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# SMITHS GROUP PLC Annual General Meeting

13 November 2019

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## TODAY'S AGENDA



**Chairman's address**

Sir George Buckley, Chairman



**Chief Executive's review**

Andy Reynolds Smith, Chief Executive



**Q&A**

## CHAIRMAN'S ADDRESS

**SIR GEORGE BUCKLEY**  
CHAIRMAN



## INTRODUCTION

**ANDY REYNOLDS SMITH**  
CHIEF EXECUTIVE



## TRADING UPDATE

→ Continuing Operations<sup>1</sup> underlying<sup>2</sup> revenue up 11% in Q1

→ Smiths Medical underlying<sup>2</sup> revenue up 2% in Q1

→ Outlook for the year reaffirmed

<sup>1</sup> Continuing operations exclude Smiths Medical which is accounted for as 'discontinued operations – businesses held for distribution to owners', given the intended separation of Smiths Medical by the end of H1 CY2020

<sup>2</sup> Underlying modifies headline performance to: adjust prior year to reflect an equivalent period of ownership for divested businesses; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses

## FY2020 OUTLOOK

- A year of further progress
- Growth H1 weighted
- Improved operational excellence and cash generation

# BUILDING ON OUR STRATEGIC PROGRESS



## UPDATE ON SEPARATION OF SMITHS MEDICAL

→ On track to demerge by the end of H1 CY2020

→ Key performance milestones achieved:

H2 return to  
growth - up 2%



Ongoing NPD including  
Large Volume Pump submission



Medical CEO  
appointment



→ Good progress on key separation work streams

→ Good progress on Smiths Medical improvement plan

CREATING TWO STRONGER BUSINESSES

# SMITHS - A LEADING INDUSTRIAL TECHNOLOGY COMPANY

**TECHNOLOGY  
DIFFERENTIATION**

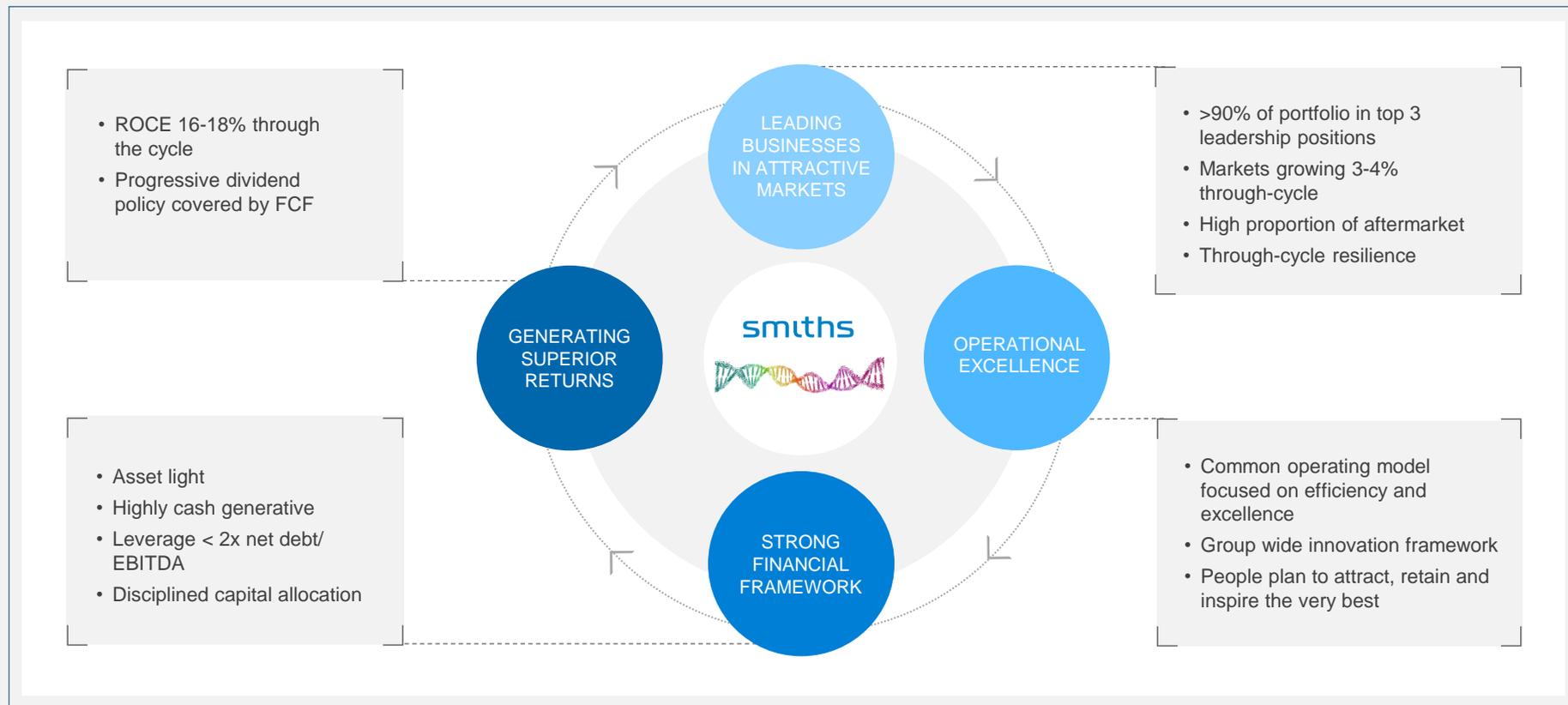
**INCREASING  
DIGITISATION**

**SUSTAINABLY  
COMPETITIVE AND  
ASSET LIGHT**

**HIGH PROPORTION  
OF AFTERMARKET  
AND SERVICES**

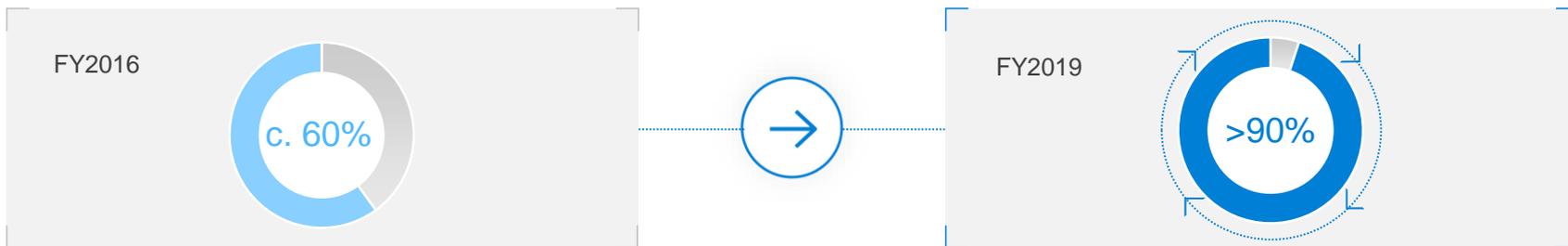


# SMITHS - A LEADING INDUSTRIAL TECHNOLOGY COMPANY



# LEADING BUSINESSES IN ATTRACTIVE GROWING MARKETS

## CONTINUED STRENGTHENING OF THE PORTFOLIO<sup>1</sup>



## TARGETED ORGANIC INVESTMENT REMAINS THE PRIORITY

ACCELERATED BY A DISCIPLINED APPROACH TO ACQUISITIONS AND DISPOSALS

**11** DISPOSALS  
c.£535m proceeds

**8** ACQUISITIONS  
for c.£925m

=

**19** TRANSACTIONS  
total value c.£1.5bn

<sup>1</sup> % of revenue in top 3 leadership position

# OPERATIONAL EXCELLENCE & INNOVATION

## OPERATIONAL EXCELLENCE

- Working capital at 20% of sales - £150m opportunity
- Smiths Excellence System driving improvement across the Group



## INNOVATION

Smiths  
Detection CT  
hand baggage  
scanner



Digital Forge –  
accelerating our  
digital agenda



ESG-focused  
product  
development

*John Crane Aura™  
seal reduces  
methane emission*



# STRONG FINANCIAL PERFORMANCE<sup>1</sup>

## IMPROVING GROWTH TRAJECTORY (underlying revenue growth<sup>2</sup>)



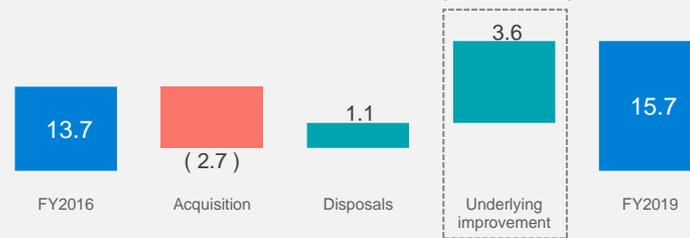
## ENHANCED MARGINS (operating margin<sup>2,3</sup>)



## STRONG CASH GENERATION



## ATTRACTIVE RETURNS (ROCE %<sup>2,3</sup>)

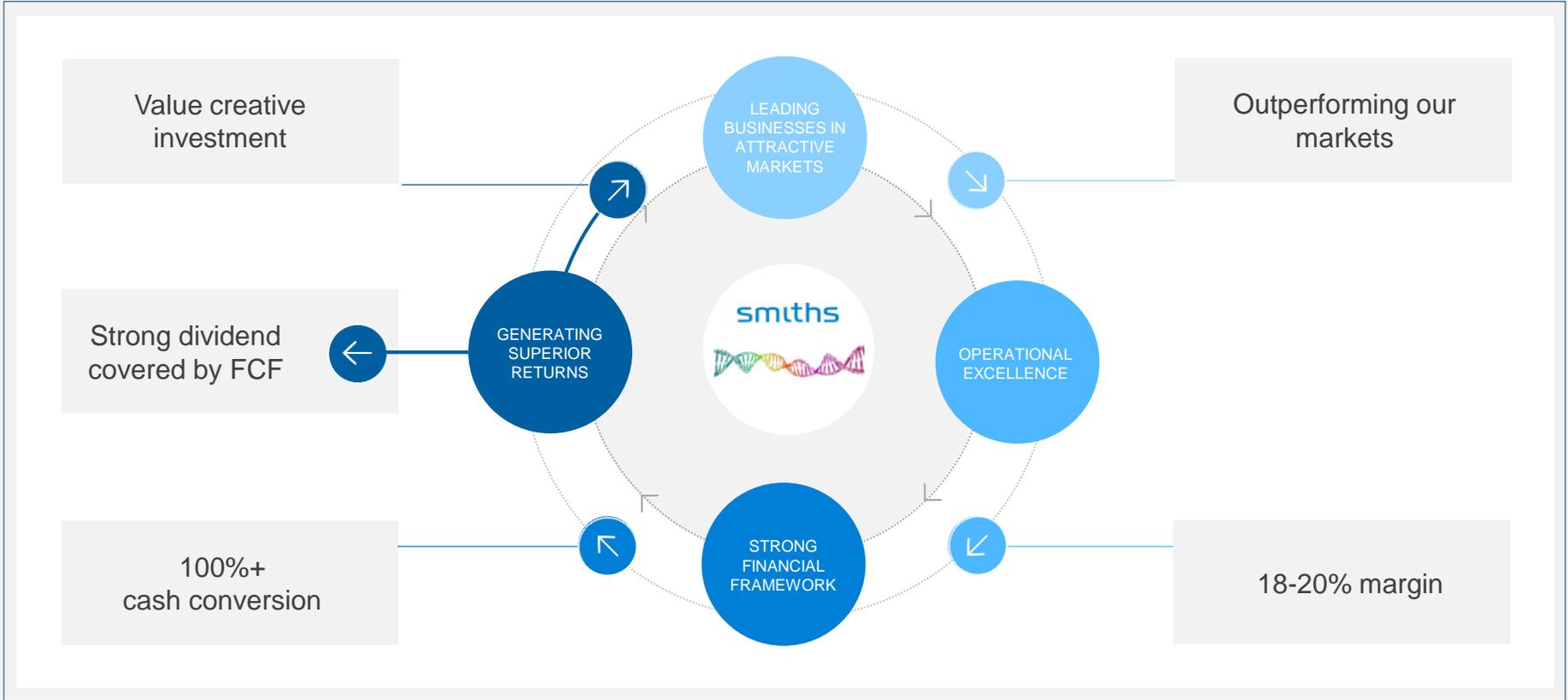


<sup>1</sup> Continuing operations

<sup>2</sup> Headline excludes non operating items as defined in note 3 of the accounts. Underlying modifies headline performance to: adjust prior year to reflect an equivalent period of ownership for divested businesses; and exclude the effects of foreign exchange, acquisitions and supplemental sales for divested businesses

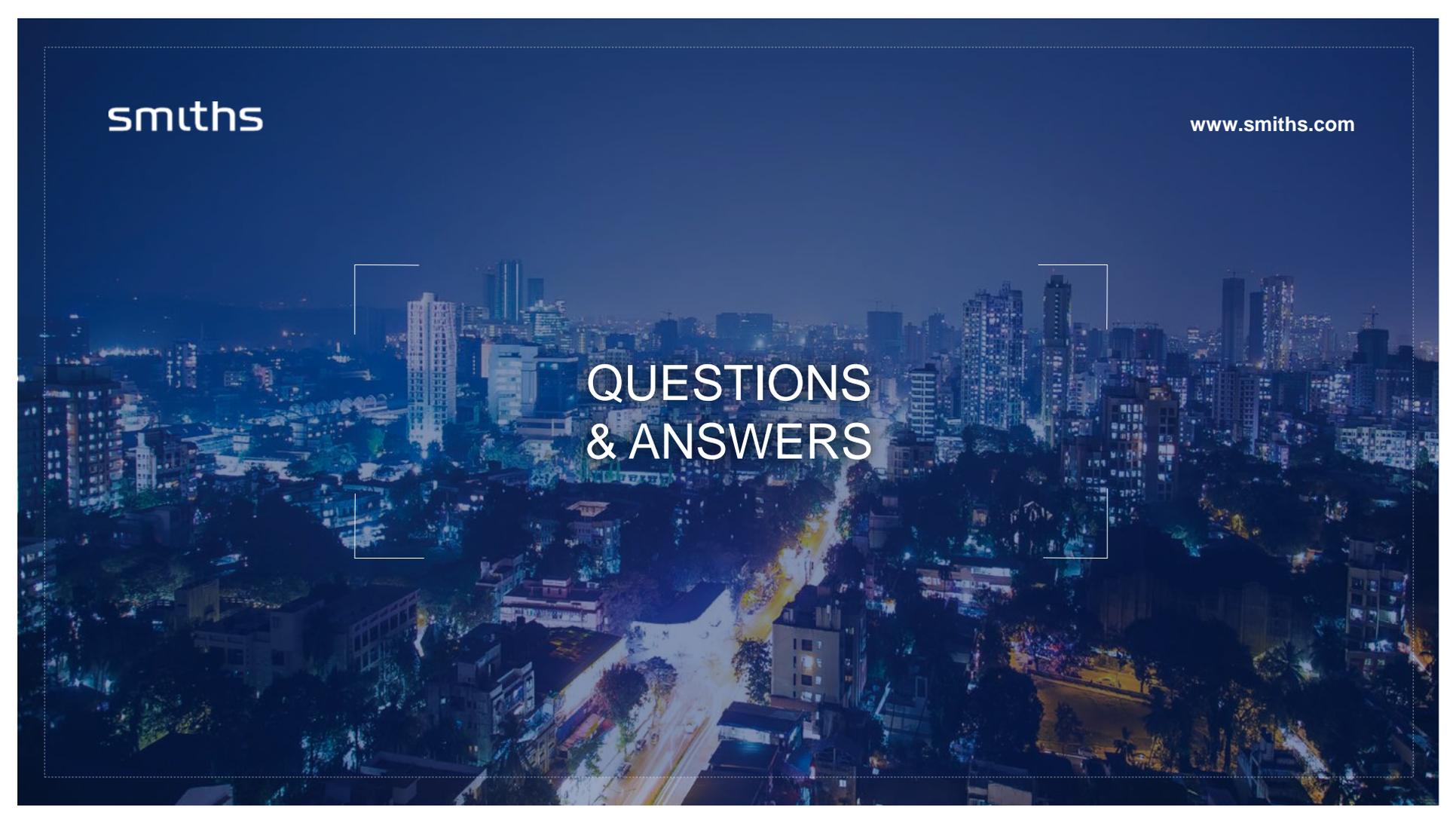
<sup>3</sup> Both FY2016 and FY2017 have been adjusted for the restructuring and pension administration costs that are now recorded as headline items for comparability and has all the central costs allocated to Continuing operations

# DRIVING LONG-TERM, SUSTAINABLE VALUE



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An aerial night view of a city, likely Singapore, showing a mix of modern high-rise buildings and older, lower-rise structures. A prominent road with a yellow center line runs through the middle of the frame. The city lights are visible against the dark sky, and the overall color palette is dominated by blues and greys.

# QUESTIONS & ANSWERS

## POLL VOTE RESOLUTIONS

1. Adoption of Annual Report FY2019
2. Approval of Directors' Remuneration Report
3. Declaration of a final dividend
4. Re-election of Bruno Angelici as a director
5. Re-election of Olivier Bohuon as a director
6. Re-election of Sir George Buckley as a director
7. Re-election of Dame Ann Dowling as a director
8. Re-election of Tanya Fratto as a director
9. Re-election of William Seeger as a director
10. Re-election of Mark Seligman as a director
11. Re-election of John Shipsey as a director
12. Re-election of Andrew Reynolds Smith as a director
13. Re-election of Noel Tata as a director
14. Appointment of KPMG LLP as auditors
15. Auditors' remuneration
16. Authority to issue shares
17. Authority to disapply pre-emption rights
18. Additional authority to disapply pre-emption rights
19. Authority to make market purchases of shares
20. Authority to call general meetings on short notice
21. Authority to make political donations and expenditure

## PROXY VOTES CAST

→ 313 million proxy votes cast

→ 78.92% of the issued share capital

POLL CLOSED

→ The final results of the poll will be announced and posted on our website shortly

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THANK YOU FOR ATTENDING