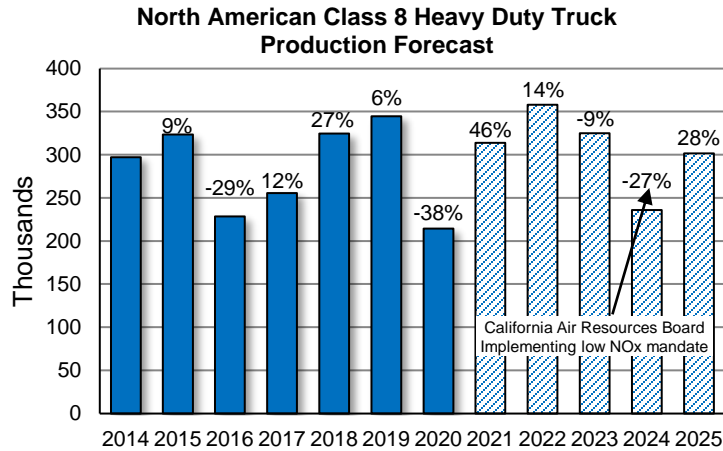
Semi-conductor equipment



Medical

LAND VEHICLES (18% of Group)

Truck & Off-Highway (14%)

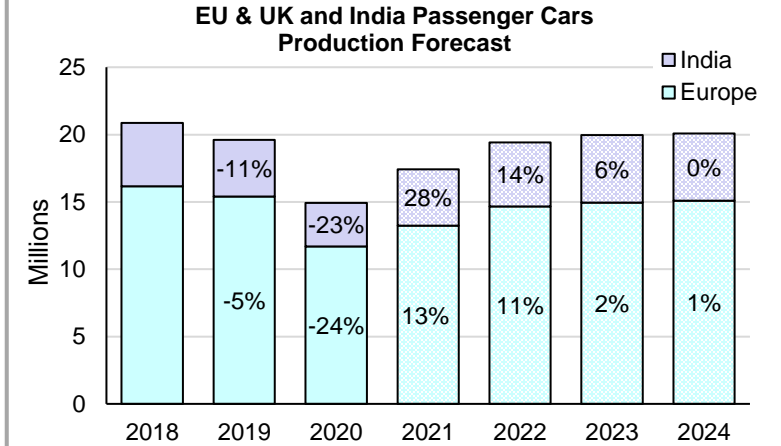


Land Vehicle markets are continuing to recover

Strong growth forecast in NA and EU truck production during '21 to '22

- ACT:
 - 46% increase in NA heavy-duty truck production in 2021, 14% in 2022
 - 12% increase in NA medium-duty diesel truck market in 2021
- IHS Markit: EU truck and bus production will grow by 19% in 2021, 8% in 2022

Passenger Vehicles (4%)



Recovery in market demand in Europe and India

IHS forecasts:

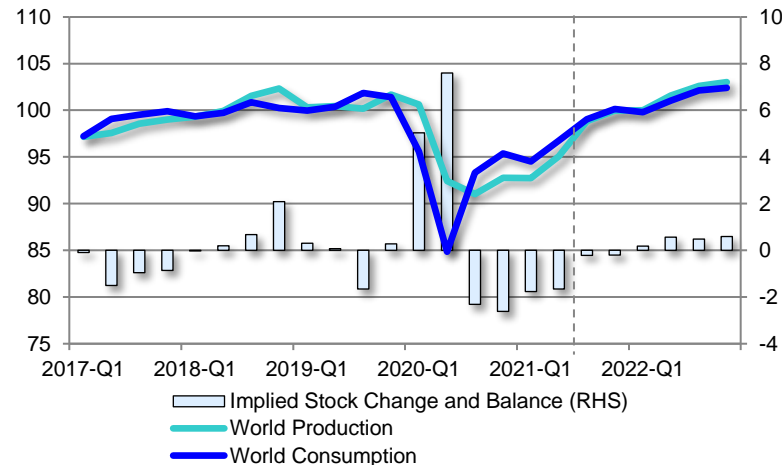
- EU (including the UK) PV production will grow by 13% in 2021, 11% in 2022
- Indian PV production will grow by 28% in 2021, 14% in 2022

Source: ACT Research, Jul 2021 (left); IHS Markit, Jul 2021 (middle and right).

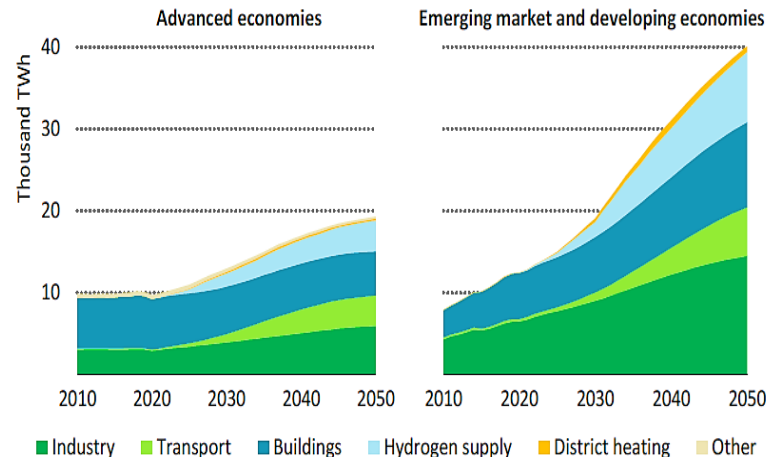
POWER & ENERGY (16% of Group)

- ⇒ Recovery in the oil & gas sector likely to be at end of 2021/ start of 2022
- ⇒ Longer term, share of renewables in power generation expected to increase
- ⇒ Senior's product portfolio supports solutions for solar, wind, nuclear and oil & gas

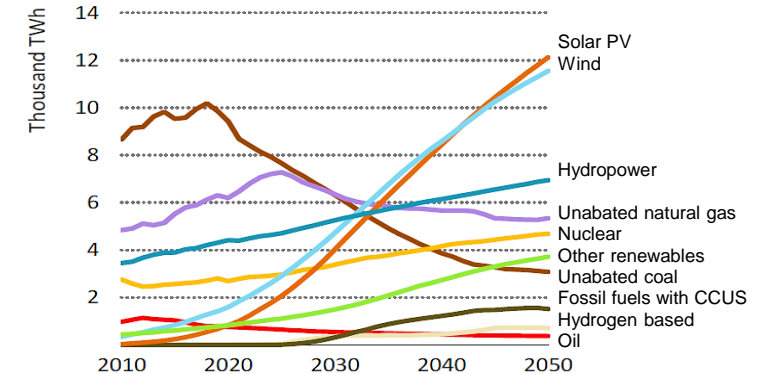
World Liquid Fuels Production and Consumption Balance
(million barrels per day)



Electricity demand keeps increasing in both advanced and developing economies



Renewables potentially rising from ~30% of electricity supply in 2020 to ~70% in 2050



Source: Left: EIA, short-term energy outlook, Jul 2021;

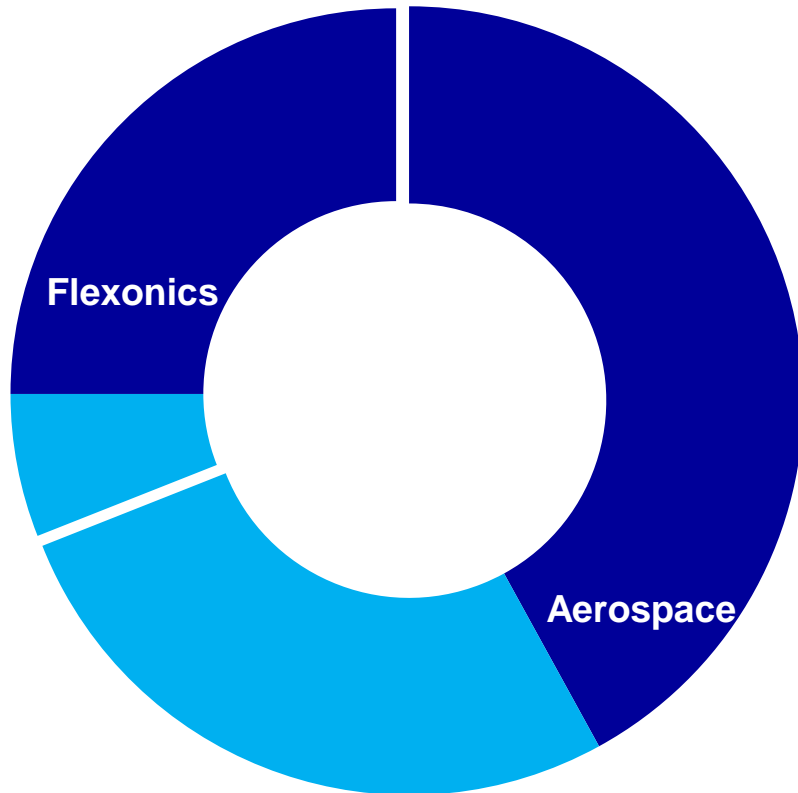
Middle: IEA, "Net Zero by 2050", May 2021 - Describes Net-Zero Emissions by 2050 Scenario - how energy demand and the energy mix will need to evolve if the world is to achieve net-zero emissions by 2050; CCUS = carbon capture, utilisation and storage;

Right: IEA, "Net Zero by 2050", May 2021 - Describes the Announced Pledges Case - assuming that all announced national net zero pledges are achieved in full and on time, whether or not they are currently underpinned by specific policies.



STRATEGY & OUTLOOK

FOCUS ON IP-RICH TECHNOLOGY AND MANUFACTURING



The chart shows H1 2021 revenue, pro forma for the sale of Senior Aerospace Connecticut.

Fluid Conveyance and Thermal Management

Product and System Design & Manufacturing IP

- ✓ This remains the key strategic focus
- ✓ Significant current and future opportunities identified within this technology domain

Structures

Complex Machining and Manufacturing Know-How/ Process IP

- ✓ Fill our existing capacity
- ✓ Pursue further diversification into Space and Defence
- ✓ Grow market share profitably in Civil Aero as customers look for high performing reliable suppliers

Consistency of strategic focus through the pandemic

HIGHLY ENGINEERED PRODUCTS IN ATTRACTIVE END-MARKETS

Defence

Aerospace

Semiconductor equipment

Medical

Power & Energy

Land Vehicles

Hybrid & electric vehicles

Solar

Fuel cell energy

Petrochemical

Composite ducting

Additive manufacturing

senior

Fluid conveyance and thermal management technology embedded in our IP-rich products

This core capability continues to be highly relevant as we transition towards a Low Carbon Economy

FUTURE PROOFING OUR GROWTH FOR A LOW CARBON WORLD

Fluid Conveyance and Thermal Management





Current technologies



Future technologies







Aerospace

-  Existing fluid conveyance products entirely compatible with sustainable aviation fuels
-  Additive Manufacturing enabling advances in complex product design
-  Electric/ Hybrid air vehicle cooling & conveyance opportunities
-  On-aircraft hydrogen fluid handling and distribution







Land Vehicles

-  Exhaust gas recirculation & waste heat recovery
-  Electric vehicle battery cooling modules
-  Electric vehicle electronics cooling & fluid handling components
-  Commercial vehicle hydrogen fuel cell cooling & conveyance



Power & Energy

-  Solar farm bellows and hoses
-  Bellows & expansion joints for nuclear power generation
-  Hydrogen fuel cell cooling & conveyance
-  Hydrogen infrastructure applications for cooling & conveyance

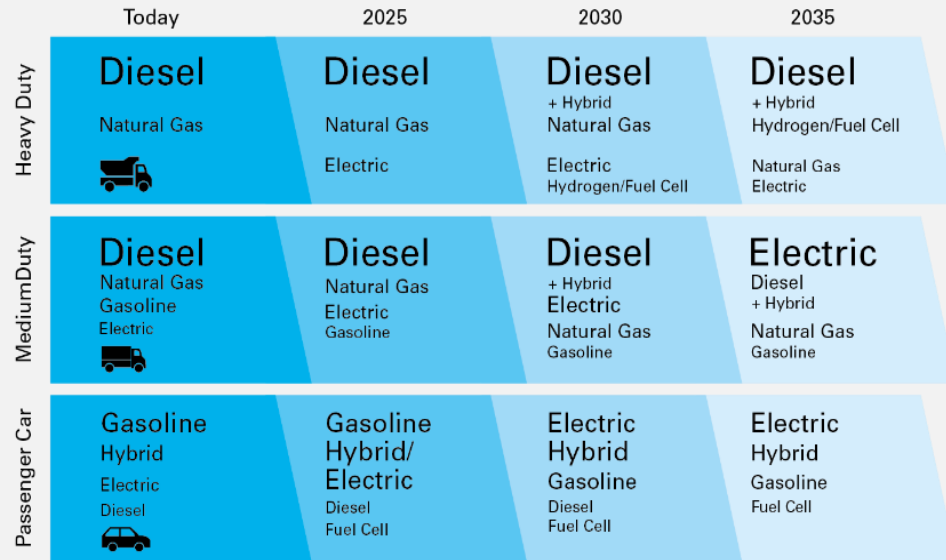


Innovative solutions for demanding fluid conveyance and thermal management applications

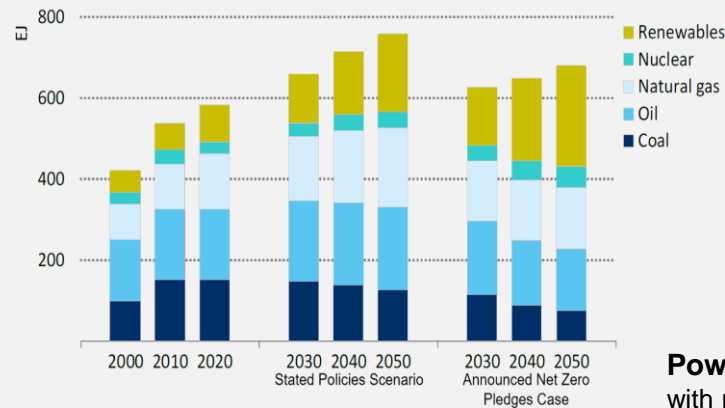
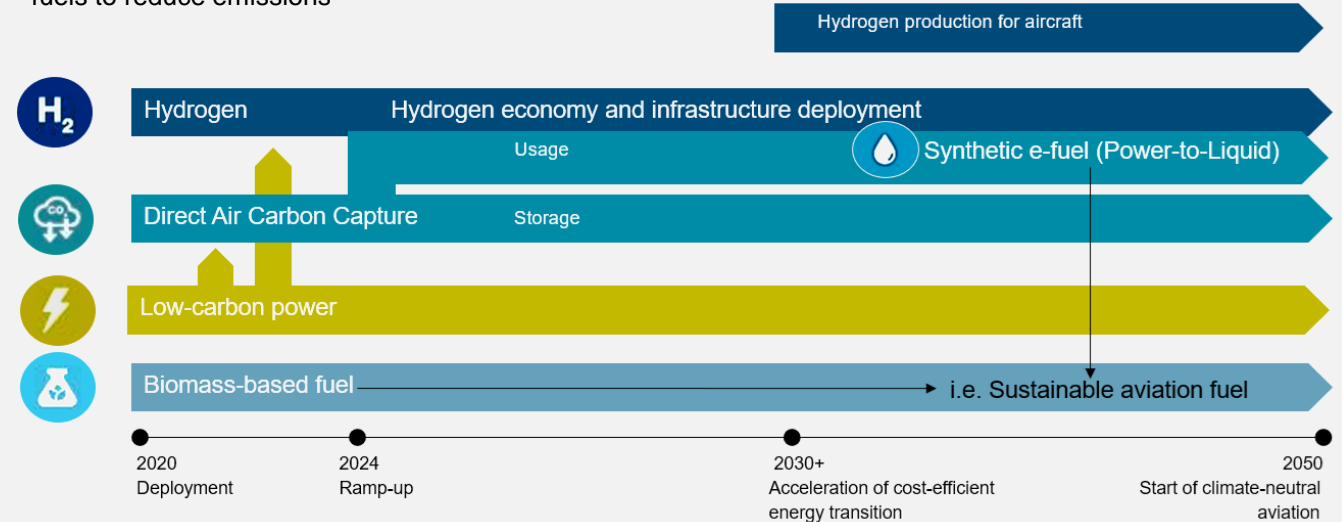
PRODUCT DEVELOPMENT STRATEGY COMPATIBLE WITH OUR FOCUS ON ESG

End-market evolution to achieve net zero

Land vehicles - More efficient diesel engines and accelerating hydrogen/ electrification



Aerospace - Airbus envisions using multiple pathways including use of hydrogen and sustainable aviation fuels to reduce emissions



Power & Energy - Growing total energy supply with renewables taking a greater share

Source: Airbus, Jun 2021 (top); company estimates, Jul 2021 (middle); IEA, May 2021 (bottom).

OUR IP-RICH PRODUCTS CONSTANTLY EVOLVE WITH CHANGING TECHNOLOGIES

Aerospace

2010s

Launch of more efficient aero engines



Engineering parts for more efficient engines

2020s

Application of more advanced production methods



New additive manufacturing capability to provide options for more demanding applications

2030s

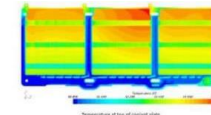
More widespread use of SAFs in commercial aircraft*



Our existing fluid conveyance products are compatible with sustainable fuels

2040s

Production ramp-up of hydrogen-powered aircraft



Our thermal management and fluid conveyance IP covers next-generation electric/ hydrogen aircraft

Land Vehicles

2010s

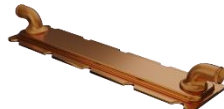
Increasingly stringent emission regulations



Senior has a long history of world class exhaust gas recirculation cooler design

2020s

OEMs ramp up electric passenger cars production



We have products for battery and electronics cooling and EV fluid handling

2030s

More efficient heavy duty diesel engines



Our next generation products further reduce emissions

2040s

Adoption of more electrification in larger vehicles



Our thermal management IP continues to help customers transition to greener technologies

Power & Energy

2010s

Rise of renewable energy



Senior has been involved with US solar powerplants since 1980s

2020s

Net Zero pledges set to increase renewables demand



Our vast experience in nuclear helps customers accelerate the energy transition

2030s

Use of hydrogen in the power sector to increase significantly



Senior has existing hydrogen fuel cell products in the energy sector

2040s

Renewables on path to hit 35% of total energy supply in 2050**



Senior will continue to expand on our existing product range to deliver Net Zero for our customers

CASE STUDY: FLUID CONVEYANCE IN ZERO CARBON APPLICATIONS

Scenario

- An established land vehicle customer is expanding its product range to adapt to hydrogen power solutions.
- It is developing electrolyser systems to produce green hydrogen.
- However, due to the characteristics of hydrogen, only fluid conveyance components that can respond well to hydrogen embrittlement can be applied in those systems.

Capability Matching

- ✓ Senior has years of experience in terms of handling hydrogen fuel cell applications.
- ✓ Senior already produces stainless steel fluid conveyance products and understands how to resist hydrogen embrittlement.
- ✓ Senior has a long-standing relationship with the customer and is the go-to source for similar products.



Result

- Senior Canada is producing stainless steel hoses for the customer's electrolyser applications.
- We have offered the customer a viable solution for its transition into greener technologies.
- This experience has opened up more future opportunities for Senior in the growing hydrogen economy.

PORTFOLIO OPTIMISATION

⇒ **In recent years, we have continued our prune to grow strategy: divesting, closing or combining non-core or performance-challenged assets:**

- **Disposals:** Sub-scale composites businesses in Wichita and UK; Blois (France) and Brazil automotive businesses; small precision machining business of Absolute in WA, US
- **Closures:** Oil and gas machining Senior Flexonics Malaysia, South Carolina assembly facility, Bosman closure following transfer of production from Netherlands to France
- **Combining businesses under strong leadership:**
 - Fluids Systems and Structures Divisions;
 - Jet and Ketema Southern California Aerospace businesses;
 - AMT and Damar Washington State Aerospace businesses;
 - Ermeto and Calorstat French Aerospace businesses
- **Divestment:** £49.7m raised from successful sale of Senior Aerospace Connecticut helicopter structures business

⇒ **Confident that Aerostructures core market will recover, driving business performance improvement which provides strategic optionality over the medium-term**

⇒ **Expanding Senior's high quality fluid conveyance and thermal management businesses remains an ongoing priority**

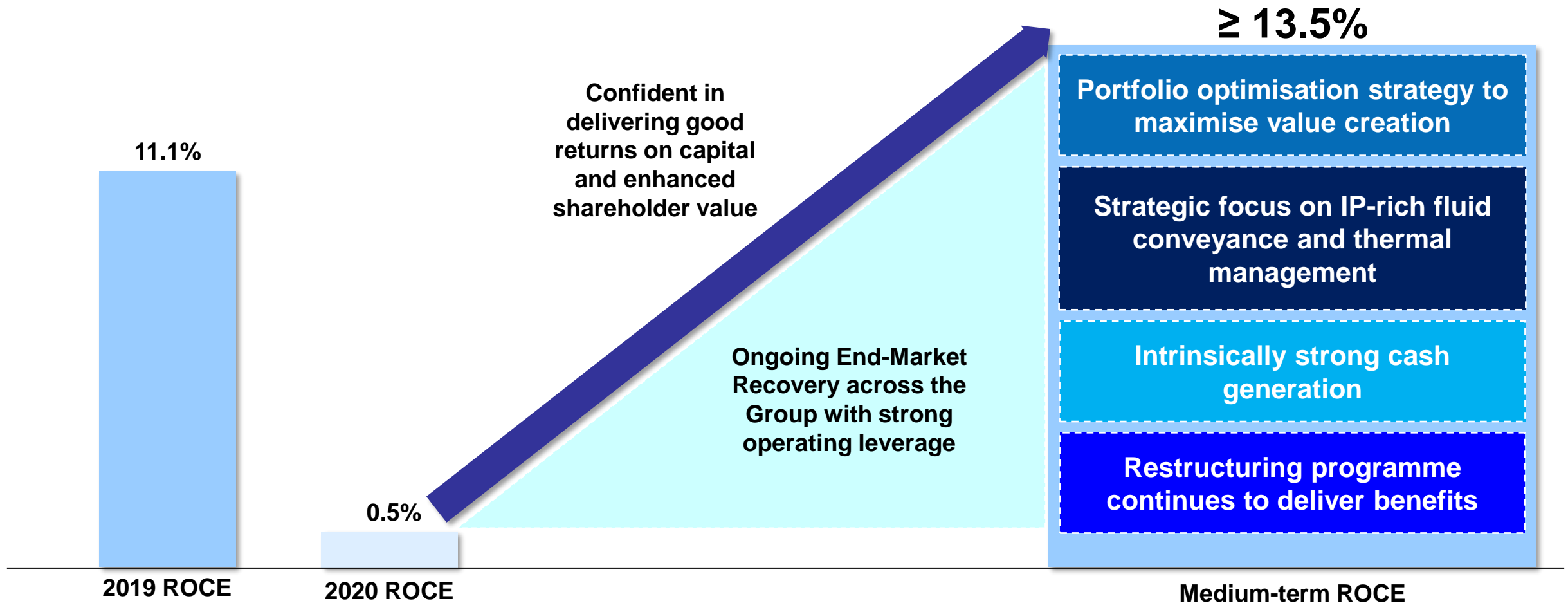
We will continue to actively manage the portfolio to create long-term shareholder value

GROUP 2021 OUTLOOK

- For 2021 our current market assumptions are:
 - Civil aero production volumes lower in 2021 than 2020; varying levels of inventory in different tiers of the supply chain; single-aisle production rates expected to pick up towards end of 2021 and into 2022
 - Defence markets to remain stable
 - Heavy duty truck and passenger vehicle markets continue to recover in 2021
 - Recovery in the oil & gas sector is likely to be at the end of 2021/ start of 2022
- Group 2021 outlook remains unchanged from 9 July 2021 post-close trading update
 - **Expect overall Group performance for 2021 to be slightly ahead of our previous expectations**
 - Despite well publicised freight and commodity costs headwinds; semicon supply chain challenges for our land vehicle customers; divestment of Senior Aerospace Connecticut business
 - Overall, H1 2021 is likely to be slightly stronger than H2 2021 due to reduced defence sales in H2 2021, which, based on delivery profiles, we expect to pick up again in 2022

Resilient Through the Pandemic and Well positioned for the Future

GROUP MEDIUM TERM OUTLOOK



Senior is Confident of Delivering minimum 13.5% ROCE Over Medium-term

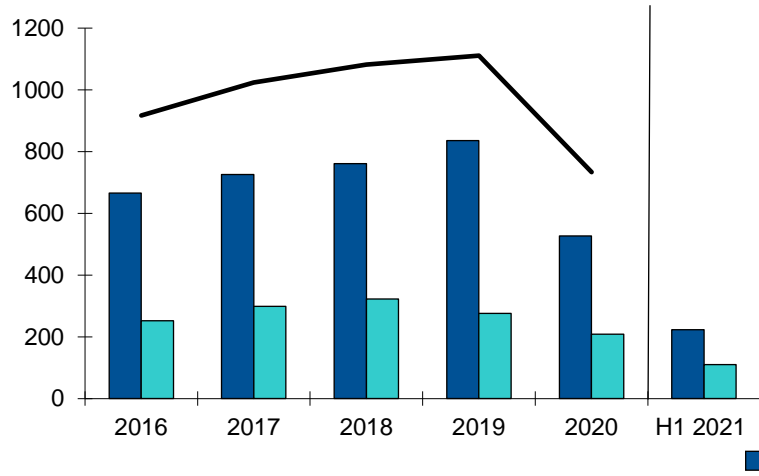


ANY QUESTIONS?

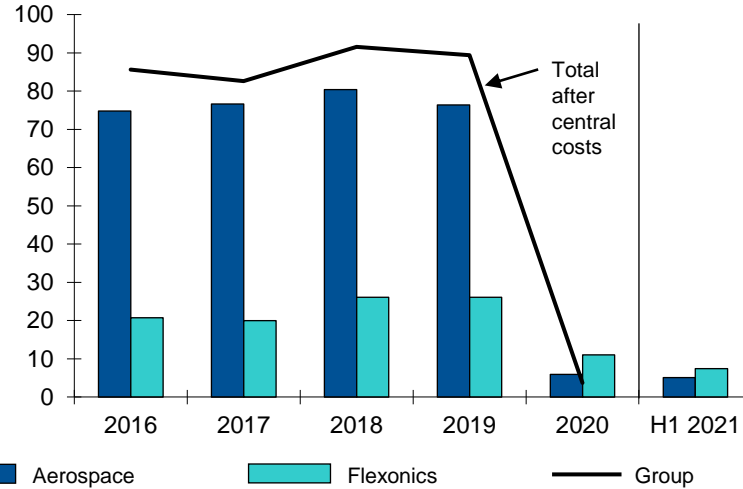
APPENDICES

GROUP EVOLUTION

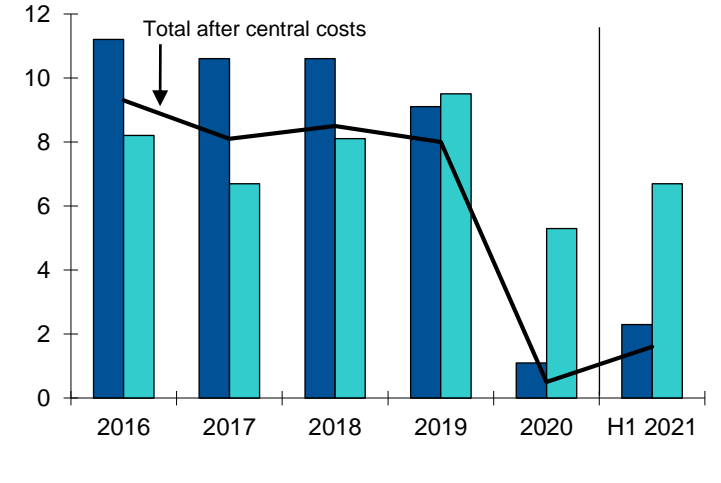
Revenue (£m)



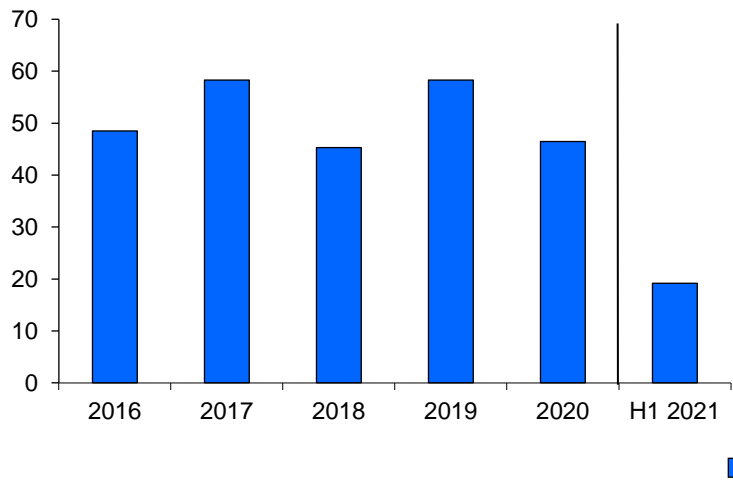
Adjusted Operating Profit (£m)



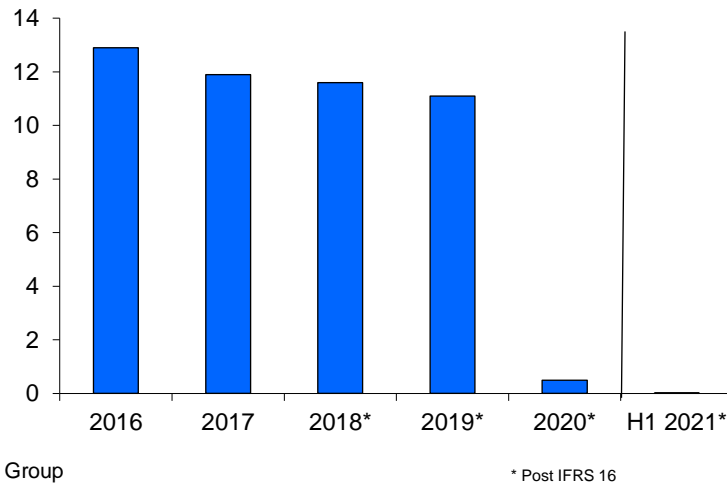
Adjusted Operating Margin (%)



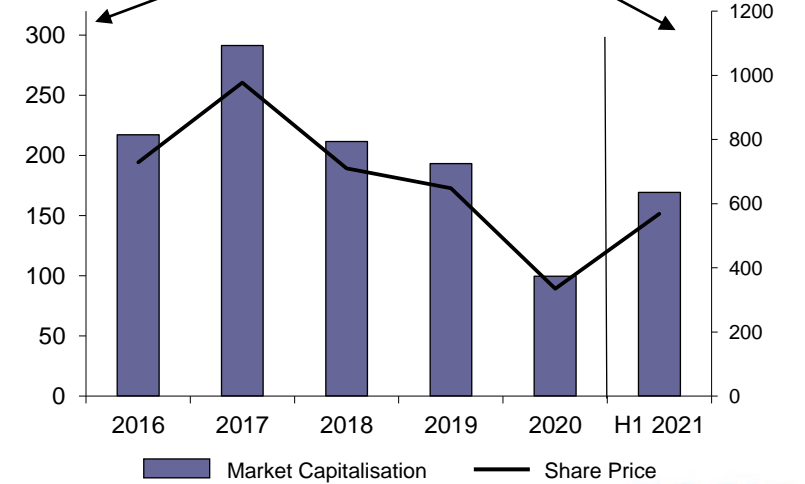
Free Cash Flow (£m)



Return on Capital Employed (%)



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



* Post IFRS 16

CURRENCY EFFECT

HALF YEAR			Translation Impact on H1 2020 ⁽¹⁾ (£m)	
Avg. H1 2020	Exchange Rates to GBP	Avg. H1 2021	Revenue	Adj. PBT ⁽²⁾
1.27	US \$	1.39	(22.2)	(0.8)
1.14	Euro €	1.15	(0.3)	-
20.70	South African Rand	20.18	-	-
39.84	Thai Baht	42.84	(1.6)	(0.1)
1.71	Canadian \$	1.73	(0.1)	-
30.06	Czech Rep. Koruna	29.78	-	-
93.26	Indian Rupee	101.71	(0.1)	-
5.36	Malaysian Ringgit	5.68	(0.8)	0.2
8.91	Chinese Renminbi	8.98	-	-
Net Impact on H1 2020			(25.1)	(0.7)

(1) The impact on H1 2020 results if exchange rates were at the H1 2021 average rates (translation impact only)

(2) 10 cents movement in \$:£ exchange rate is estimated to affect full-year revenue by £28m, adjusted operating profit by £1m, and net debt by £7m

(3) Adjusted loss/profit before tax (PBT) is as defined on page 12

EARNINGS PER SHARE

	H1 2021	H1 2020
Average number of shares		
Basic	415.5	414.7
Fully diluted	421.7	416.4
Adjusted earnings per share ⁽¹⁾		
Basic	0.10p	0.72p
Fully diluted	0.09p	0.72p

(1) Based on adjusted profit for the period as defined on page 12

BALANCE SHEET

£m	H1 2021	H1 2020	FY 2020
Goodwill and other intangible assets	152.9	206.2	169.8
Investment in JV	3.8	3.5	3.6
Property, plant and equipment	303.0	373.2	330.5
Other long-term assets	4.6	3.2	4.8
Non current assets, before retirement benefits	464.3	586.1	508.7
Inventories	138.5	174.9	147.6
Receivables, excl. hedging and earnout	95.2	111.3	82.1
Payables, excl. hedging	(140.1)	(140.0)	(123.7)
Working capital	93.6	146.2	106.0
Current tax liabilities, net	(15.9)	(19.5)	(16.8)
Provisions	(19.2)	(24.2)	(23.5)
Other current assets, net	2.3	(11.0)	0.8
Net current assets, before cash/borrowings	60.8	91.5	66.5
Net borrowings	(71.0)	(155.2)	(129.4)
Lease liabilities	(76.4)	(83.7)	(76.5)
Net debt	(147.4)	(238.9)	(205.9)
Retirement benefits, net	47.1	38.6	35.6
Other long-term liabilities	(16.1)	(15.1)	(11.6)
Other items, net	(116.4)	(215.4)	(181.9)
Net assets	408.7	462.2	393.3

FX Impact from Dec 2020

	£m
Non current assets	(8.3)
Working capital	(2.0)
Net debt	2.9

Retirement Benefits (net)

	£m
As at December 2020, net	35.6
Cash contributions	3.0
Actuarial gain on liabilities	22.8
Actuarial loss on assets	(14.5)
Other	0.2
As at June 2021, net	<u>47.1</u>

UK Scheme Actuarial Valuation

Last valuation:	5 April 2019
Scheme assets at valuation:	£325.6m
Scheme liabilities at valuation:	(£335.8m)
Funding level:	97%
UK Scheme is closed to future accrual	

CHANGE IN NET DEBT

	H1 2021 £m	H1 2020 £m	FY 2020 £m
Free cash flow (page 13)	19.2	16.0	46.5
Net cash inflow/(outflow) from corporate undertakings	47.0	(4.5)	(4.2)
Restructuring cash outflows	(3.0)	(5.7)	(15.2)
US class action lawsuits	(2.3)	(2.5)	(3.9)
Net cash inflow	60.9	3.3	23.2
Exchange variations	2.9	(11.8)	2.4
Lease liabilities – additions, modifications and disposals	(5.3)	(0.8)	(1.9)
Net debt - opening	(205.9)	(229.6)	(229.6)
Net debt – closing (page 45)	(147.4)	(238.9)	(205.9)
Net debt to EBITDA ⁽¹⁾ (page 46)	2.0x	1.6x	2.8x

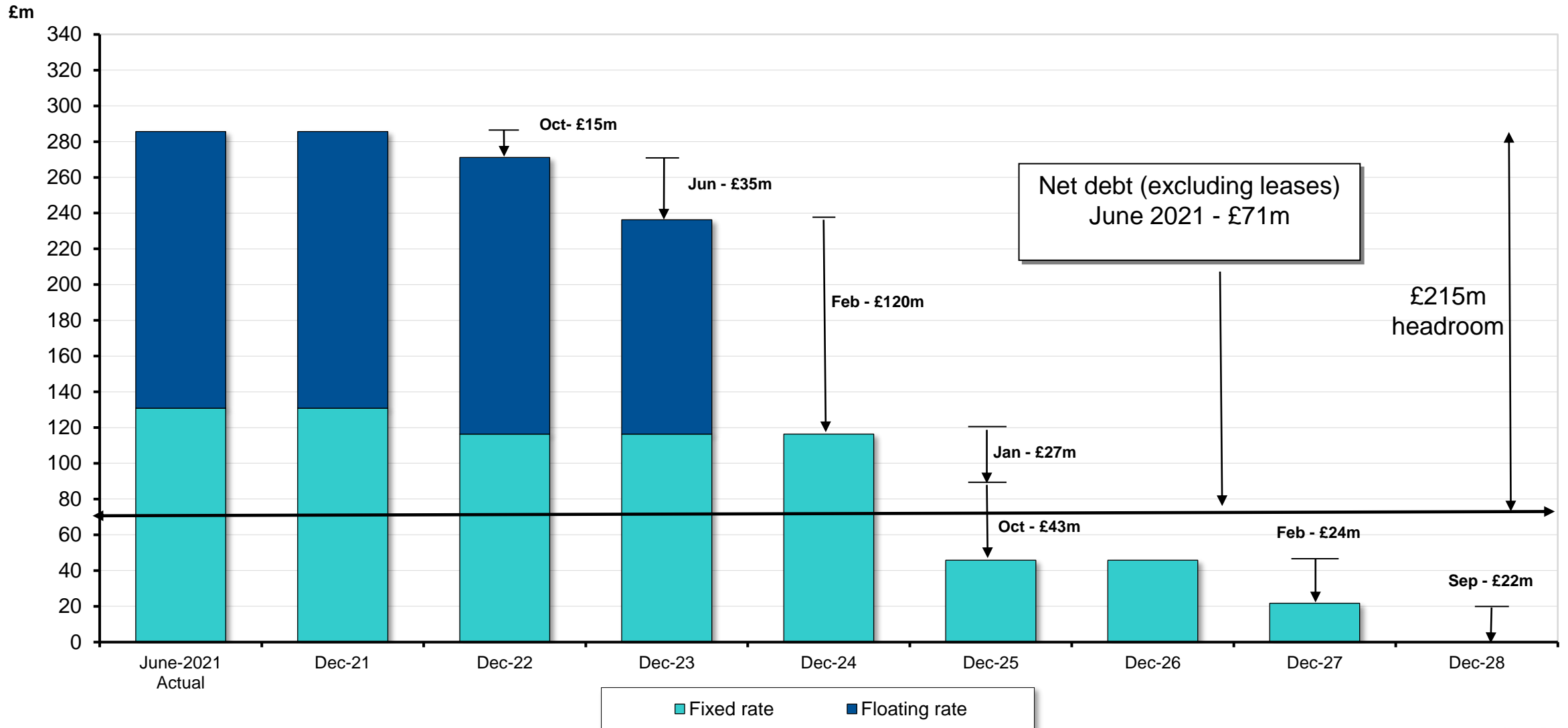
(1) Based on rolling 12 month EBITDA; Covenants definition of net debt and EBITDA

GROSS CAPITAL EXPENDITURE

	H1 2021		H1 2020	
	Capex	Depn ⁽¹⁾	Capex	Depn ⁽¹⁾
	£m	£m	£m	£m
Aerospace	4.6	17.8	10.3	20.2
Flexonics	3.2	6.1	4.4	6.8
Holding companies	0.1	0.3	0.1	0.3
Total	7.9	24.2	14.8	27.3

(1) Depreciation of £18.6m (H1 2020: £21.3m), IFRS 16 depreciation £4.7m (H1 2020: £5.1m), and amortisation of software of £0.9m (H1 2020: £0.9m).

MATURITY PROFILE OF COMMITTED CREDIT FACILITIES



USAGE OF CREDIT FACILITIES – June 2021

	<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>		
US Private placements:									
\$30.0m (Sep 2028)	4.18%	21.7	21.7	-	21.7	-	-		
€28.0m (Feb 2027)	1.51%	24.1	24.1	-	-	24.1	-		
\$60.0m (Oct 2025)	3.75%	43.5	43.5	-	43.5	-	-		
£27.0m (Jan 2025)	2.35%	27.0	27.0	27.0	-	-	-		
\$20.0m (Oct 2022)	3.42%	14.5	14.5	-	14.5	-	-		
	3.07%	130.8	130.8	27.0	79.7	24.1	-		
Bank facilities:									
RCF £120.0m (Feb 2024) Libor+125bps	1.33%	120.0	-	-	-	-	-		
US RCF \$48.1m (Jun 2023) Libor +150bps	2.25%	34.9	-	-	-	-	-		
Total committed facilities		285.7	130.8	27.0	79.7	24.1	-		
Overdrafts and bank loans		18.8	1.3	-	-	0.9	0.4		
Cash and cash pooling			(60.0)	(12.9)	(33.7)	(6.0)	(7.4)		
Debt transaction costs			(1.1)	(1.0)	(0.1)	-	-		
Net debt (excluding lease liabilities)			71.0	13.1	45.9	19.0	(7.0)		
IFRS 16 lease liabilities			76.4	11.9	32.9	2.0	29.6		
Net debt			147.4	25.0	78.8	21.0	22.6		

Headroom of £215m on committed facilities

COVENANTS at FROZEN GAAP ⁽¹⁾

	Jun 2021
Net debt - restated at average exchange rates ⁽²⁾	£72.8m
Net interest payable	£6.7m
EBITDA	£36.4m
Interest cover (EBITDA / Net Interest payable) ⁽³⁾	5.4 x
Net debt to EBITDA ⁽³⁾	2.0 x

- (1) The adoption of IFRS 16 does not impact the Group's lending covenants as these are based on frozen GAAP, hence the elimination of IFRS16 depreciation and the add back of cash outflows for leases in the reconciliation.
- (2) As required by covenant definition: net debt excludes IFRS16 lease liabilities and is restated using 12-month average exchange rates (the same exchange rates used in consolidation of EBITDA).
- (3) Appropriate covenant relaxations have been agreed with all lenders in relation to the December 2021 testing period, as well as an additional September 2021 testing period to provide financial flexibility for the Group through this unprecedented period. The Group has also comfortably met the minimum liquidity requirements.

Covenant reconciliation (as defined in Group debt agreements, EBITDA and Net interest based on last twelve month figures):

	£m
Adjusted Operating Profit (last 12 months)	(0.1)
Add:	
Depreciation of property, plant & equipment	49.1
Amortisation of software	1.7
Cash outflow for leases	(10.7)
Net finance income on retirement benefits	0.7
Less:	
Profit on sale of fixed assets	(0.1)
EBITDA of disposed business	(4.2)
	<hr/>
EBITDA	<u>36.4</u>
	<hr/>
	£m
Finance costs and inv. Income	8.8
Less:	
Interest on lease liabilities	(2.8)
Net finance income on retirement benefits	<u>0.7</u>
Net interest payable	<u>6.7</u>
	<hr/>
	£m
Net debt	147.4
Less:	
Lease liabilities	<u>(76.4)</u>
Net external borrowings (at half year exchange rates)	71.0
Adjustment for average exchange rates	<u>1.8</u>
Net debt – restated at average exchange rates	<u>72.8</u>

OUR BUSINESS MODEL

Our vision is to be a trusted and collaborative high value-added engineering and manufacturing company delivering sustainable growth in operating profit, cash flow and shareholder value

Our purpose is to provide safe and innovative products for demanding thermal management and fluid conveyance applications

What We Do	How We Do It		Long-Term Sustainable Value
<p>Design and manufacture of highly engineered, technology rich products and systems for OEMs in the following markets:</p> <p>Aerospace & Defence</p>  <p>Land Vehicle</p>  <p>Power & Energy</p> 	<p>Our Strengths</p> <p>Organisation</p> <p>Financial</p> <p>Global Footprint</p> <p>People & Culture</p> <p>Innovation</p>	<p>Strategic Priorities</p> <p>Autonomous and Collaborative Business Model</p> <p>Focus on Growth</p> <p>High Performance Operating System</p> <p>Competitive Cost Country Strategy</p> <p>Considered and Effective Capital Deployment</p> <p>Talent Development</p>	<p>Create value for all our stakeholders through our business model</p>  <p>Employees</p>  <p>Customers</p>  <p>Suppliers</p>  <p>Our Communities</p>  <p>Shareholders</p>

Our cores values – The “Senior Way”

Safety

Integrity

Customer Focus

Respect & Trust

Accountability

Excellence

STRATEGIC PRIORITIES

Autonomous and Collaborative Business Model	Focus on Growth	High Performance Operating System	Competitive Cost Country Strategy	Considered and Effective Capital Deployment	Talent Development
<ul style="list-style-type: none"> ⇒ Empowerment and accountability ⇒ Retain entrepreneurial spirit whilst growing ⇒ Strong control framework and disciplined governance ⇒ Economies of scale whilst maintaining autonomous business structure 	<p>Outgrow our end markets by:</p> <ul style="list-style-type: none"> ⇒ Growing market share, particularly with key customers ⇒ Focusing on innovation ⇒ Geographical expansion ⇒ Seeking out and exploiting adjacent opportunities <ul style="list-style-type: none"> • organically and through acquisition 	<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 	<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 ⇒ Enhance returns on investment ⇒ Key investments: <ul style="list-style-type: none"> - Thailand - Mexico - Malaysia - South Africa - China - Czech Rep. - India ⇒ Increasingly sophisticated capabilities in competitive cost countries to align with demand 	<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. Medium term ROCE target min 13.5% 	<p>Skilled workforce and highly experienced entrepreneurial business leaders</p> <ul style="list-style-type: none"> ⇒ Further develop and attract new talent ⇒ A strong focus on diversity and inclusion across the business including on our Board and Executive Team ⇒ Successful roll out of Perform, a performance and development review system and Learn, a global learning management system

ACQUISITION FRAMEWORK

More Likely → Less Likely

Market	Aerospace & Defence Power & Energy (clean energy) Land Vehicles (electrification)	Semi-conductor Equipment Medical	Volume Automotive
Product	Fluid Conveyance Products Thermal Management Products	Structures / Machining	
Nature	Own design / IP products & higher level sub-systems	Highly engineered Build to Print	Commodity Build to Print
Geography	North America Asia	UK Europe	Africa South America Australasia
Ownership	Owner managed	Trade	Private Equity
Revenue	\$50 to \$100m \$100m+	\$30 to \$50m	less than \$30m

OUR LOCATIONS



H1 2021 split	Sales	Employees
N. America	62%	2,425
UK	15%	1,050
Rest of Europe	13%	874
Rest of World	10%	1,228

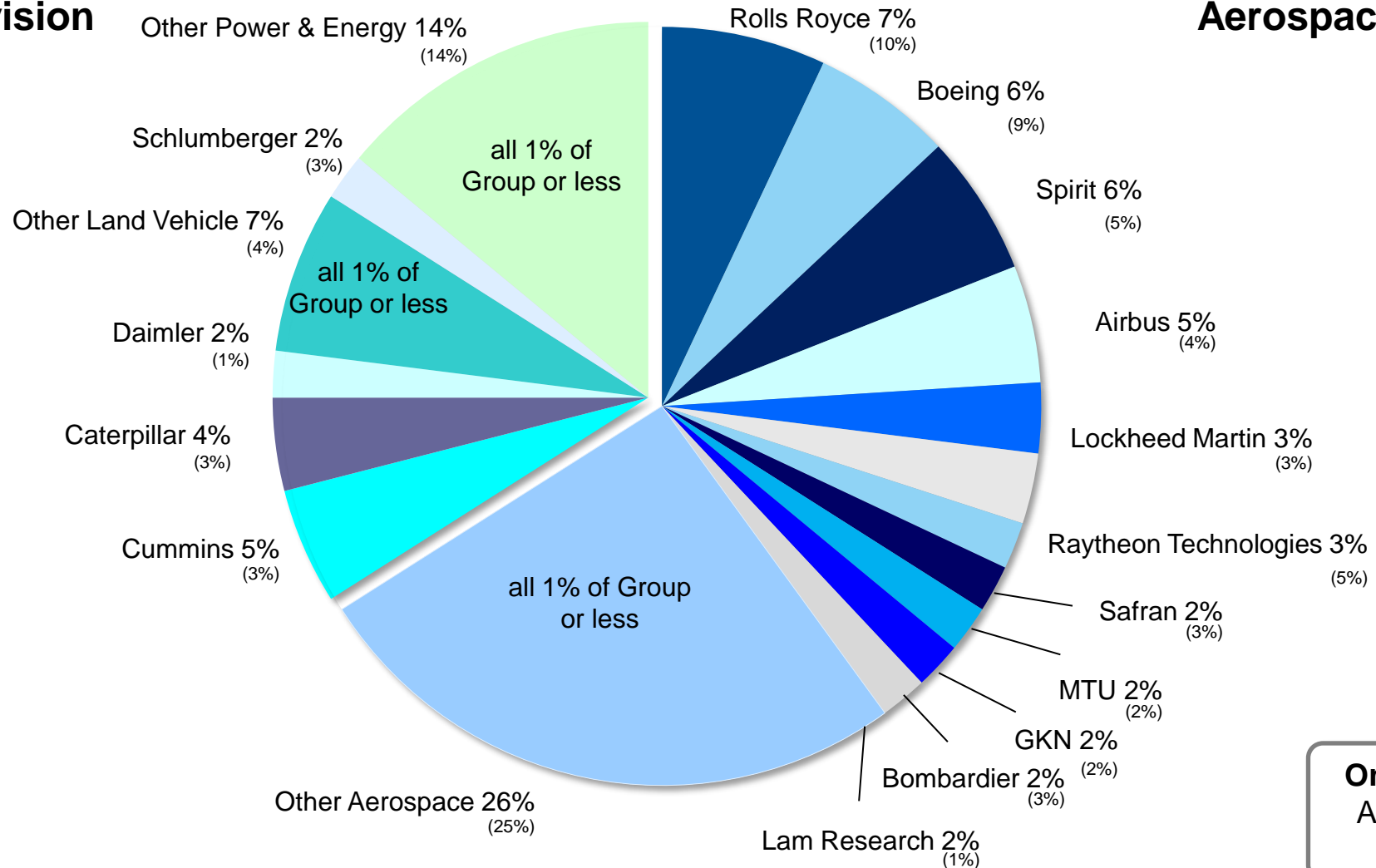
Flexonics (11 operating businesses & JV)
Aerospace – Structures (5 operating businesses)
Aerospace – Fluid Systems (9 operating businesses)

Note: Bosman (not displayed on the map) is currently in the process of being closed

OUR CUSTOMERS

34% Flexonics Division
(28%)

Aerospace Division 66%
(72%)



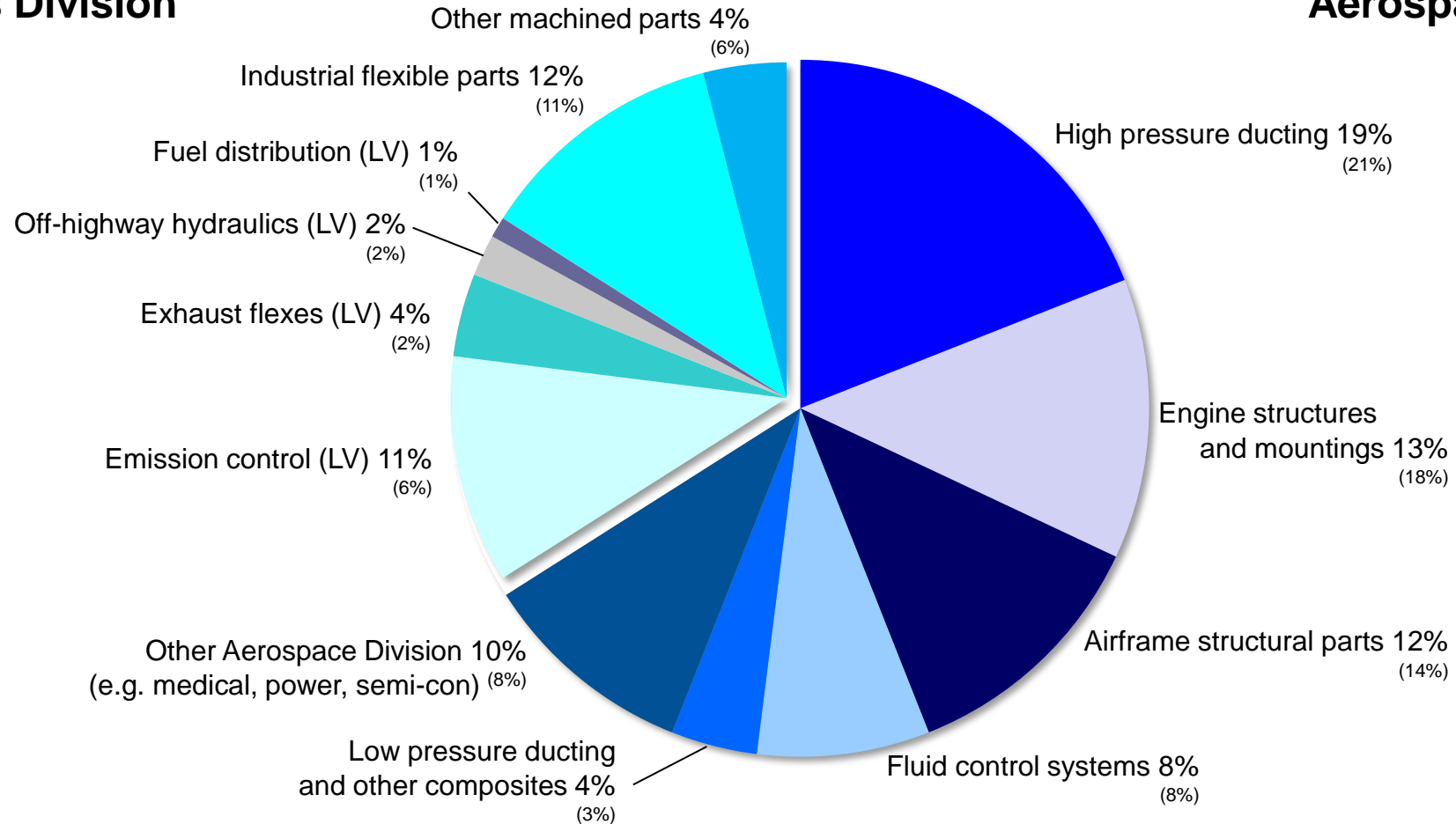
On a derived basis:
Airbus:Boeing ratio
70:30

End markets composition based on H1 2021 revenue. % in brackets are H1 2020 comparatives. Revenues of both years are stated pro forma for disposal of Senior Aerospace Connecticut.

OUR PRODUCTS

34% Flexionics Division
(28%)

Aerospace Division 66%
(72%)



End markets composition based on H1 2021 revenue. % in brackets are H1 2020 comparatives. Revenues of both years are stated pro forma for disposal of Senior Aerospace Connecticut. LV = Land vehicles

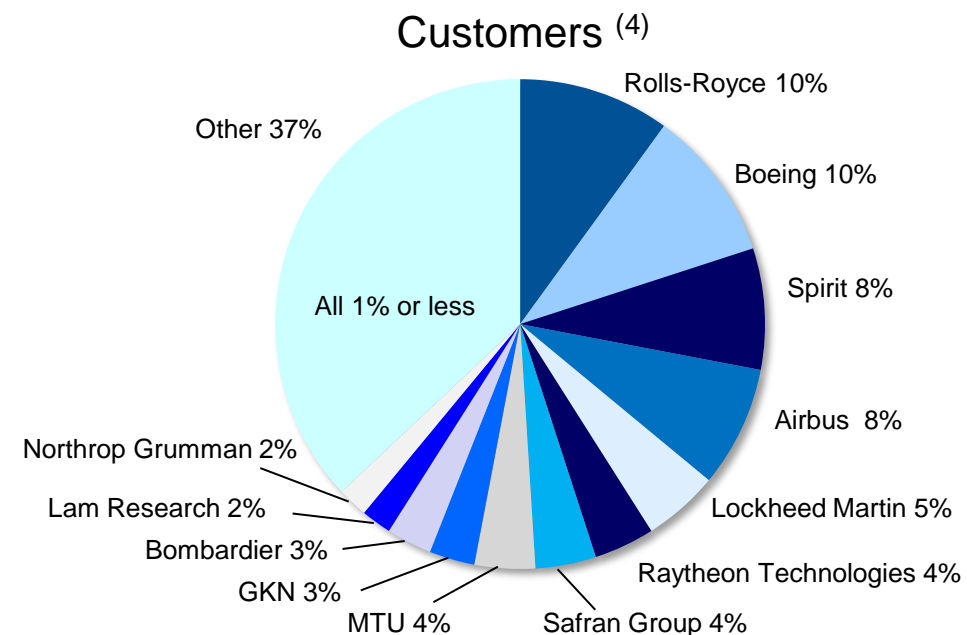
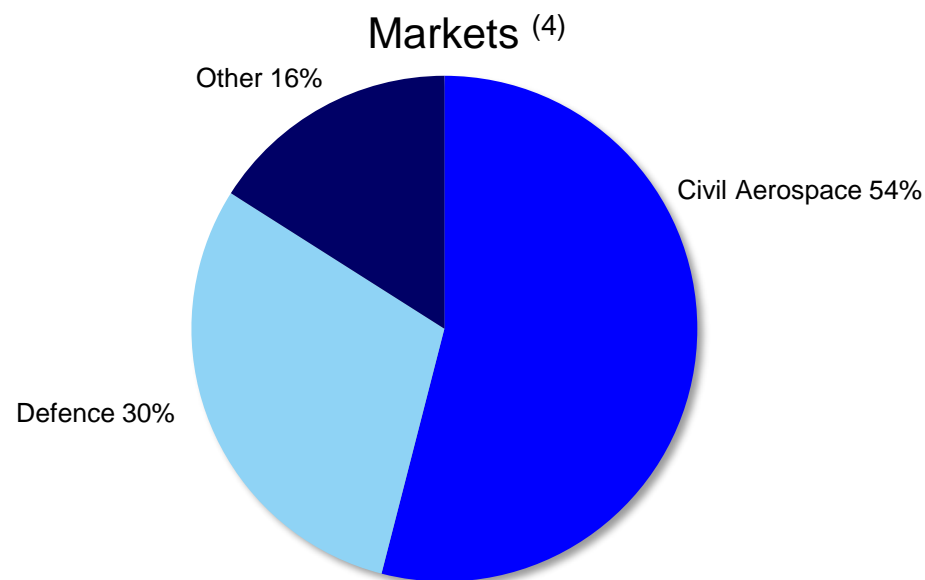


AEROSPACE DIVISION



AEROSPACE DIVISION: A SUMMARY

	H1 2021	H1 2020 ⁽¹⁾	Change	14 ⁽³⁾ Operations	
Revenue	£223.1m	£280.5m	-20.5%	NAFTA	6
Adjusted Operating Profit ⁽²⁾	£5.1m	£9.5m	-46.3%	Europe	2
Adjusted Operating Margin ⁽²⁾	2.3%	3.4%	-110bps	UK	4
				ROW	2



(1) All at H1 2021 exchange rates – translation effect only.

(2) Before restructuring £0.6m (H1 2020: £17.8m), amortisation of intangible assets from acquisitions £nil (H1 2020: £3.3m), and goodwill impairment and write-off £nil (H1 2020: £110.5m)

(3) Excludes Senior Aerospace Connecticut and Senior Aerospace Bosman in the Netherlands (which is in the process of being closed).

(4) Stated pro forma for disposal of Senior Aerospace Connecticut.



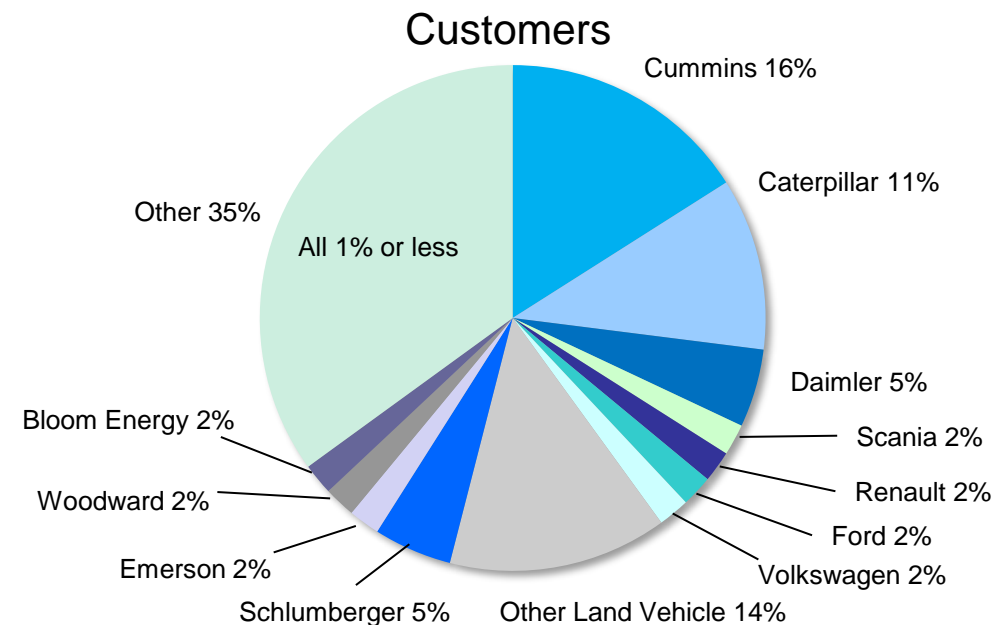
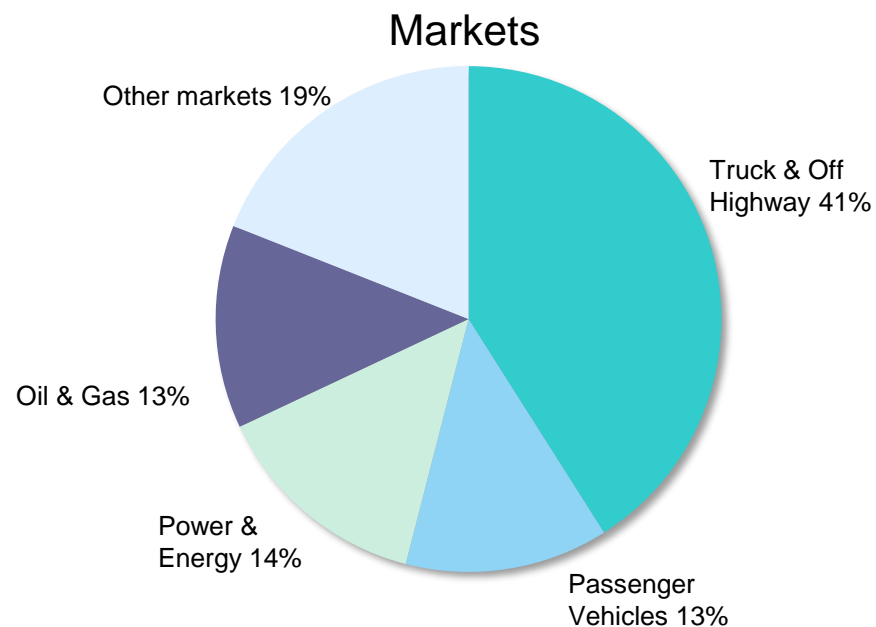
FLEXONICS DIVISION



FLEXONICS DIVISION: A SUMMARY

	H1 2021	H1 2020 ⁽¹⁾	Change
Revenue	£110.0m	£103.7m	+6.1%
Adjusted Operating Profit ⁽²⁾	£7.4m	£4.6m	+60.9%
Adjusted Operating Margin ⁽²⁾	6.7%	4.4%	+230bps

11 ⁽³⁾ Operations & JV	
NAFTA	4
Europe	2
UK	2
ROW	3
China JV	1



(1) All at H1 2021 exchange rates – translation effect only.

(2) Before net restructuring £0.5m credit (H1 2020: £2.2m debit), and amortisation of intangible assets from acquisitions £nil (H1 2020: £1.4m)

(3) Excludes Senior Flexonics Upeca Malaysia following its closure.

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