

John Crane Deep Dive

# Optimising customer delivery



# Rob Sharman, VP Customer Operations, John Crane

- John Crane - 5 years across various roles including:

- VP Customer Operations

- Operations Director

- Previously held roles at GKN Aerospace; UK Government, Department for Trade & Industry and Ministry of Defence

- PhD Materials Science & Engineering - University of Birmingham



# Executive summary

We are executing well to meet strong and sustained demand

Our technical expertise enables us to deliver our customers' requirements through an engineered to order process

Our global footprint provides unparalleled agility, efficiency and customer intimacy

Automation and digitisation enhances our world-class customer delivery

SES further enhances our drive for continuous improvement

Utilising these strengths to execute for our customers delivers growth and positions us well for the future



# Rapid scaling to meet strong and sustained demand



Optimising  
supply chain to  
deliver orderbook

- Two years of double-digit order growth
- Building in resilience with multi-source strategy
- Lean management to support continuous improvement

+15% organic  
revenue growth



Refining  
internal processes  
and products

- Reducing complexity through product rationalisation
- Standardising processes to drive efficiencies
- SES projects to increase capacity and reduce cycle times

5-10% machining  
productivity  
improvement



Automating  
and  
digitising

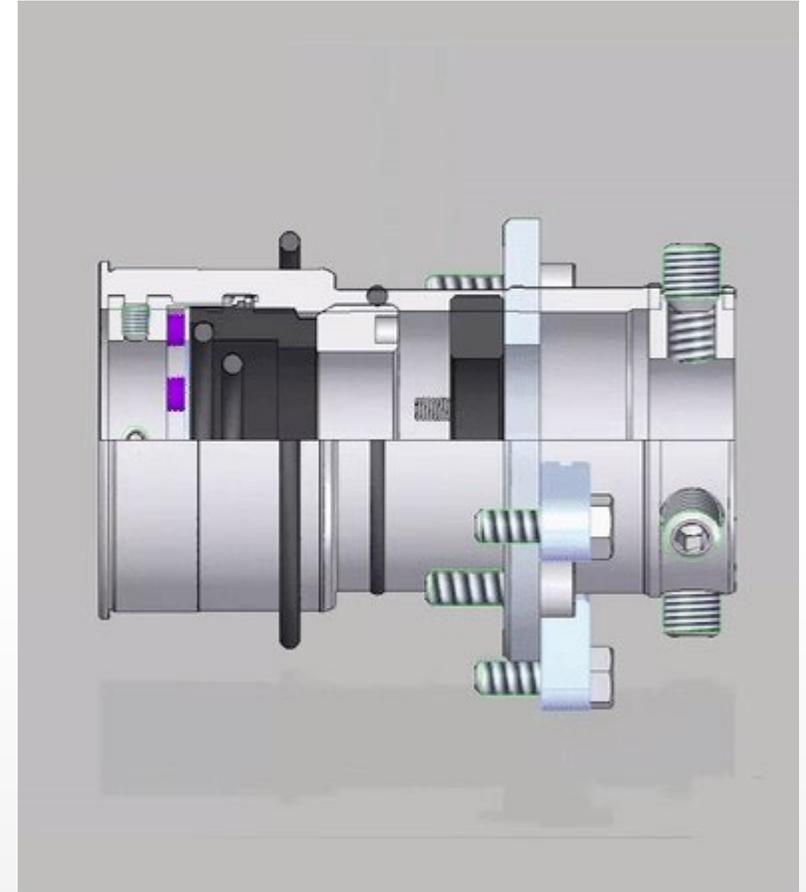
- Technology driving operational efficiencies
- Maximising productivity and minimising cost
- Increasing agility and reducing lead times for customers

Halved  
engineering  
drafting time

Underpinned by SES, enhancing returns  
+440bps ROCE expansion in FY23  
~1.7x operating leverage

# Maximising our technical capabilities in an engineered to order process

- Customers select John Crane for our ability to meet and customise their bespoke requirements
- Our operational processes are deployed to be efficient and agile within this engineered-to-order process
- Demonstrated ability to deliver this model whilst achieving high returns with average margins over 5 years of 22%
- This provides us with a competitive advantage we have sustained for over a century



# Global footprint enables unparalleled customer intimacy

## Global Capabilities



Total locations ~200

Sales & Service Centres 163

Manufacturing Centres 35

Engineering and R&D Hubs 9

Installed base >3 million



- Local presence and capabilities enables rapid customer response
- Intimacy with customers enables tailored service levels
- Regional manufacturing hubs drive efficiency
- Engineering and R&D hubs deliver solutions to complex customer problems

# Manufacturing automation is improving operations

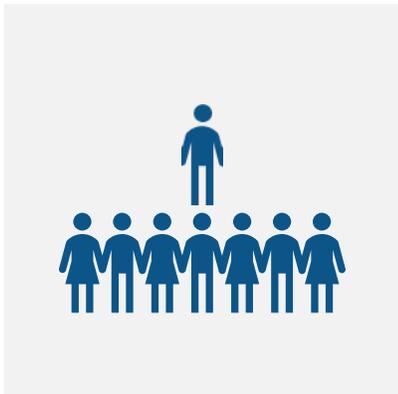


# SES is embedded in the way we work at John Crane

## SES is deeply embedded



- SES delivers results
- SES develops our talent
- SES advances our culture



- 1** Master black belt
- 7** Black belts delivering efficiency and improvement projects

## Projects



- Reducing inventory stocks
- Predictive AI to optimise scheduling
- Delivering against record orderbook



- Building in additional supply chain resilience
- Multi-source strategy



- Standardised finance processes
- Standardised project management criteria

# SES is delivering results



## Case study: Single source supplier mitigation

### Opportunity

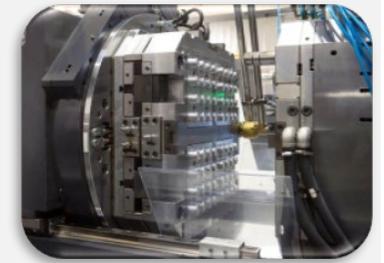
- Further supply chain resilience
- Improve on-time delivery
- Improve execution against record order book

### Solution

- Embedded Black Belt at specialist supplier to maximise their output
- Acceleration of alternative supply for higher volume parts
- 3D printing solution for customised parts further improving resilience

### Results to date

- Supply back log more than halved
- Significant improvement in on-time delivery
- Designed in supply chain resilience



# Closing remarks

We are executing well to meet strong and sustained demand

Our engineered-to-order strategy delivers to meet our customers highly technical requirements

Our global presence provides agility to respond to customer needs

Automation and digitisation are improving our operations through the value stream

SES is delivering tangible benefits

