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2022 INTERIM RESULTS

Strong Performance, Outlook Maintained

AGENDA

Introduction	David Squires	CEO
2022 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.

H1 2022 HIGHLIGHTS

- ⇒ Strong trading performance in line with expectations
- ⇒ Demand continues to strengthen across our core markets
- ⇒ Increased order intake with a book-to-bill of 1.34
- ⇒ Strong free cash inflow; healthy balance sheet, significantly de-levered
- ⇒ Supply chain constraints and increasing inflationary pressures being managed diligently
- ⇒ Spencer Aerospace acquisition on track to complete in Q3
- ⇒ Dividend reinstated

2022 Outlook maintained; H2 performance expected to be similar to H1



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2022 INTERIM RESULTS

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Aerospace

Interim Results 2022

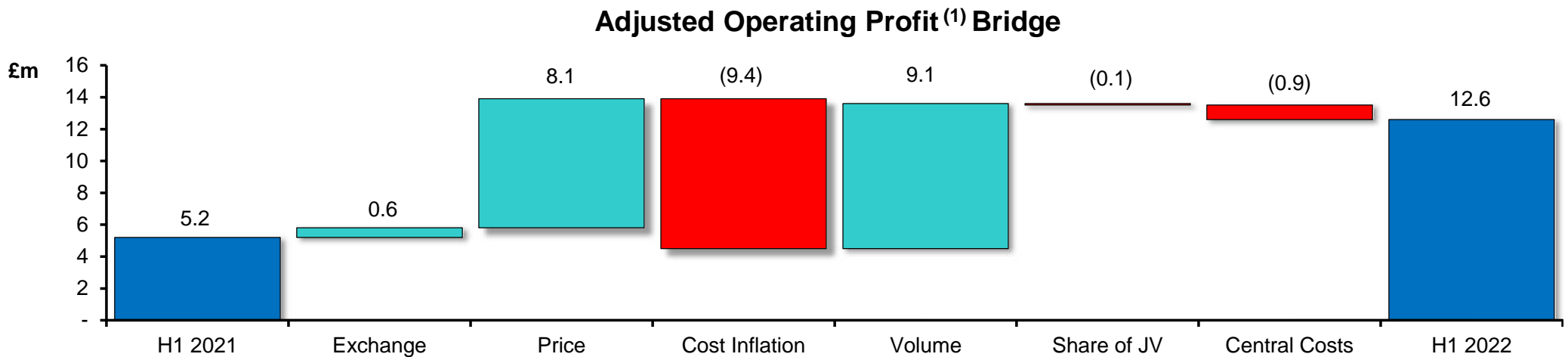
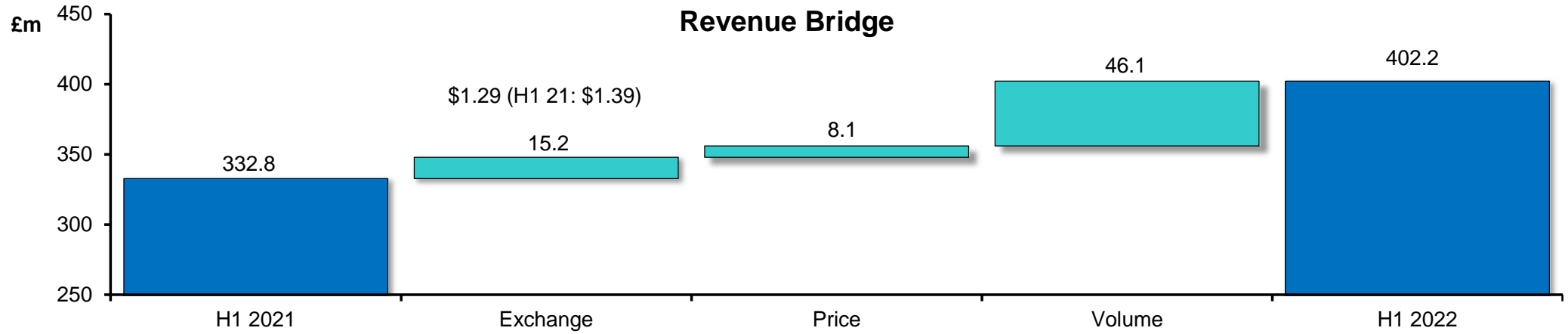
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FINANCIAL HEADLINES

	H1 2022	H1 2021	Change	Constant currency
Book to bill ratio	1.34	1.18		
Revenue	£402.2m	£332.8m	+21%	+16%
Adjusted Operating Profit	£12.6m	£5.2m	+142%	+117%
Adjusted Operating Margin	3.1%	1.6%	+150bps	+140bps
Adjusted Profit before Tax	£8.8m	£0.9m	+878%	+577%
Adjusted Earnings per Share	1.92p	0.10p	+1820%	
Interim Dividend per Share	0.30p	nil p	n/m	
Free Cash Flow	£19.3m	£19.2m	+1%	
Net Debt at 30 June 22 / 31 December 21 (excluding capitalised leases)	£72.9m	£79.9m	£7m decrease	Net Debt:EBITDA 1.3x⁽¹⁾
ROCE	2.3%	0.0%	+230bps	

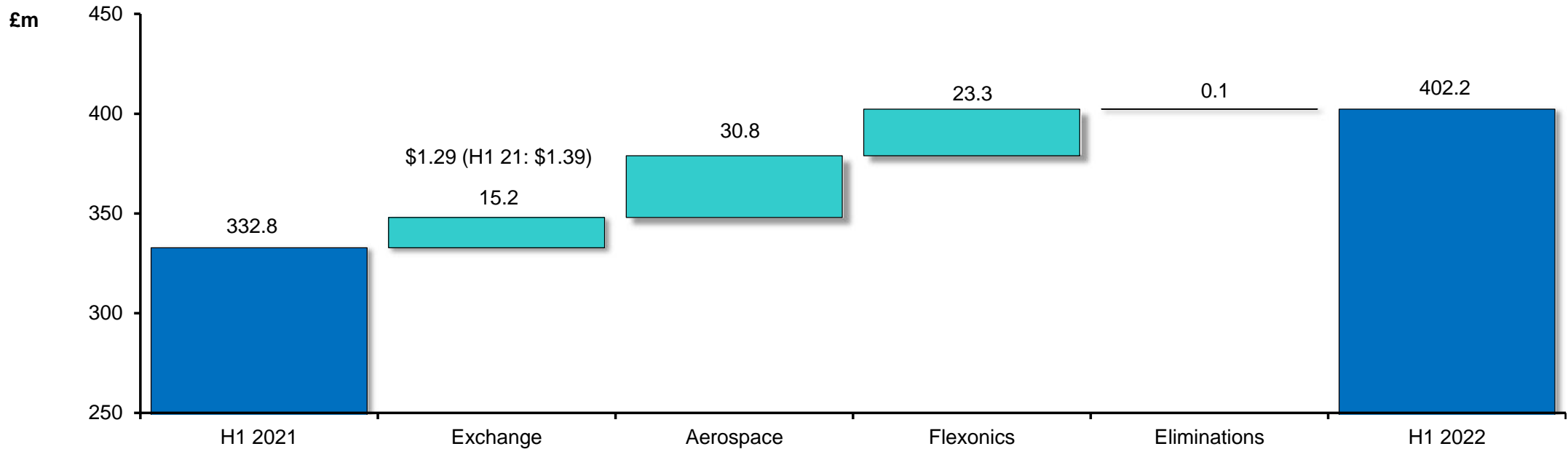
Strong financial performance

H1 2022 AT A GLANCE



(1) Adjusted operating profit is as defined on page 9

H1 2022 REVENUE BRIDGE



Aerospace ⁽¹⁾



Revenue Reconciliation

	£m
H1 2021 revenue	233.7
Civil aerospace	40.4
Defence	(8.3)
Other markets	7.4
Disposals	(8.7)
H1 2022 revenue	<u>264.5</u>

Flexonics ⁽¹⁾

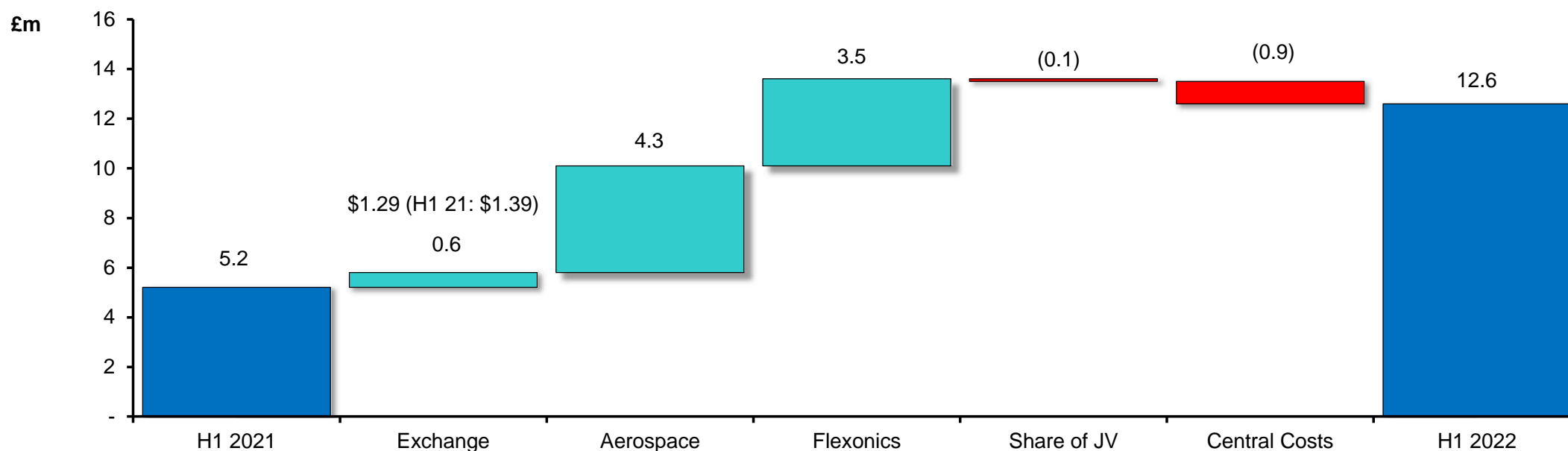


Revenue Reconciliation

	£m
H1 2021 revenue	114.6
Land vehicles	13.8
Power & energy	9.5
H1 2022 revenue	<u>137.9</u>

(1) The Divisional review is on a constant currency basis, whereby H1 2021 results have been translated using H1 2022 average exchange rates

H1 2022 ADJUSTED OPERATING PROFIT⁽²⁾ BRIDGE



Aerospace (1)



	H1 2022 £m	H1 2021 £m	Change
Revenue	264.5	233.7	+13.2%
Adj OP ⁽²⁾	9.8	5.5	+78.2%
Margin	3.7%	2.4%	+130bps

Flexionics (1)



	H1 2022 £m	H1 2021 £m	Change
Revenue	137.9	114.6	+20.3%
Adj OP ⁽²⁾	11.3	7.8	+44.9%
Margin	8.2%	6.8%	+140bps

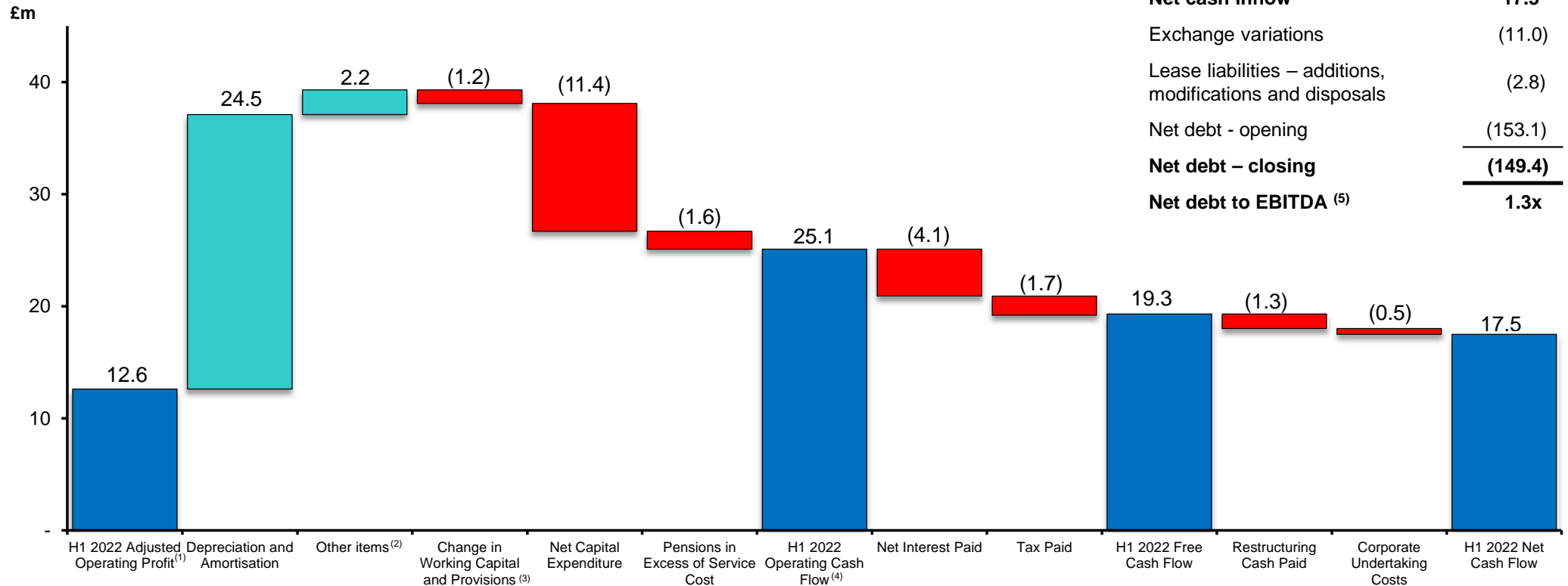
(1) The Divisional review is on a constant currency basis, whereby H1 2021 results have been translated using H1 2022 average exchange rates
 (2) Adjusted operating profit is as defined on page 9

ADJUSTED AND REPORTED PROFIT

	HY 22 £m	HY 21 £m
Adjusted operating profit	12.6	5.2
Net finance costs – borrowings, cash	(3.2)	(3.2)
– lease liabilities (IFRS 16)	(1.2)	(1.3)
– retirement benefits	0.6	0.2
Adjusted profit before tax	8.8	0.9
Tax	(0.8)	(0.5)
Adjusted profit for the period	8.0	0.4
Net restructuring income/(cost)	2.8	(0.1)
Corporate undertakings ⁽¹⁾	(0.5)	21.5
Related tax on above items	(0.2)	(2.2)
Reported profit for the period	10.1	19.6

(1) Corporate undertakings for HY 22 comprises £0.3m of costs related to the Spencer Aerospace acquisition and £0.2m of other corporate activities. Corporate undertakings net income of £21.5m in HY 21 comprises £24.2m gain on disposal of Senior Aerospace Connecticut, partly offset by £2.7m bid defence and costs relating to other corporate activities.

STRONG CASH FLOW GENERATION



Change in Net Debt:		£m
Net cash inflow		17.5
Exchange variations		(11.0)
Lease liabilities – additions, modifications and disposals		(2.8)
Net debt - opening		(153.1)
Net debt – closing		(149.4)
Net debt to EBITDA⁽⁵⁾		1.3x

(1) Adjusted operating profit is as defined on page 9

(2) Other Items comprises £2.2m share-based payment charges, £(0.1)m share of joint venture, £0.2m working capital and provision currency movements and £(0.1)m of profit on sale of fixed assets

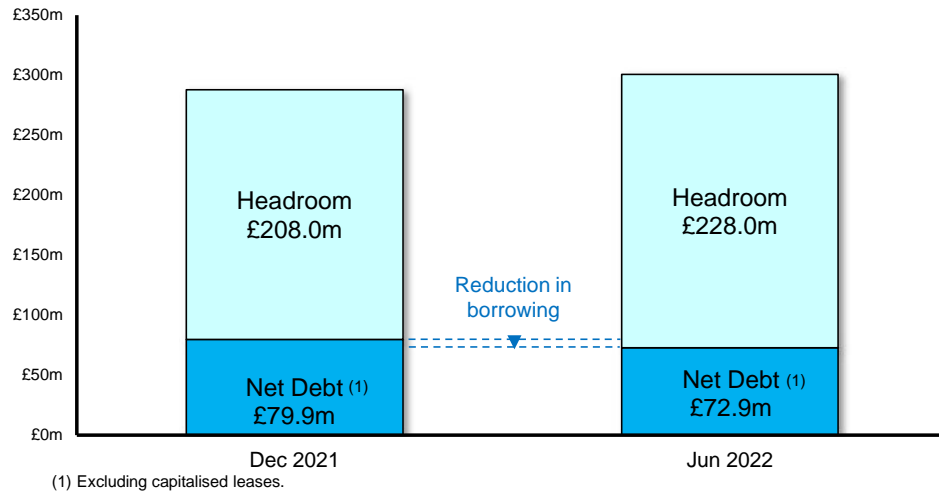
(3) Change in working capital and provisions excludes change in restructuring items of: £(3.9)m provisions and other receivables, and £(1.5)m of inventory

(4) Operating cash flow is defined as cash generated by operations after investment in net capital expenditure, and before costs related to corporate undertakings and restructuring cash paid

(5) Based on rolling 12 month EBITDA; Covenants definition of net debt and EBITDA (page 45)

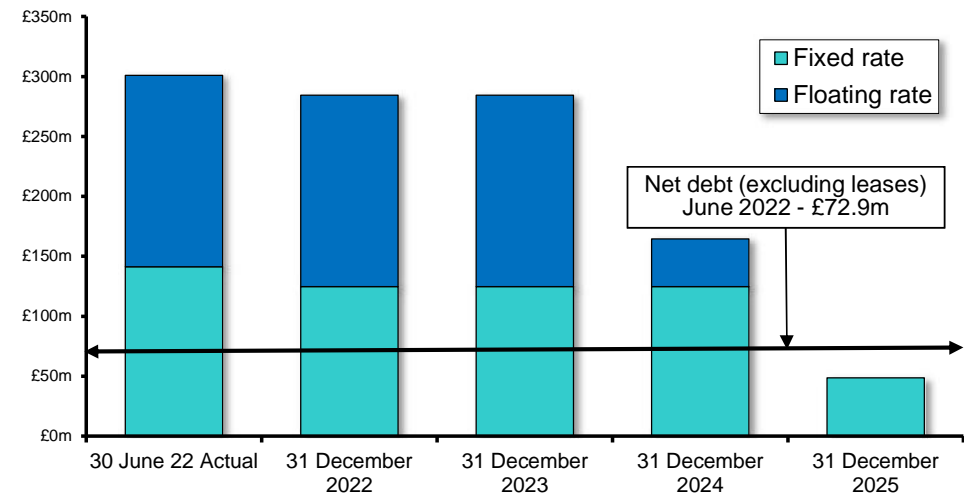
BALANCE SHEET STRENGTH

Credit facilities and headroom



- ⇒ Group balance sheet further **strengthened** with **strong liquidity** and **stable** finance arrangements
- ⇒ **Net Debt:EBITDA = 1.3x at June 22**
- ⇒ Expect net debt:EBITDA to be lower at Dec 22 compared to Dec 21
- ⇒ **Intrinsically strong cash generation** with operating businesses already well capitalised and prepared for **growth**

Profile of committed credit facilities



- ⇒ In June 2022, the \$50m US RCF agreement was further extended to 30 June 2025
- ⇒ \$20m Private Placement Note to be repaid in October 2022
- ⇒ Implemented a global cash pooling structure, enhancing liquidity and cash management

Healthy balance sheet, significantly de-levered with strong liquidity

FINANCIAL SUMMARY

- ⇒ Strong H1 performance with improved profitability
- ⇒ Successfully mitigating inflationary pressures
- ⇒ Strong cash performance with £19.3m free cash inflow
- ⇒ Healthy balance sheet, significantly de-levered with strong liquidity
- ⇒ Dividend reinstated

On track to delivering minimum of 13.5% ROCE over the medium term



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MARKETS

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ATTRACTIVE END MARKET EXPOSURE

34% Flexonics Division
(34%)

Aerospace Division 66%
(66%)

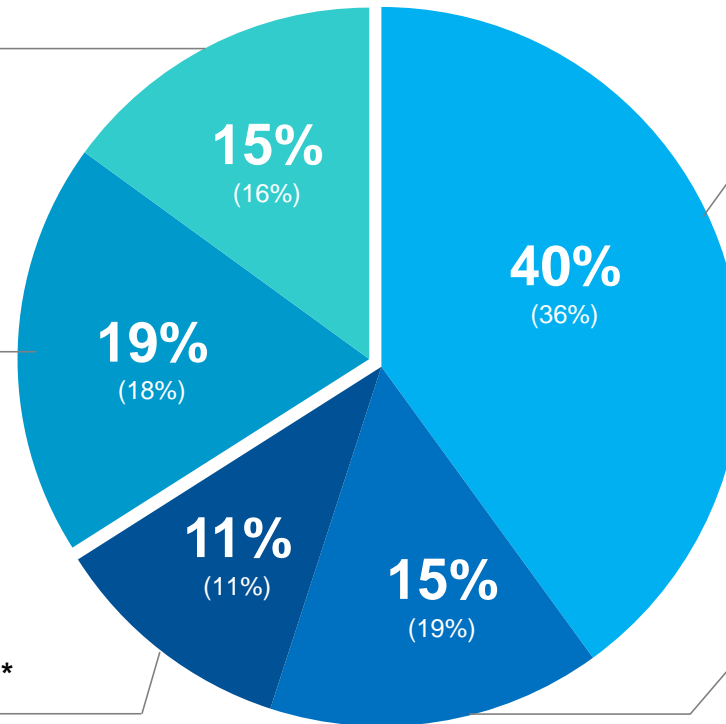
Power & Energy



Land Vehicles



Other Aerospace*



Civil Aerospace



79%

Single aisle, regional and business jets



21%

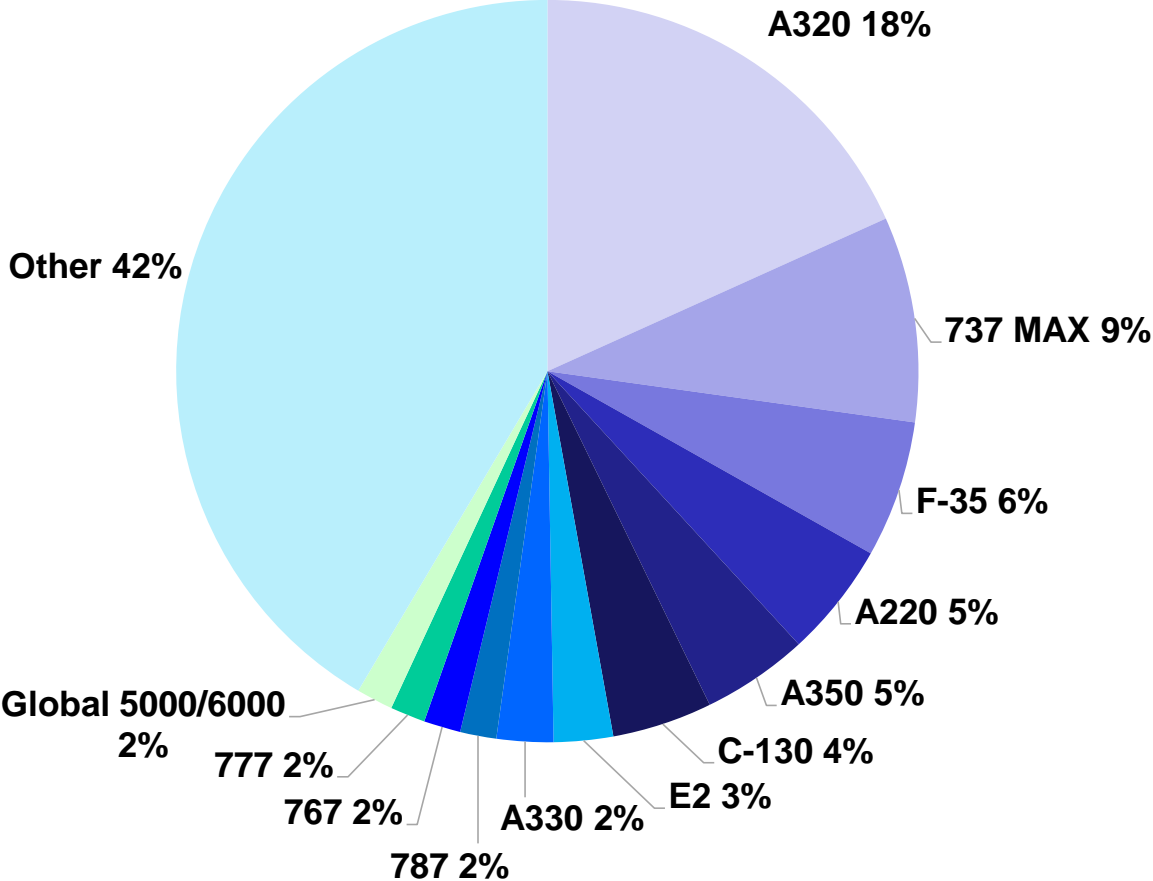
Wide body

Defence



End markets composition based on H1 2022 revenue. % in brackets are H1 2021 comparatives and exclude Senior Aerospace Connecticut, which was divested in April 2021.
* "Other Aerospace" includes space, semi-conductor and medical.

DIVERSIFIED AEROSPACE & DEFENCE PLATFORMS



Based on H1 2022 Aerospace revenue.

Interim Results 2022

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CIVIL AEROSPACE MARKET GROWTH (40% of Group)



IATA forecasts world passenger flows will return to 2019 levels by end of 2024

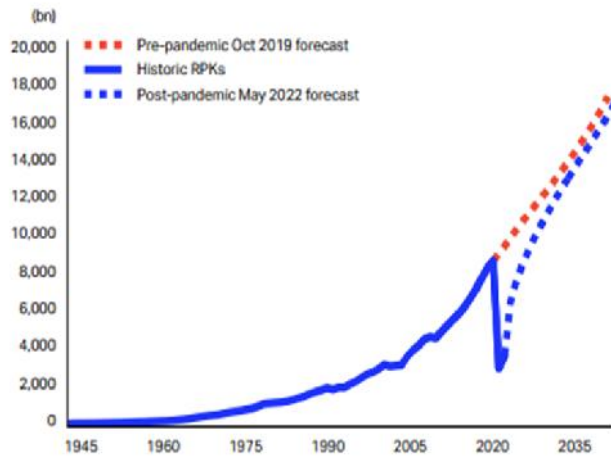


Air travel demand resilient, particularly for domestic and short haul routes. International traffic accelerating



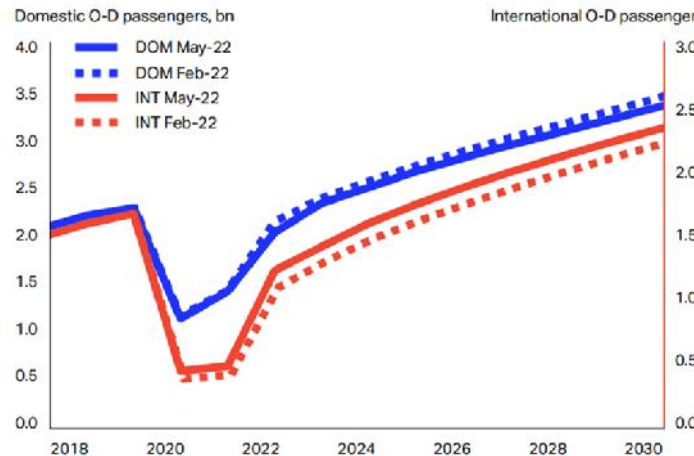
Strong structural growth in air travel; driven by growing demand in Asia; supported by replacement cycle

Revenue Per Passenger-Kilometers



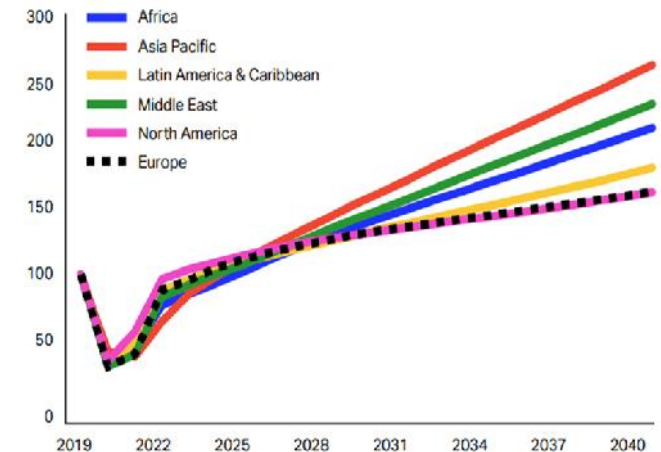
Source: IATA Economics/Tourism Economics

Domestic and international passengers, billions



Source: IATA Air Passenger Forecast, IATA Economics/Tourism Economics

Passengers/region, 2019=100



Source: IATA Air Passenger Forecast, IATA Economics/Tourism Economics

CIVIL AEROSPACE SINGLE AISLE GROWTH



Production volumes ramping up

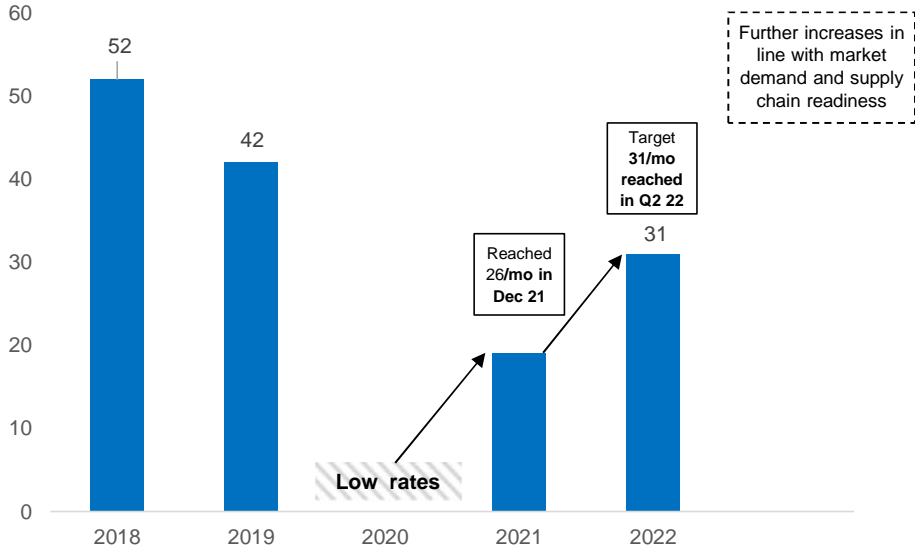


737 MAX production rate increased to 31 per month during Q2 2022

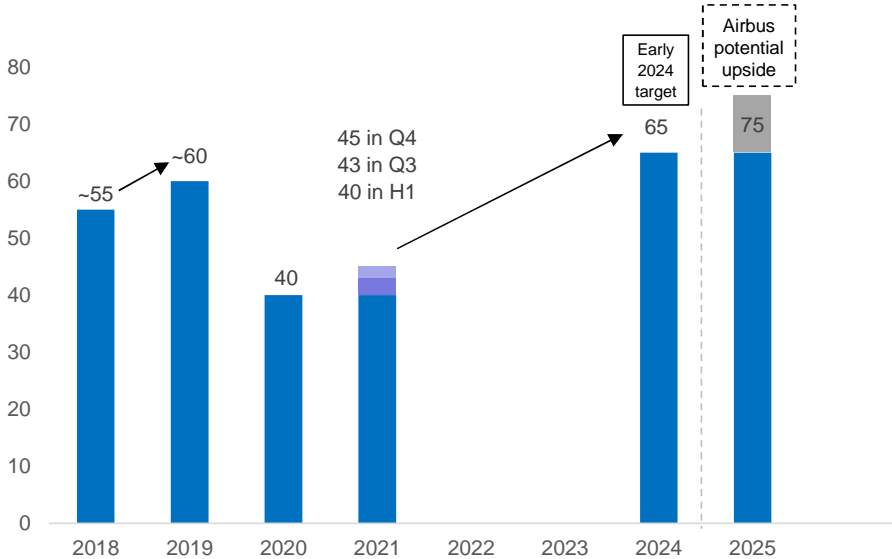


A320 Family target to reach a monthly production rate of 65 in early 2024, ramping up towards rate 75 in 2025

737 MAX monthly production rates



A320 monthly production rates



DEFENCE MARKET GROWING (15% of Group)

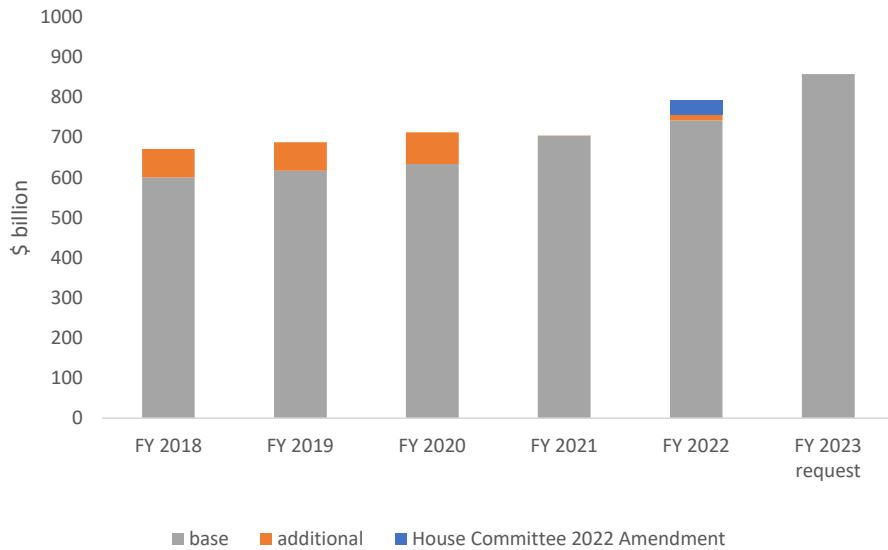


Approved budget for US Defence in 2022 is \$778bn



Bipartisan request for 2023 spending of \$857bn has been made

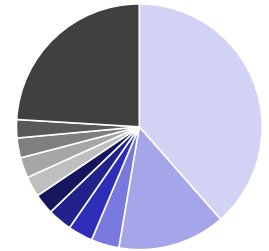
US defence spend continues to grow*



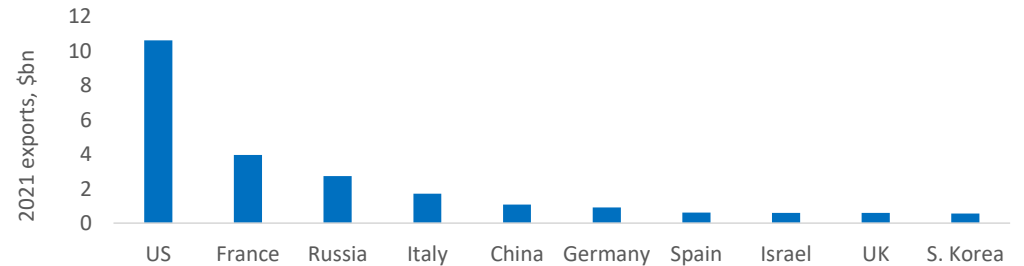
The US spends almost as much on defence as rest of top 10

Global defence spending 2021 (\$2.08 trillion)

- United States of America
- China
- India
- United Kingdom
- Russia
- France
- Germany
- Saudi Arabia
- Japan
- Korea, South
- Other



...and is the world's largest exporter of defence goods



DEFENCE PLATFORMS



Senior's sales to the Defence sector are primarily focused on the US defence market



Mature programmes such as the C-130 transport aircraft continue in series production

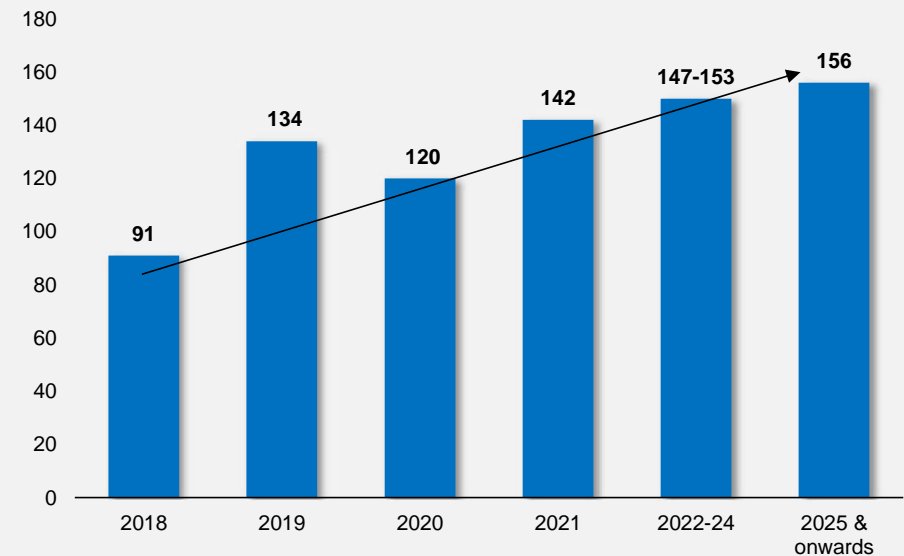


Senior is well placed with good content on key growth programmes such as F-35 and T-7A Red Hawk

Senior benefits from positions on important defence programmes



F-35 annual production rates increasing



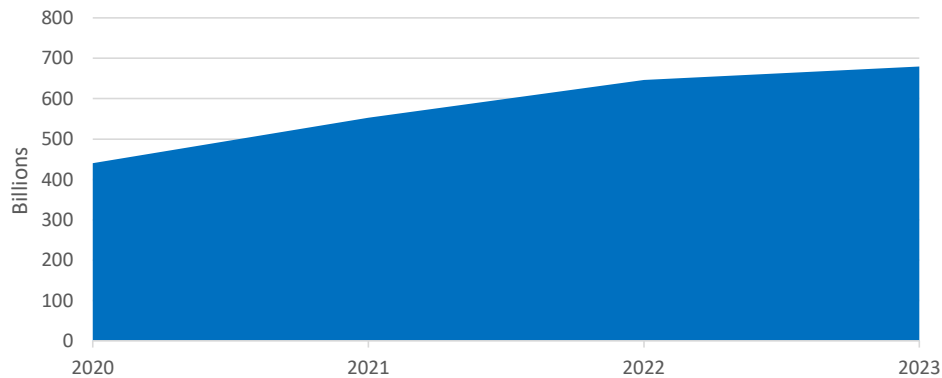
Source: Senior company information (left); public customer announcements (right).

OTHER ATTRACTIVE MARKETS (11% of Group)



Senior's aerospace businesses supply to other industrial markets e.g. space, semi-conductor equipment and medical
 – Good growth in space, semi-conductor equipment market and medical

Semi-conductor market is forecast to grow 5% y-o-y in 2023



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

Our diversification into other attractive end-markets continues

Space		
Medical		
Semi-conductor equipment		

LAND VEHICLE MARKETS GROWING (19% of Group)



Growth in GDP and tighter emissions regulations increase demand for Senior's land vehicle products

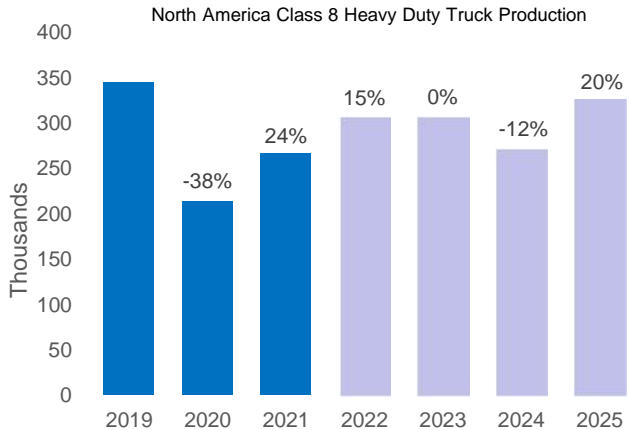


Commercial vehicles grow at 4% p.a. and passenger vehicles grow at 3% p.a. through the cycle

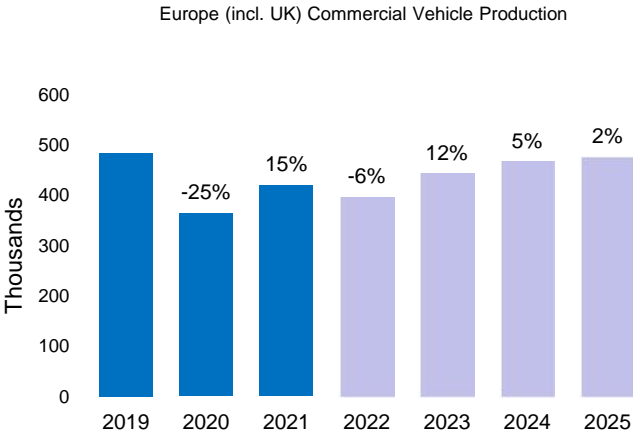


Senior is supporting the transition to a low carbon economy; providing thermal management and fluid conveyance solutions for alternative powertrains such as electric and hydrogen

Truck & Off-Highway (15%)

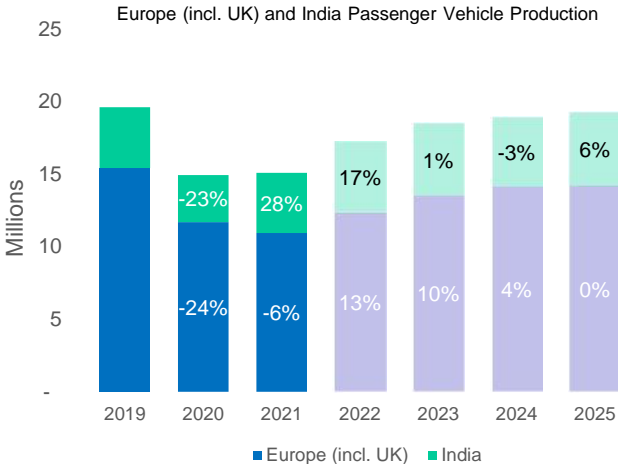


Senior's sales to N Am. truck and off-highway market increased by 23% in H1 2022 compared to H1 2021



Senior's sales to European truck and off-highway market increased by 33% in H1 2022 compared to H1 2021

Passenger Vehicles (4%)



Senior's sales to European (incl. UK) PV market increased by 3%, and sales to Indian PV market increased by 8% in H1 2022 compared to H1 2021

POWER & ENERGY MARKETS IMPROVING (15% of Group)



Continuing recovery in upstream oil & gas, improved levels of maintenance and overhaul



Demand for world oil expected to surpass pre-pandemic levels in 2023

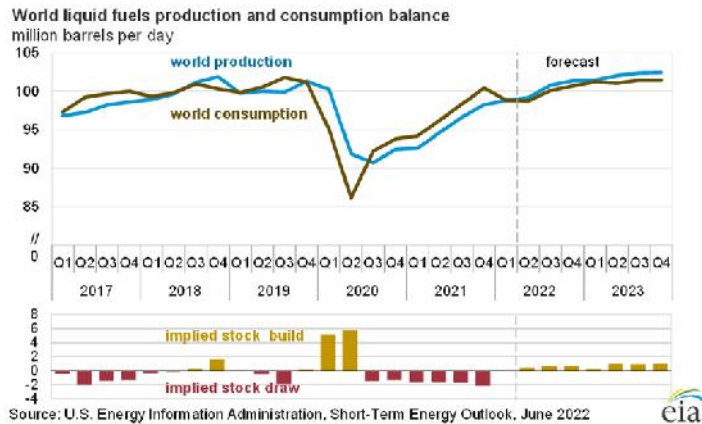


Growing renewables to almost match moderate demand growth during 2022 – 2024

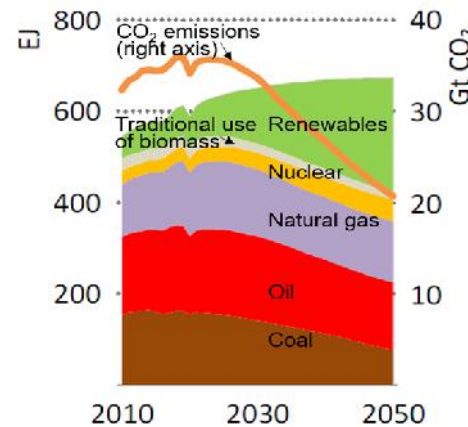


Nuclear-based generation is expected to grow by 1% annually

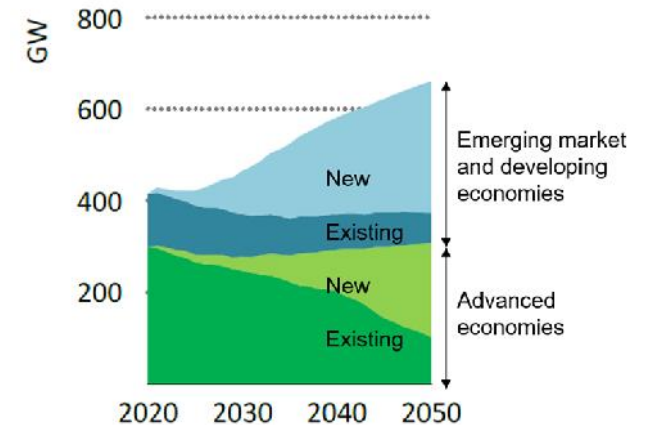
World Liquid Fuels Production and Consumption Balance
(million barrels per day)



Clean energy to take a greater share of total primary energy supply



Nuclear power capacity expected to increase



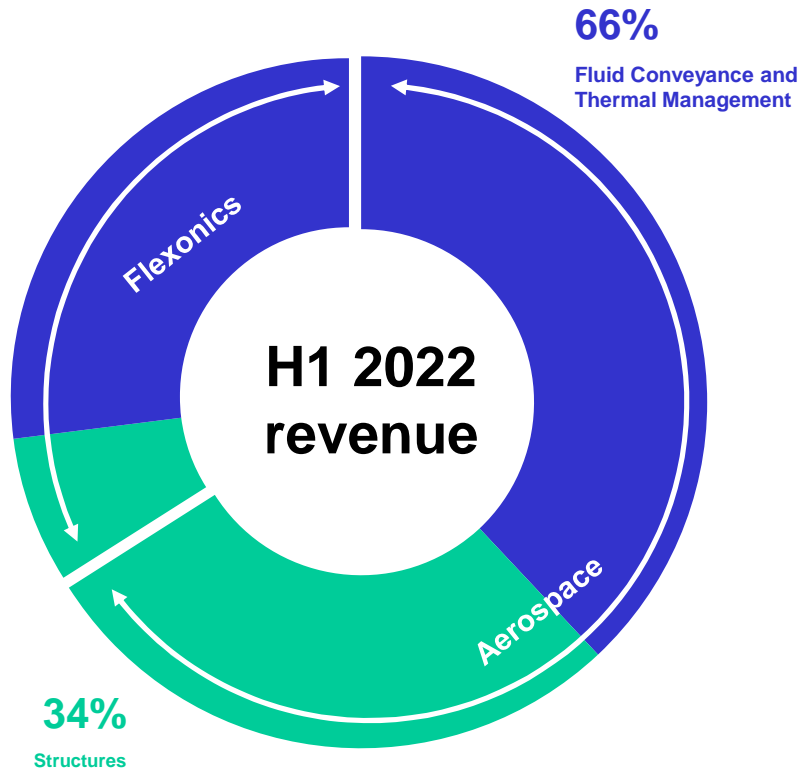
Source: Left: EIA, short-term energy outlook, Jun 2022;
Middle & right: IEA, "World Energy Outlook", Oct 2021, Announced Pledges Scenario



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STRATEGY & OUTLOOK

FOCUS ON IP-RICH TECHNOLOGY AND MANUFACTURING



Fluid Conveyance and Thermal Management

Product and System Design & Manufacturing IP

UK	North America	Asia & Africa	Europe

Structures

Complex Machining and Manufacturing Know-How/ Process IP

UK	North America	Asia

Core capabilities underpin shareholder value growth

FLUID CONVEYANCE ACQUISITION – SPENCER AEROSPACE

Spencer Aerospace designs and manufactures highly engineered high-pressure hydraulic fluid fittings for use in commercial and military aerospace applications.

- Owner managed business founded in 2013, located in Valencia, CA, USA with approx. 50 employees
- Use of these highly engineered fluid fittings on aircraft requires them to be either on a Qualified Parts List (QPL), and/or have specific customer approval
- Growing contracted business with NA OEM and Tier 1 customers
- Meaningful opportunities to win additional OE and aftermarket business from customers with whom Senior has existing strong relationships
- Combination benefits will open potential opportunities in adjacent markets such as hydrogen infrastructure and fluid handling in medium term
- Synergistic engineering and manufacturing capabilities will help accelerate product qualifications and revenue growth
- Experienced existing leadership team will continue to run the business and will benefit from continued investment by Senior in engineering and manufacturing capabilities at Valencia, CA facility.



AXIAL SWAGED titanium fittings designed for hydraulic and pneumatic titanium and stainless-steel tube connections at operating pressures ranging from 1,500 to 5,080 psi (103 to 350 bar).

Significant advancement in Senior's strategic focus on fluid conveyance technology, adding new highly engineered product capabilities to the Aerospace Division

HIGHLY ENGINEERED PRODUCTS IN ATTRACTIVE END-MARKETS



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

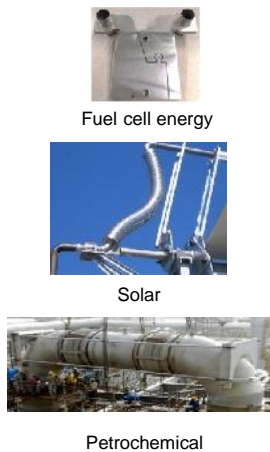
Semiconductor Equipment



Medical



Power & Energy



Land vehicles



Defence




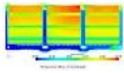










Aerospace



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

OUR TECHNOLOGY ROADMAPS REFLECT MARKET TRENDS

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 
	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 
	2010s Production ramp-up of hydrogen-powered aircraft Senior has been involved with US solar powerplants since 1980s 	2020s Rise of renewable energy 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 

EXTENDING OUR SUSTAINABILITY LEADERSHIP



- ⇒ **On track** to deliver Scope 1, 2 and 3 SBTi verified “**Near Term Net-Zero**” Targets
- ⇒ **Submitted** our Long Term Net Zero climate targets to SBTi
- ⇒ Current **CDP leadership** rating of **A-** for our climate disclosure
- ⇒ Achieved the **highest CDP Supplier Engagement Rating of A**
- ⇒ In 2022 we are **proactively developing and extending our supplier environmental supplier engagement**



- ⇒ In **September 2022** we are undertaking our **next global employee survey**



- ⇒ **Remain on track** to achieve our **2025 Lost Time Injury Rate** reduction target
- ⇒ In 2022 we have introduced **additional safety initiatives** involving **ergonomics** and **hand protection** to support our 2025 Lost Time Injury Rate reduction goal
- ⇒ Currently, **55%** of the **Board Directors** are **female** and **two** of the Directors are **from minority ethnic backgrounds**



- ⇒ The 2022 **Code of Conduct annual training programme** has been launched and is due to be completed in Q3
- ⇒ All employees continue to **receive training and regular reminders** about the risks related to **information/cyber security**
- ⇒ In line with **TCFD** recommendations, Senior’s **resilience** at different **climate-related scenarios** has been assessed and the Transition Plan is being updated



Industry leading ESG disclosures and rating are evidence of our longstanding approach to sustainability

GROUP OUTLOOK

- ⇒ Our **core markets** are **showing good growth** as activity levels pick up.
- ⇒ Global supply chain constraints and increasing inflationary pressures, caused by external events, remain evident and we continue to manage the impact of those diligently to ensure we satisfy our customers and other stakeholders.
- ⇒ The Board anticipates **further good progress in 2022**, in line with previous expectations, with performance in **H2 expected to be similar to H1**.
- ⇒ Along with the strong cash performance and healthy balance sheet, this gives the Board confidence to announce the **reinstatement of a dividend** for 2022.
- ⇒ Over the medium term we remain committed to delivering a strong recovery across both Divisions, driving the Group ROCE to a minimum of 13.5% in line with our previously stated ambition.

Looking ahead, our differentiated offering in fluid conveyance and thermal management products coupled with our global footprint and positioning in attractive and diverse end markets, gives the Board confidence that Senior is well positioned to build on our strong capabilities and to capture growth opportunities. Our continued investment in low carbon technology and advanced manufacturing combined with our commitment to the highest sustainability standards provide additional foundations for continued success.

Multi-year recovery underway; on track to delivering min. ROCE of 13.5%

Currently assuming exchange rate for the US Dollar to Pound Sterling of \$1.28: £1 average for 2022.

10 cents movement in \$:£ exchange rate is estimated to affect full-year revenue by £38m, adjusted operating profit by £1m, and net debt by £12m.



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ANY QUESTIONS?

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APPENDICES

INVESTMENT CASE: POSITIONED FOR GROWTH

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



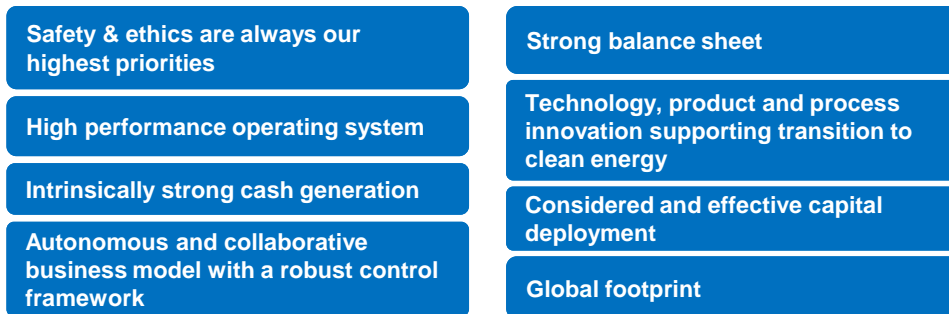
Trusted and collaborative high value-added engineering and manufacturing company delivering sustainable growth

Delivering minimum 13.5% ROCE* over medium-term

STRONG CORE END-MARKETS



OUR DIFFERENTIATORS



ESG LEADERSHIP

First worldwide in A&D sector to have greenhouse gas reduction targets verified and approved by the Science Based Targets initiative

CDP “Leadership” rating of A- on climate disclosure

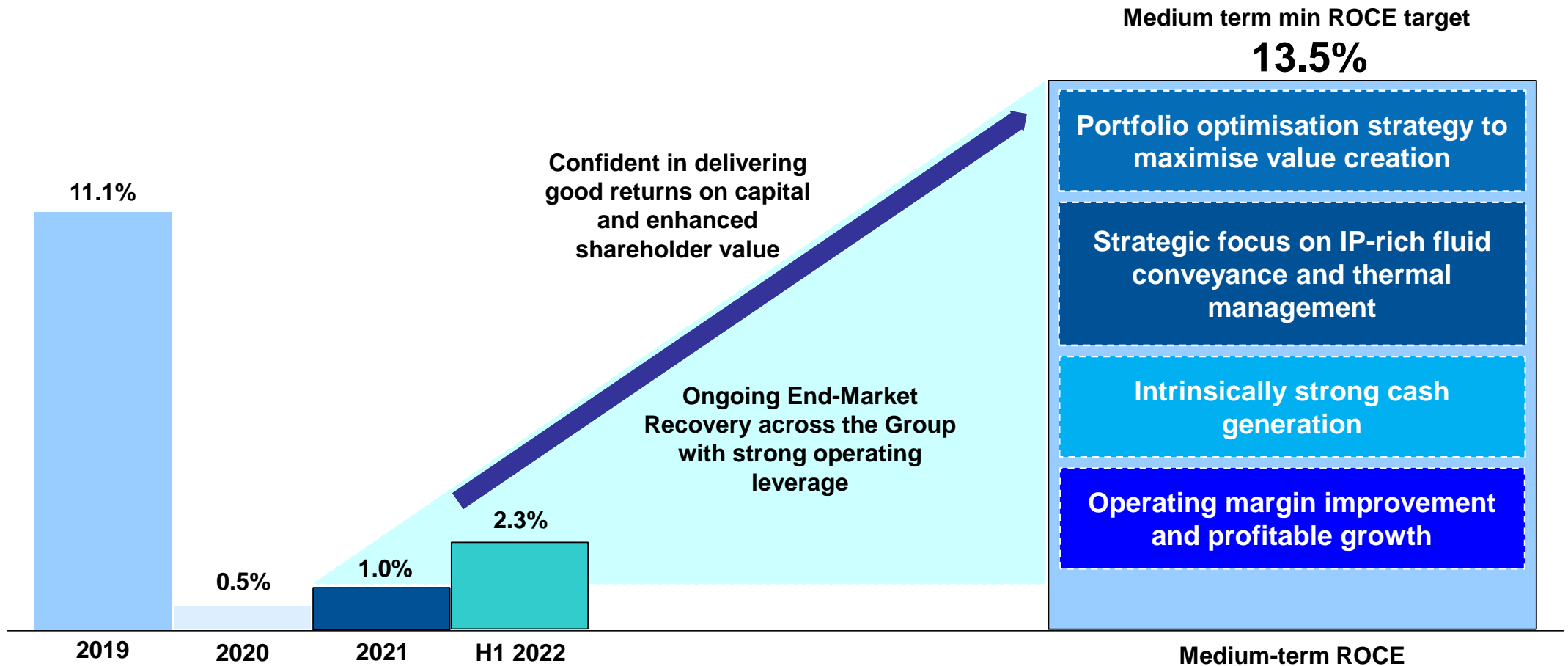
Highest CDP “Leadership” rating on supplier engagement

Continuously improving Lost Time Injury Illness Rate; reduced to 18 in 2021 from 21 in 2020

Early adopters of Hampton Alexander and Parker Reviews on gender and ethnic diversity targets

* ROCE = return on capital employed.

MEDIUM TERM MINIMUM ROCE TARGET



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

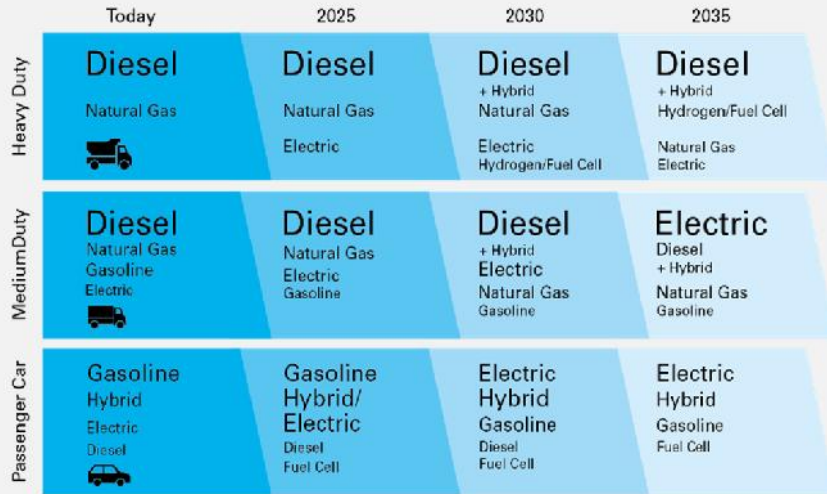
STRATEGIC PRIORITIES

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 ⇒ Achieved targets set out for gender diversity in the Hampton-Alexander Review and met the Parker Review recommendations for Board gender and ethnic diversity.

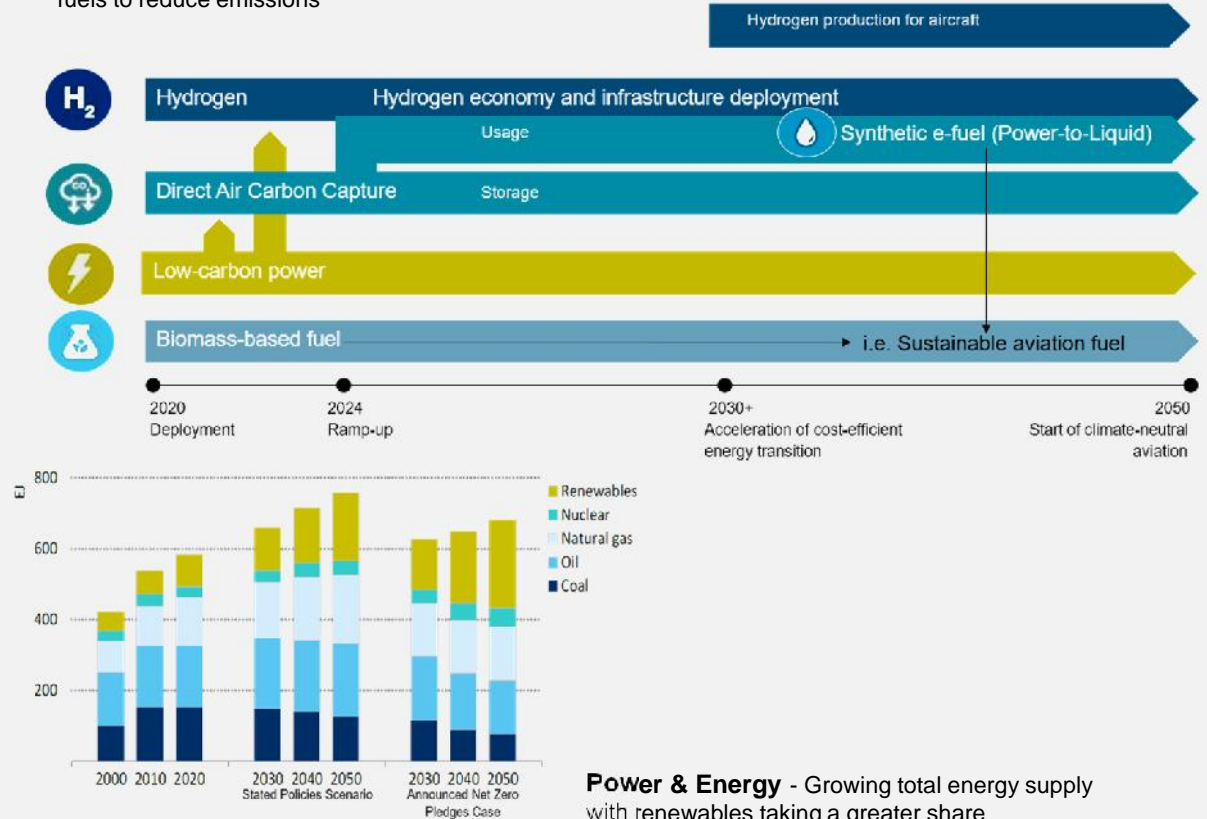
PRODUCT DEVELOPMENT STRATEGY COMPATIBLE WITH OUR FOCUS ON ESG

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

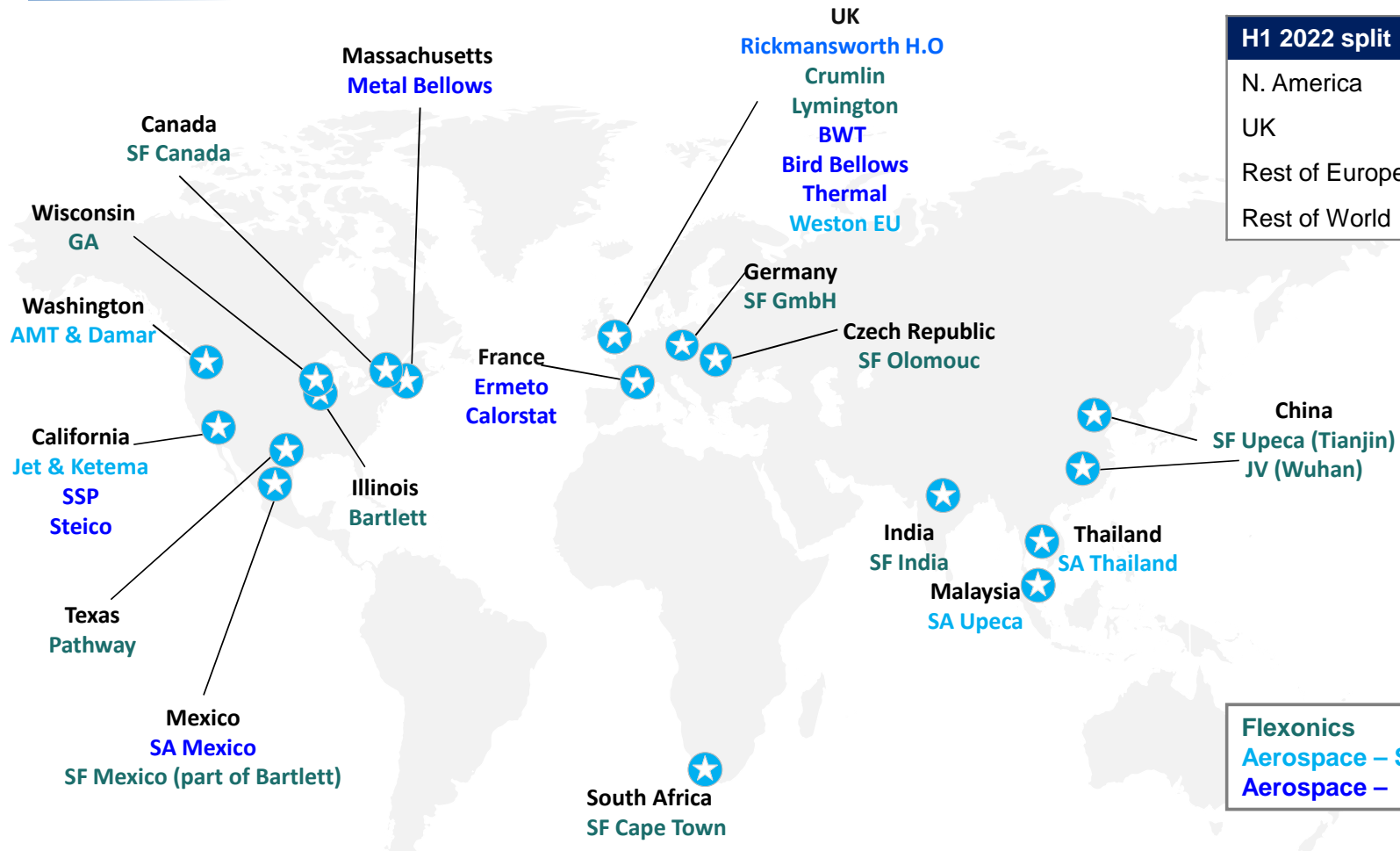


ACQUISITION FRAMEWORK

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	Commodity Build to Print Highly engineered Build to Print	
Geography	North America Asia	UK Europe	Africa South America Australasia
Ownership	Owner managed	Trade	Private Equity
Revenue	\$50m to \$100m \$100m+	\$15m to \$50m	less than \$15m

OUR LOCATIONS



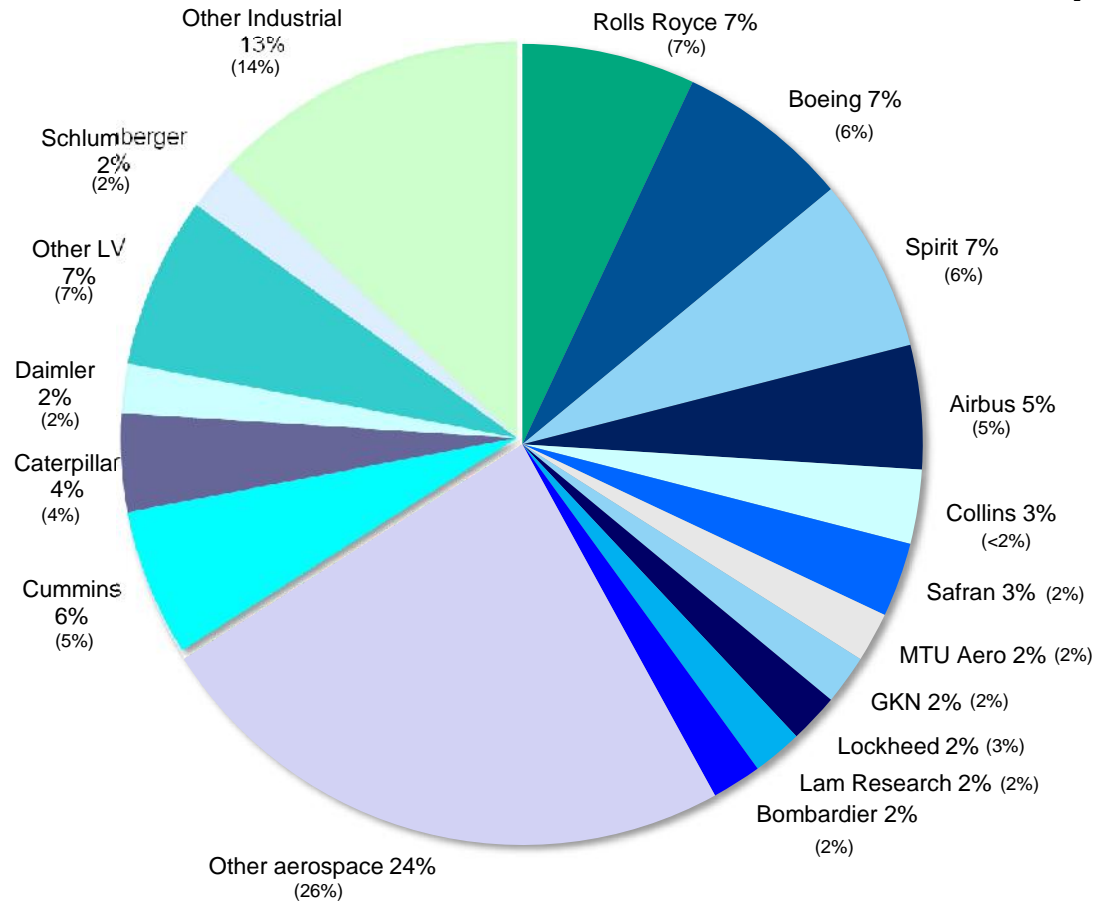
H1 2022 split	Sales	Employees
N. America	58%	2,505
UK	17%	1,262
Rest of Europe	12%	852
Rest of World	13%	1,467

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

OUR CUSTOMERS

34% Flexonics Division
(34%)

Aerospace Division 66%
(66%)



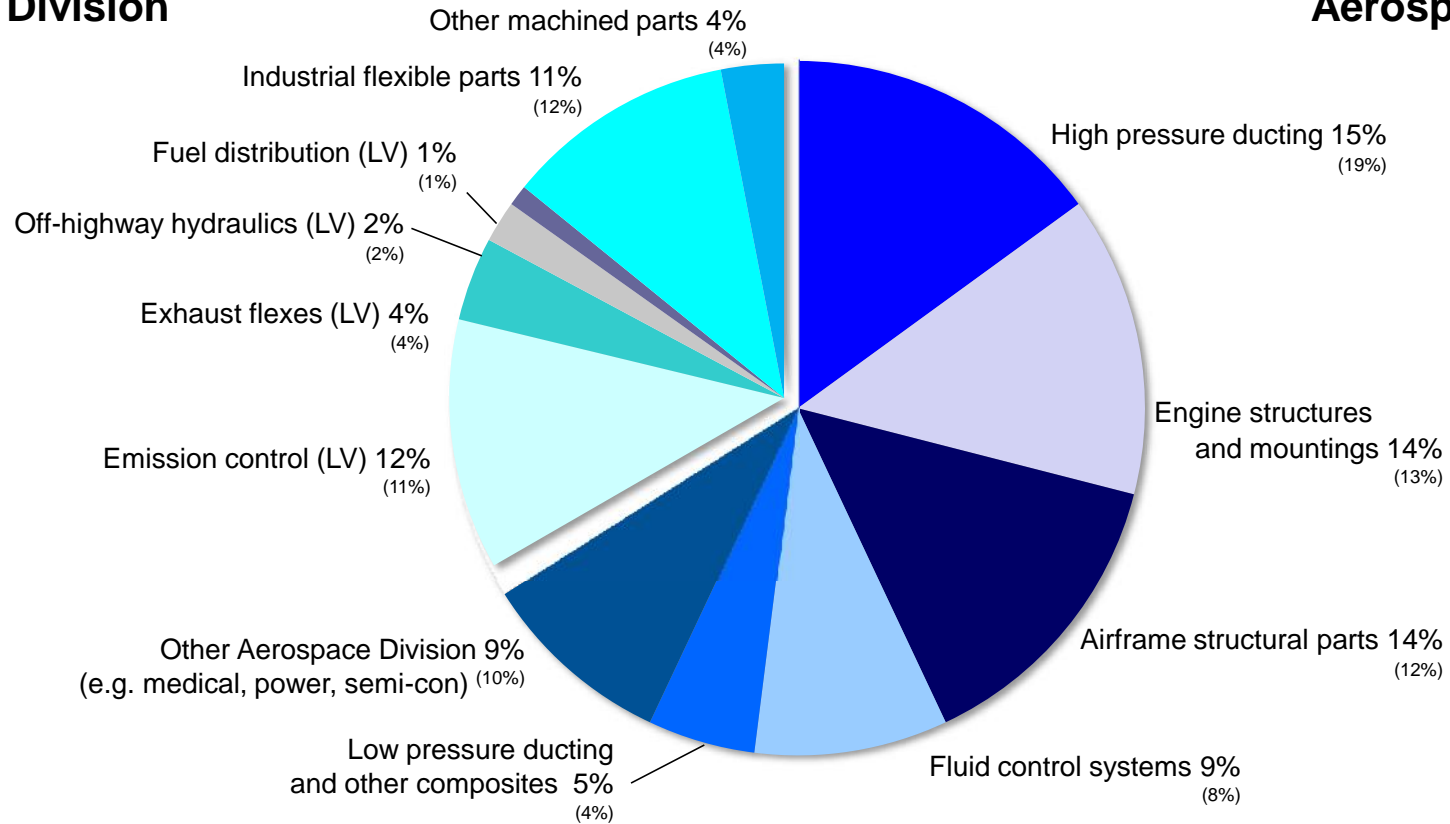
On a derived basis:
Airbus:Boeing ratio
68:32

Based on H1 2022 revenue. % in brackets are H1 2021 comparatives and exclude Senior Aerospace Connecticut, which was divested in April 2021.

OUR PRODUCTS

34% Flexionics Division
(34%)

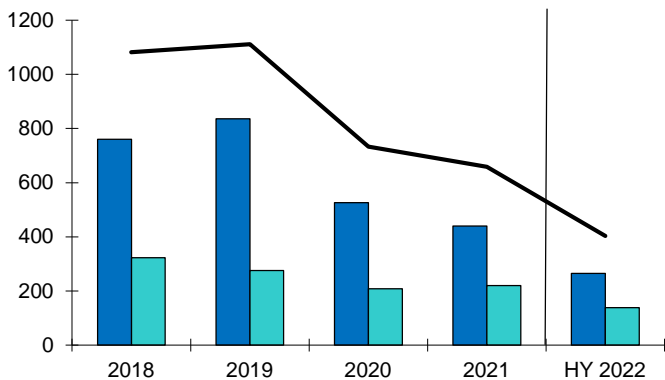
Aerospace Division 66%
(66%)



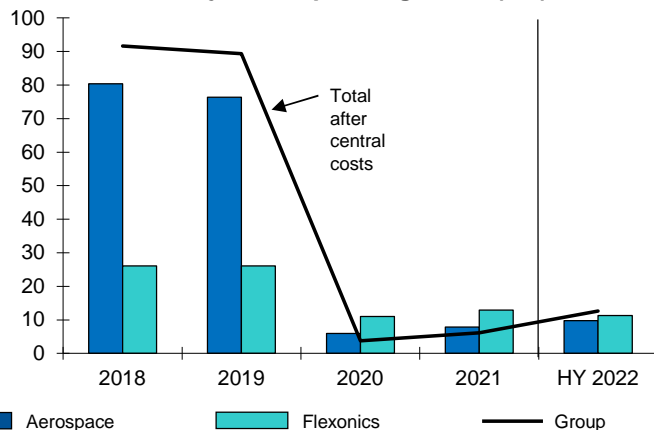
Based on H1 2022 revenue. % in brackets are H1 2021 comparatives and exclude Senior Aerospace Connecticut, which was divested in April 2021.
LV = Land vehicles

GROUP EVOLUTION

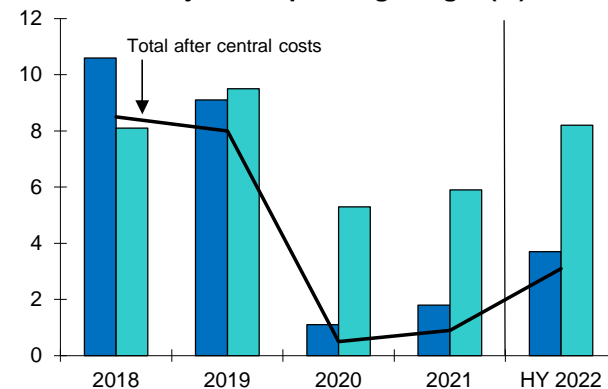
Revenue (£m)



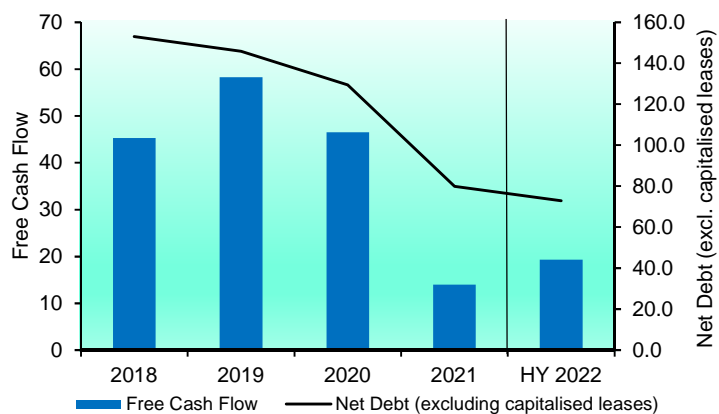
Adjusted Operating Profit (£m)



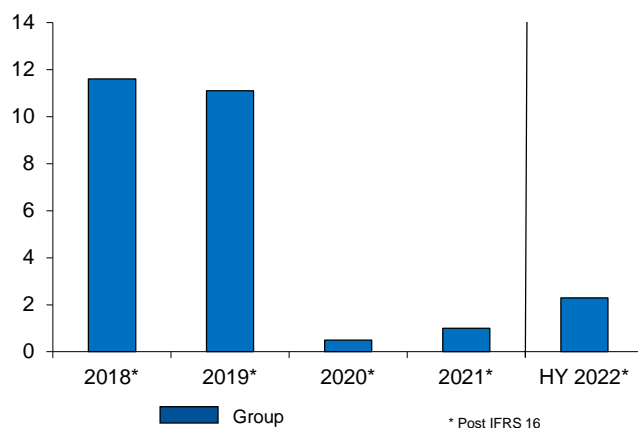
Adjusted Operating Margin (%)



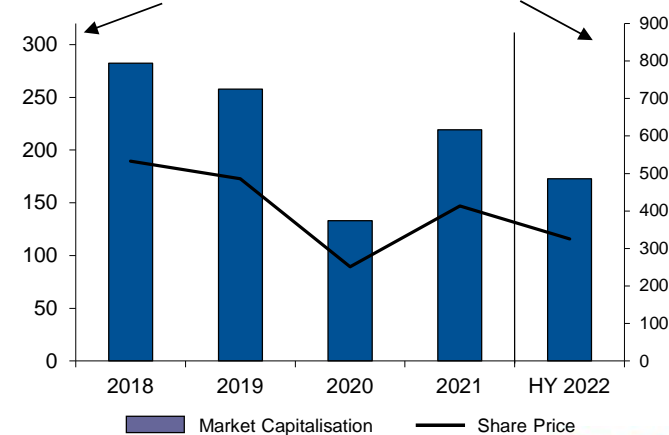
Free Cash Flow and Net Debt (£m)



Return on Capital Employed (%)



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



BALANCE SHEET

£m	H1 2022	FY 2021	H1 2021
Goodwill and other intangible assets	161.4	154.4	152.9
Investment in JV	4.2	3.9	3.8
Property, plant and equipment	304.1	294.6	303.0
Other long-term assets	8.8	5.8	4.6
Non current assets, before retirement benefits	478.5	458.7	464.3
Inventories	163.3	145.2	138.5
Receivables, excl. hedging and earnout	132.3	97.2	95.2
Payables, excl. hedging	(180.2)	(139.4)	(140.1)
Working capital	115.4	103.0	93.6
Current tax liabilities, net	(13.1)	(12.0)	(15.9)
Provisions	(12.9)	(13.8)	(19.2)
Other current assets, net	(8.8)	(2.8)	2.3
Net current assets, before cash/borrowings	80.6	74.4	60.8
Net borrowings	(72.9)	(79.9)	(71.0)
Lease liabilities	(76.5)	(73.2)	(76.4)
Net debt	(149.4)	(153.1)	(147.4)
Retirement benefits, net	47.7	61.2	47.1
Other long-term liabilities	(13.1)	(16.1)	(16.1)
Other items, net	(114.8)	(108.0)	(116.4)
Net assets	444.3	425.1	408.7

FX Impact from Dec 2021

	£m
Non current assets	28.6
Working capital	7.5
Net debt	(11.0)

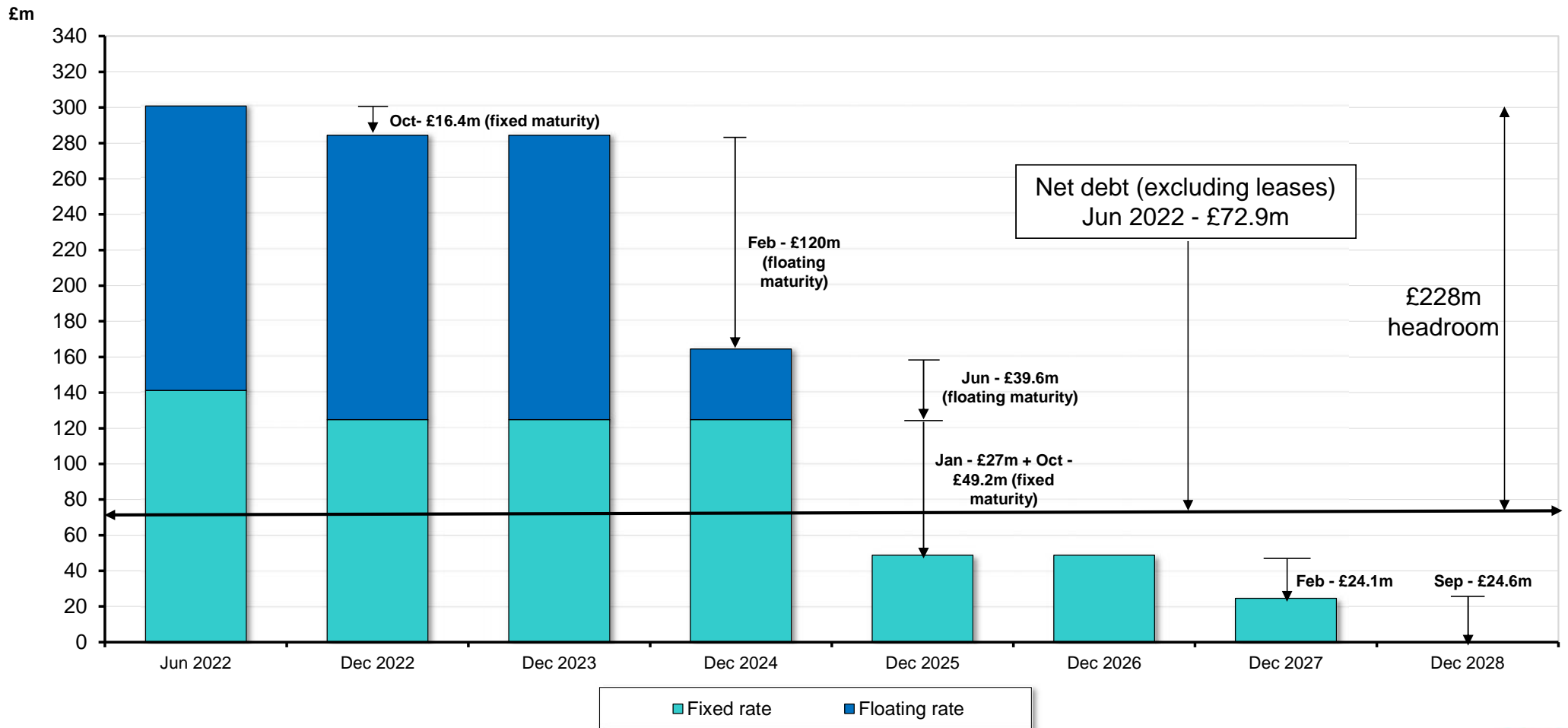
Retirement Benefits (net)

	£m
As at December 2021, net	61.2
Cash contributions	2.1
Actuarial gain on liabilities	66.1
Actuarial loss on assets	(83.8)
Other	2.1
As at June 2022, net	<u>47.7</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	

MATURITY PROFILE OF COMMITTED CREDIT FACILITIES



USAGE OF CREDIT FACILITIES – JUNE 2022

	<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%	24.6	24.6	-	24.6	-	-
€28.0m (Feb 2027)	1.51%	24.1	24.1	-	-	24.1	-
\$60.0m (Oct 2025)	3.75%	49.2	49.2	-	49.2	-	-
£27.0m (Jan 2025)	2.35%	27.0	27.0	27.0	-	-	-
\$20.0m (Oct 2022)	3.42%	16.4	16.4	-	16.4	-	-
	3.14%	141.3	141.3	27.0	90.2	24.1	-
<u>Bank facilities:</u>							
RCF £120.0m (Feb 2024) 0.93% margin + 1.19% ref. rate	2.12%	120.0	-	-	-	-	-
US RCF \$48.3m (Jun 2025) 1.50% margin + 1.85% ref. rate	3.35%	39.6	-	-	-	-	-
Total committed facilities		300.9	141.3	27.0	90.2	24.1	-
Overdrafts and bank loans		11.4	-	-	-	-	-
Notional pool – overdrafts ⁽¹⁾			14.9	-	-	10.7	4.2
Notional pool – cash ⁽¹⁾			(29.4)	(3.0)	(11.2)	(10.4)	(4.8)
Cash and other cash pooling ⁽¹⁾			(53.2)	(14.9)	(18.4)	(10.1)	(9.8)
Debt transaction costs			(0.7)	-	(0.7)	-	-
Net debt (excluding lease liabilities)			72.9	9.1	59.9	14.3	(10.4)
IFRS 16 lease liabilities			76.5	9.5	35.4	1.4	30.2
Net debt			149.4	18.6	95.3	15.7	19.8

Headroom of £228m on committed facilities

(1) The Group's notional cash pool enables access to cash in its subsidiaries to pay down the Group's borrowings. The Group has the legal right to offset balances within the cash pool which it intends to use. The notional pool overdraft of £14.9m is presented as a liability in the Group Balance Sheet at 30 June 2022. If net presentation applied, the notional pool overdraft and cash would be netted with cash and other cash pooling balances, with the Group Balance Sheet showing cash and bank balances of £67.7m and overdrafts of £nil.

COVENANTS at FROZEN GAAP⁽¹⁾

	Jun 2022
Net debt - restated at average exchange rates ⁽²⁾	£68.0m
Net interest payable	£5.8m
EBITDA	£51.0m
Interest cover (EBITDA / Net Interest payable)	8.8 x
Net debt to EBITDA	1.3 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).

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)	13.5
Add:	
Depreciation of property, plant & equipment	46.6
Amortisation of software	1.5
Cash outflow for leases	(11.3)
Net finance income on retirement benefits	0.8
Less:	
Profit on sale of fixed assets	(0.1)
	<u> </u>
EBITDA	<u>51.0</u>
	<u> </u>
	£m
Finance costs and inv. Income	(7.5)
Less:	
Interest on lease liabilities	2.5
Net finance income on retirement benefits	<u>(0.8)</u>
Net interest payable	<u>5.8</u>
	<u> </u>
	£m
Net debt	149.4
Less:	
Lease liabilities	<u>(76.5)</u>
Net external borrowings (at HY spot exchange rates)	72.9
Adjustment for average exchange rates	<u>(4.9)</u>
Net debt – restated at average exchange rates	<u>68.0</u>



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AEROSPACE DIVISION



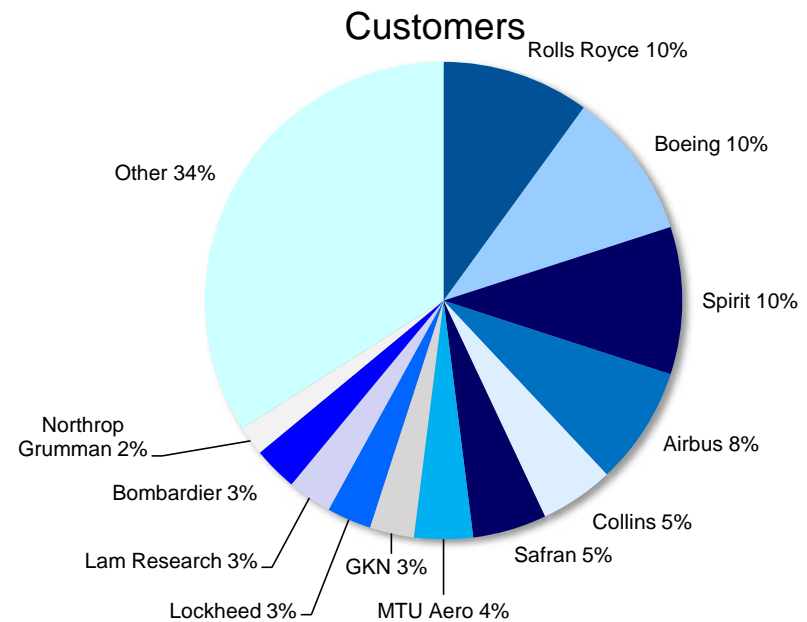
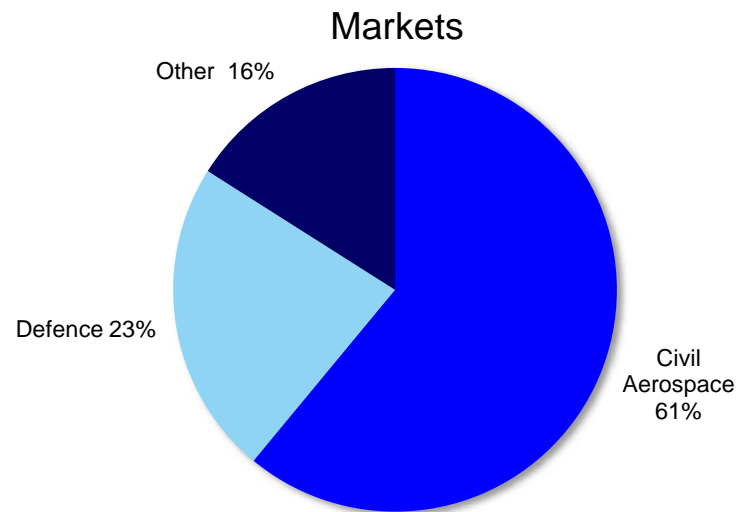
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Aerospace

Interim Results 2022

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Flexonics

AEROSPACE DIVISION: A SUMMARY

	H1 2022	H1 2021 ⁽¹⁾	Change	14 Operations	
Revenue	£264.5m	£233.7m	+13.2%	NAFTA	6
Adjusted Operating Profit ⁽²⁾	£9.8m	£5.5m	+78.2%	Europe	2
Adjusted Operating Margin ⁽²⁾	3.7%	2.4%	+130bps	UK	4
				ROW	2

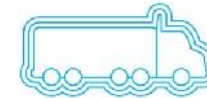


(1) All at H1 2022 exchange rates – translation effect only.
 (2) Before net restructuring income of £2.8m (H1 2021: £0.6m cost).



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FLEXONICS DIVISION



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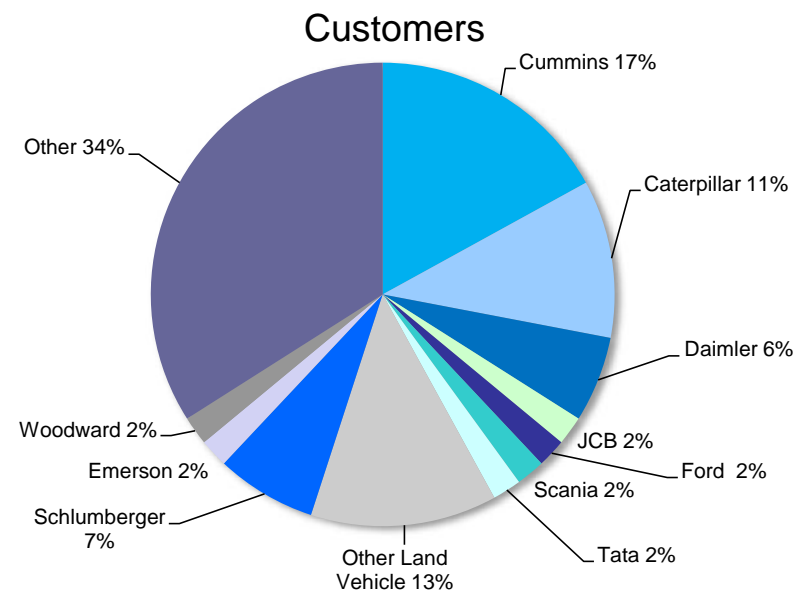
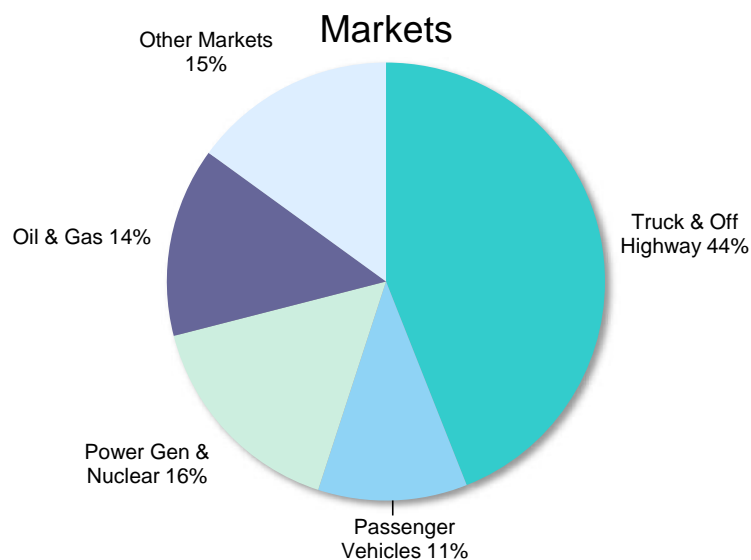
Interim Results 2022

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Flexonics

FLEXONICS DIVISION: A SUMMARY

	H1 2022	H1 2021 ⁽¹⁾	Change
Revenue	£137.9m	£114.6m	+20.3%
Adjusted Operating Profit ⁽²⁾	£11.3m	£7.8m	+44.9%
Adjusted Operating Margin ⁽²⁾	8.2%	6.8%	+140bps

12 Operations & JV	
NAFTA	4
EU	2
UK	2
ROW	3
China JV	1



(1) All at H1 2022 exchange rates – translation effect only.
 (2) Before net restructuring income of £nil (H1 2021: £0.5m).

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