

smiths

ENGINEERING A BETTER FUTURE

SMITHS GROUP PLC
FY2025 RESULTS

23 SEPTEMBER 2025





Disclaimer

This presentation contains certain statements that are forward-looking statements. They appear in a number of places throughout this presentation and include statements regarding the intentions, beliefs and/or current expectations of Smiths Group plc (the "Company") and its subsidiaries (together, the "Group") and those of their respective officers, directors and employees concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and the businesses operated by the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and, unless otherwise required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements. The Company and its directors accept no liability to third parties. This presentation contains brands that are trademarks and are registered and/or otherwise protected in accordance with applicable law.

Agenda

- > **Opening Remarks** - Roland Carter
- > **FY2025 Financial Results** - Julian Fagge
- > **Strategy Update** - Roland Carter
- > **Q&A**



Opening Remarks

ROLAND CARTER

CHIEF EXECUTIVE OFFICER



FY2025 – strong financial performance; strategic actions underway to maximise value creation

Strong performance, ahead of twice-raised growth guidance, extending our track record of growth & margin expansion

Deployed capital in line with our allocation framework, with three value-accretive acquisitions and enhanced share buyback

Progressing separation of Smiths Interconnect & Smiths Detection with pace and purpose to unlock value in our portfolio

Implementing Acceleration Plan and on track to deliver £40-45m annualised benefits in FY2027 and beyond

FY2026 outlook: 4-6% organic revenue growth and continuing margin expansion

Progressing plan to focus Smiths as a high-performance industrial engineering company

High performance technologies in flow management and thermal solutions



Customer centric with leading positions in growing markets



Strong, through-cycle financial track record with momentum



Disciplined capital allocation with enhanced shareholder returns



Focused growth with margin expansion

Further value creation ahead

Group FY2025 performance ahead of guidance

0.28

Recordable incident rate¹

+8.9%

Organic² revenue growth

+60bps

Organic² operating profit margin expansion to 17.4%

18.1%

ROCE

+14.8%

Basic EPS growth

99%

Operating cash conversion

£121m

Acquisitions

£460m

Cash returned to shareholders

Good progress towards our new medium-term financial targets

All Group metrics refer to Smiths Group including all four businesses. All financial measures are on a headline basis. Headline excludes items defined in note 3 of the financial statements.

1. Calculated as the number of recordable incidents – where an incident requires medical attention beyond first aid, per 100 colleagues, per year across Smiths

2. Organic is headline adjusted to exclude the effects of foreign exchange and acquisitions

FY2025 Financial Results

JULIAN FAGGE

CHIEF FINANCIAL OFFICER



FY2025 – strong performance, ahead of guidance

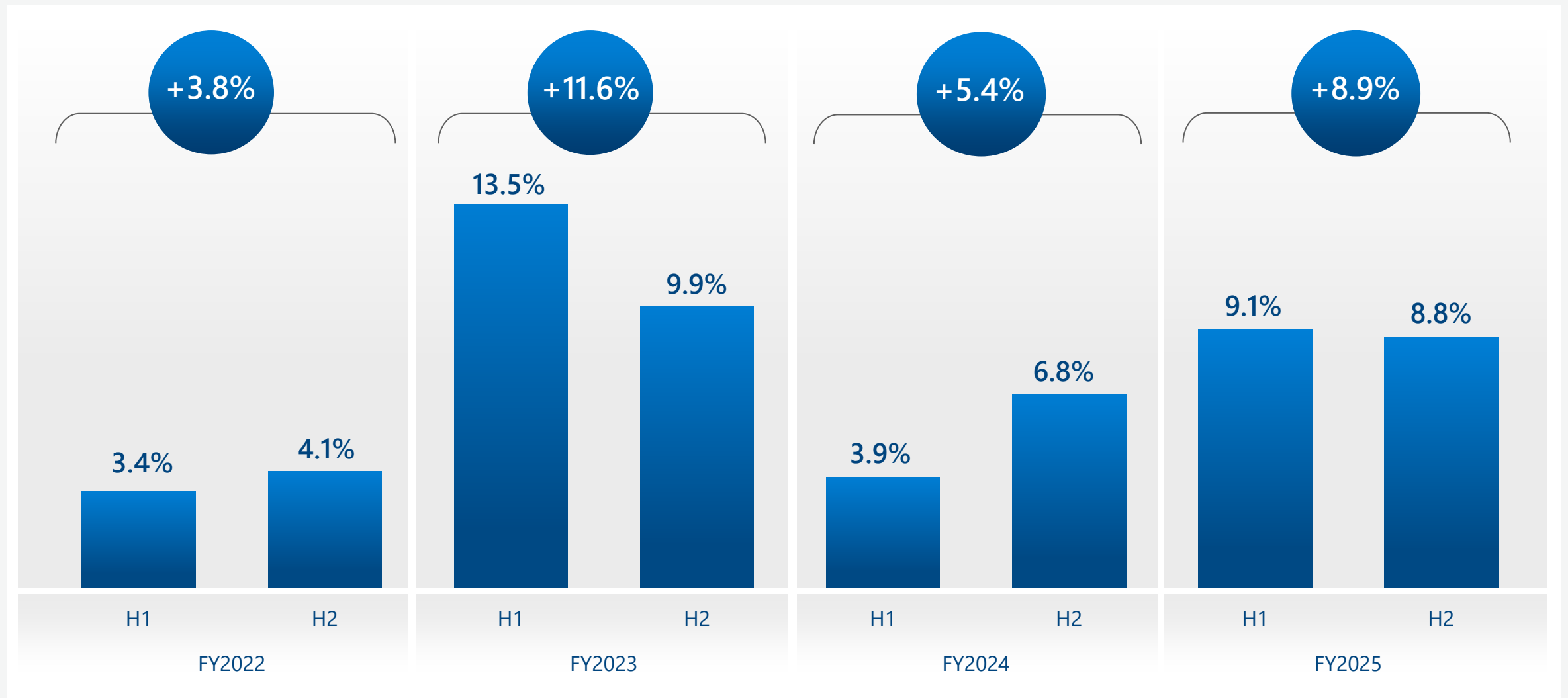
	FY2025	FY2024	Reported change	Organic ³ change
Group¹ (Headline²)				
Revenue	£3,336m	£3,132m	+6.5%	+8.9%
Operating profit	£580m	£526m	+10.3%	+13.1%
Operating profit margin	17.4%	16.8%	+60bps	+60bps
Basic EPS	121.2p	105.5p	+14.8%	
ROCE	18.1%	16.4%	+170bps	
Operating cash conversion	99%	97%	+2pps	
Dividend	46.0p	43.75p	+5.1%	
Continuing operations (Headline²)				
Revenue	£2,915m	£2,778m	+5.0%	+7.2%
Operating profit	£505m	£477m	+6.0%	+8.5%
Operating profit margin	17.3%	17.1%	+20bps	+20bps

Summary

- Strong revenue and operating profit growth
- Margin expansion at top end of guided range
- EPS growth enhanced by acquisitions and share buyback
- ROCE expansion driven by profit growth and efficient use of capital
- Strong cash conversion of 99%
- Dividend growth of +5.1%, alongside enhanced capital returns

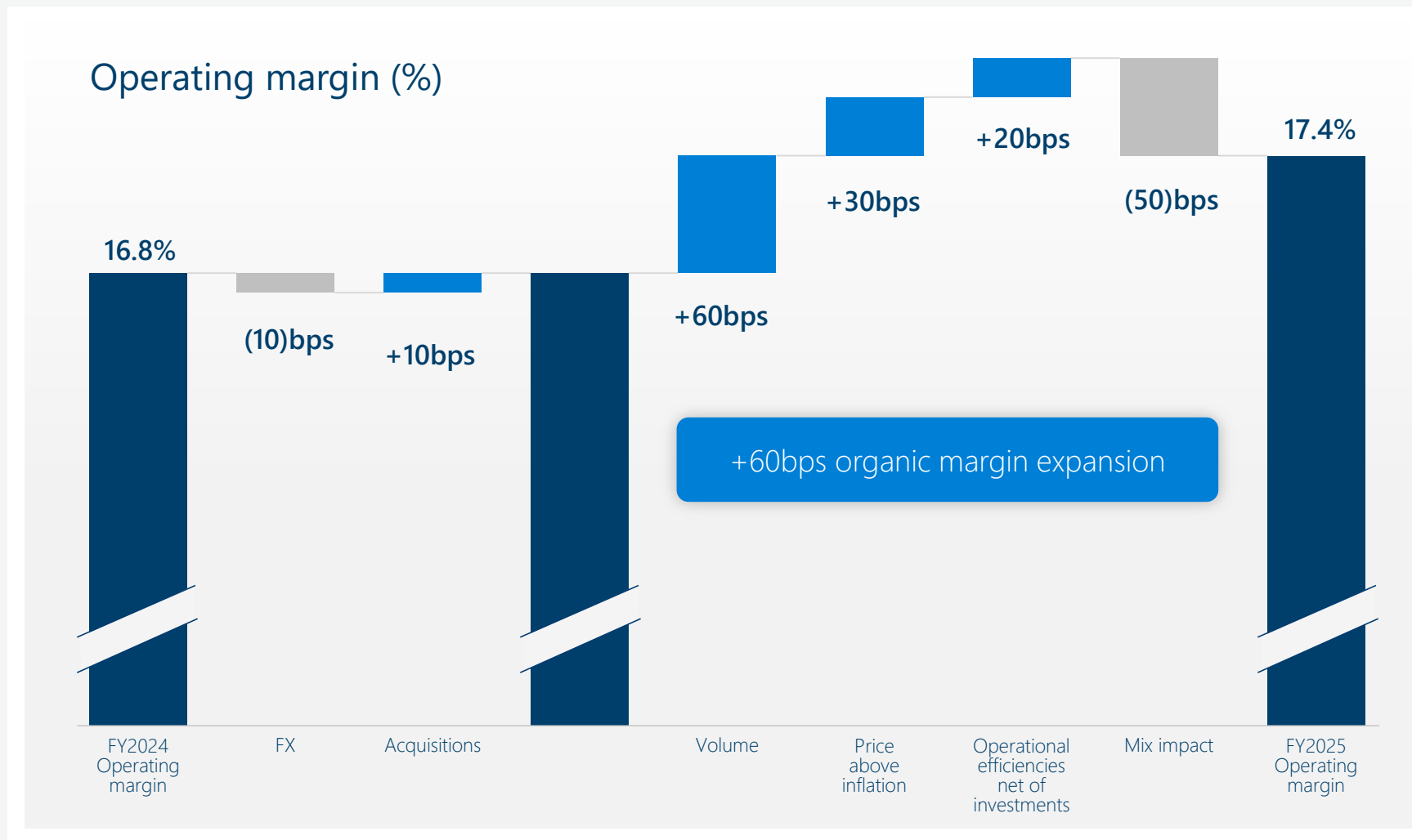
1. Group refers to Smiths Group including all four businesses; continuing operations refers to the combination of John Crane, Flex-Tek and Smiths Detection (i.e. excludes Smiths Interconnect) and Smiths refers to the combination of John Crane and Flex-Tek only
2. Headline excludes items defined in note 3 of the financial statements
3. Organic is headline adjusted to exclude the effects of foreign exchange and acquisitions

Extending track record of Group organic¹ revenue growth, averaging +7.4% over four years



1. Organic is headline adjusted to exclude the effects of foreign exchange and acquisitions

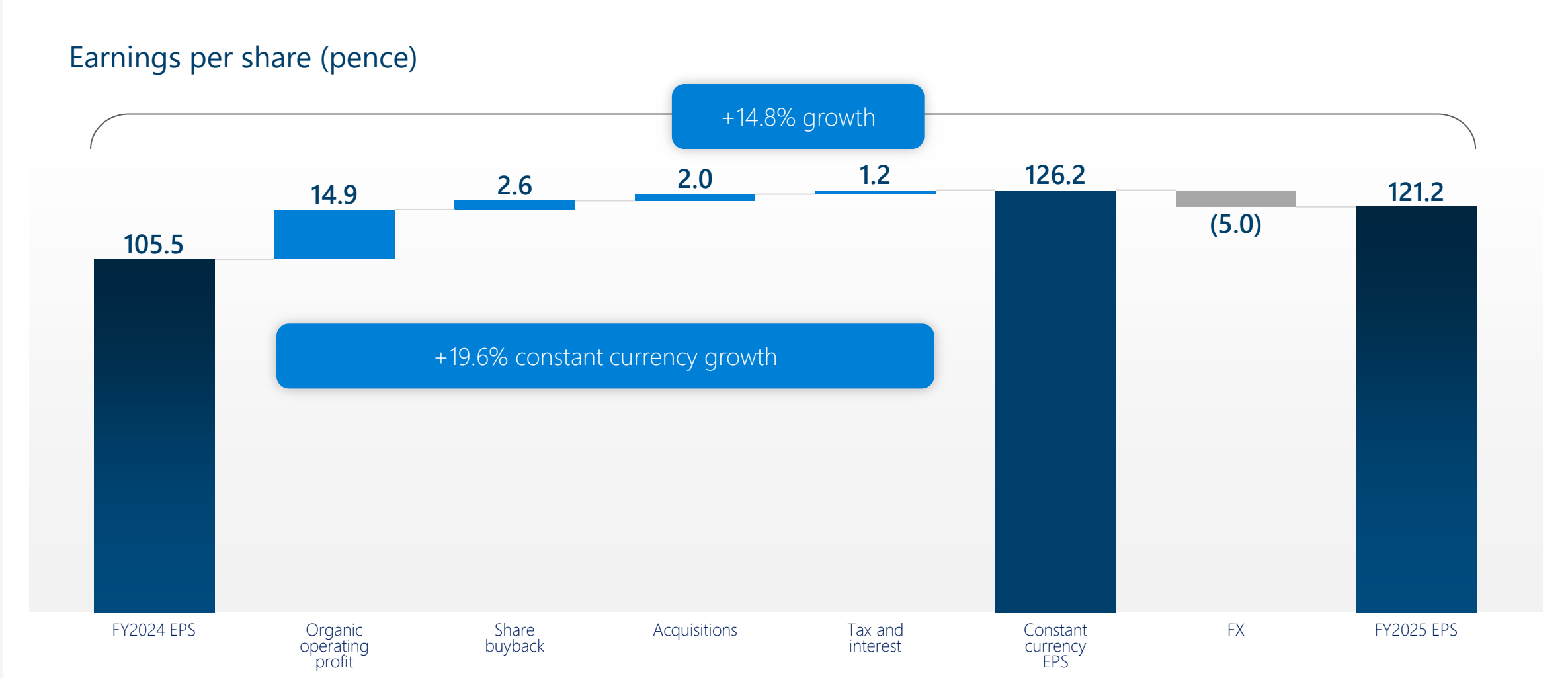
Continued operating margin expansion, at top end of guided range



Margin movements

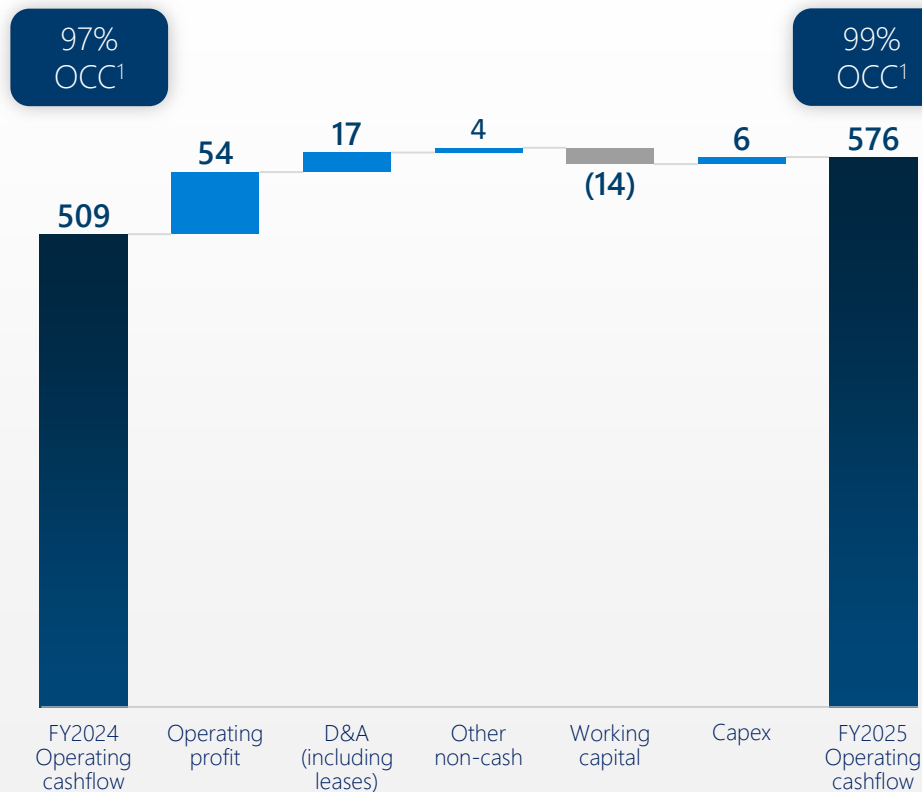
- Operating leverage
- Price in excess of inflation
- Smiths Excellence and other efficiency savings, partially reinvested in growth
- Impact from business and product mix

Strong EPS growth driven by operating performance



Strong operating cash conversion and free cashflow

Operating cashflow



Actuals	FY2025 £m	FY2024 £m
Operating profit	580	526
D&A	68	51
Lease depreciation	34	34
Other non-cash	25	21
Working capital	(51)	(37)
Capex	(80)	(86)
Operating cashflow	576	509

Summary

- 99% operating cash conversion
- Disciplined working capital management
- Capital expenditure of £80m
- £336m of free cashflow, 58% conversion

1. Operating cash conversion

Business Update

JOHN CRANE



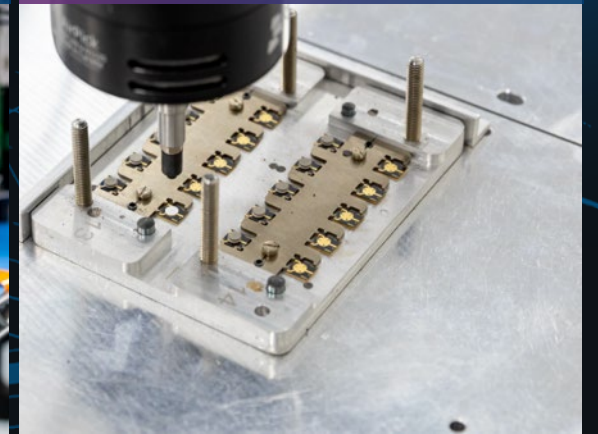
FLEX-TEK



SMITHS DETECTION



SMITHS INTERCONNECT



John Crane – H2 growth constrained by operational challenges; Q4 and order book support outlook

Revenue

£1,115m

+3.0%¹

Growth against a strong comparator, led by robust OE sales:

Energy
+1.4%:

- Original equipment: +2.3%
- Aftermarket: +1.2%

Industrial
+5.6%:

- Original equipment: +6.2%
- Aftermarket: 5.3%

Revenue breakdown

Aftermarket 71%

OE 29%

Energy 63%

Industrial 37%

Operating profit

£265m

+6.3%¹

Operating margin

23.8%

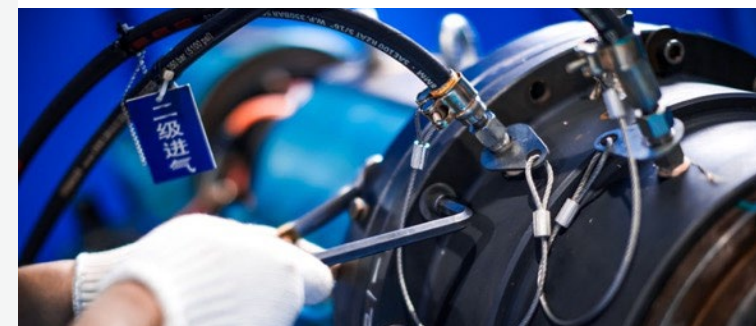
+80bps¹

Strong operating profit growth and margin expansion:

- Productivity and cost efficiency improvements
- Pricing actions
- Investment in capacity and automation to support growth

Business update

- Revenue growth in H2 constrained by operational challenges, exacerbated by cyber incident
- Sequential quarterly improvement from Q2, with Q4 growth of +3.9%
- H2 wins include a large-scale diamond coated seals project in Middle East and large reliability contract in pulp & paper in Asia
- Launched new Coaxial Separation Dry Gas Seal
- Healthy demand and strong order intake and order book supports improved FY2026 outlook



Mission-critical technologies and services for energy and process industries

1. Reflects organic revenue, organic operating profit growth and organic operating margin movement

Flex-Tek – solid growth despite challenging US construction market

Revenue

£837m

+4.4%¹

Growth above market in construction, and strong growth in aerospace.

Acquisitions added further +5.4% to growth:

- Industrial: +4.0%

- Aerospace: +6.3%

Revenue breakdown

Industrial 81%

Aero
19%

Construction: 62%

Operating profit

£164m

(1.6)%¹

Operating margin

19.5%

(120)bps¹

Margin performance reflects:

- Positive pricing and efficiency savings
- Accretive acquisitions, adding +20bps
- Mix impact
- Charge for a non-material balance sheet overstatement

Business update

- Outperformed US construction market and well positioned to benefit when market recovers
- Industrial electrical heat revenue flat, reflecting project phasing
- Integration of Modular Metal, Duc-Pac and Wattco proceeding to plan
- Launched Blue Series redesigned sealed metal duct system ([see it in Engineering Explained](#))
- Strong aerospace order book supports FY2026 growth



Innovation leader in the safe and efficient movement and temperature management of fluids

1. Reflects organic revenue, organic operating profit growth and organic operating margin movement

Smiths Detection – significant volume growth in aviation; continued margin expansion

Revenue

£963m

+15.2%¹

Strong growth led by aviation OE and aftermarket:

Aviation +23.4%:

- Original equipment: +27.8%
- Aftermarket: +19.6%

Other Detection Systems (ODS)² (3.3)%:

- Original equipment: (3.2)%
- Aftermarket: (3.4)%

Revenue breakdown

Aftermarket 51%

OE 49%

Aviation 74%

ODS 26%

Operating profit

£122m

+23.3%¹

Operating margin

12.7%

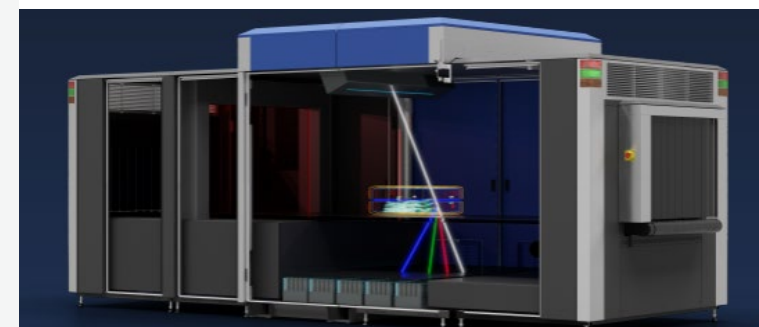
+80bps¹

Strong operating profit growth and consistent margin expansion reflecting:

- Operating leverage
- Positive mix effects
- Efficiency savings

Business update

- Aviation – now sold c.1,800 CTiX scanners with good win rate; FY2025 activity level to continue into FY2026, along with the aftermarket revenue stream
- ODS revenue returned to growth in H2, driven by ports & borders
- Strong order intake and multi-year order book supports growth into FY2026 and beyond
- First to receive certification for AI-based threat identification software ([see it in Engineering Explained](#))



Differentiated proprietary technologies for security screening and threat detection

1. Reflects organic revenue, organic operating profit growth and organic operating margin movement

2. Formerly 'Other Security Systems (OSS)'

Smiths Interconnect – above expected growth driven by innovation and execution

Revenue

£421m

+22.5%¹

Strong execution in positive market conditions, particularly in semi-test and aerospace & defence:

- Aerospace & Defence: +15.1%
- Industrial: +30.9%

Revenue breakdown

Aerospace &
Defence 50%

Industrial
50%

Semi-test: 28%

Operating profit

£75m

+57.2%¹

Operating margin

17.8%

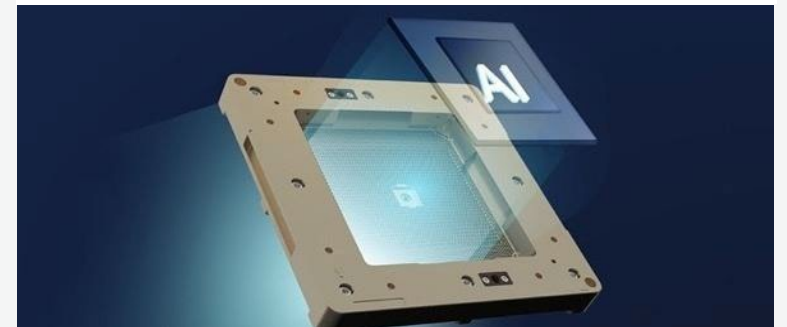
+390bps¹

Profit performance reflects:

- Notably higher year-on-year volumes
- Pricing actions offsetting inflation
- Positive mix effects
- Efficiency and automation benefits

Business update

- Above market growth in semi-test with key programme wins, particularly in AI
- Strong growth in A&D with high demand for interposer and optical transceiver products
- Semi-test DaVinci innovation externally recognised in industry awards
- FY2026 outlook supported by continued market growth and innovative products in semi-test and A&D
- Agreement to sell US sub-systems business unit



Leading provider of technically differentiated connectivity solutions

1. Reflects organic revenue, organic operating profit growth and organic operating margin movement

Disciplined use of capital

Our capital allocation framework

FY2025 highlights



Organic investment

- Capex £76m
- RD&E £143m¹



Value-accretive acquisitions

- £121m for acquisitions
- Three acquisitions in Flex-Tek in FY2025



Progressive dividend policy

- DPS +5.1%
- Dividend spend of £152m
- 74 consecutive years of dividend payments



Enhanced shareholder returns

- Completed £398m of £500m buyback²
- £1.7bn returned via dividends and buybacks² in last 4 years

**Strong
balance sheet**

**Net
debt/EBITDA
0.6x**

1. Including John Crane's customer-specific engineering-related projects

2. £41m of total £500m share buyback programme returned in FY2024, £308m returned in FY2025 and a further £49m in August and September 2025 up to 10 September

Clear capital allocation priorities with enhanced returns

Our capital allocation framework



Organic investment

- Ongoing capex to support growth and efficiency
- RD&E of 3-4% of sales



Value-accretive acquisitions

- Disciplined M&A focused on core and adjacencies
- Accelerate growth and create scale



Progressive dividend policy

- Continue progressive dividend policy
- Return large portion of disposal proceeds
- Return excess cash to shareholders



Enhanced shareholder returns

Strong and efficient balance sheet supporting growth

Investment grade rating

Continuing operations

- Organic revenue growth of 4-6%, noting strong Q1 comparator
- Continuing margin expansion
- Operating cash conversion of mid-nineties percent

JOHN CRANE

- Strong order book and book to bill
- Improved operational delivery

FLEX-TEK

- Continued subdued US construction market
- Strong aerospace order book

SMITHS DETECTION

- Strong order book supported by aviation upgrade programme, with more moderate growth

Tailwinds

- Continued strength in end markets – energy, aviation, aerospace
- Strong order book and book to bill
- New product launches

Headwinds

- Continued macro and geopolitical uncertainty
- Tariff uncertainty
- US construction market


Strategy Update

ROLAND CARTER

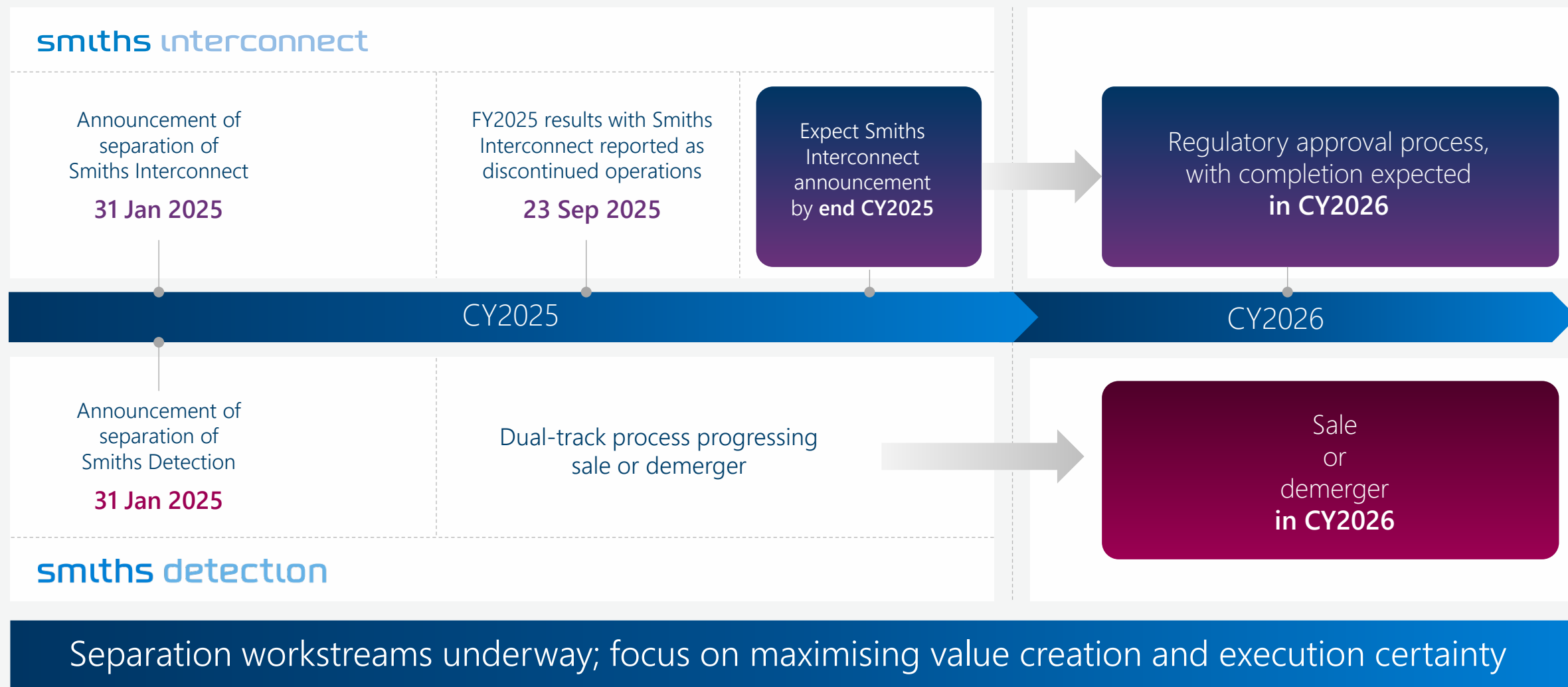
CHIEF EXECUTIVE OFFICER



Strategic actions to unlock significant value and enhance returns to shareholders

- 
- Progressing separation processes
 - Delivering above market growth
 - Driving margin expansion
 - Leveraging our strong foundations

Progressing separation of Smiths Interconnect and Smiths Detection, with pace and purpose



Smiths - a focused high-performance industrial engineering company

VALUE CREATING STRATEGY



Focused industrial engineering company

Specialising in high-performance technologies in flow management and thermal solutions



Clear competitive advantage

Leading brands, capabilities, resources and assets



Innovation and new products

Product development and commercialisation to meet evolving customer needs



Valued customer relationships

Customised products and solutions: >70% aftermarket, recurring or repeatable revenue



High-performing culture

Centred on safety, values, innovation and excellence



Strong financial profile

Sustainable growth, high returns and strong cash generation with clear capital allocation principles



Attractive expansion opportunities

Organic and inorganic

FY2025 revenue
£1,952m

FY2025 headline operating profit
£383m

FY2025 headline margin
19.6%

FY2025 ROCE
22.8%

FY2025 RD&E % sales
3.2%¹

1. RD&E includes customer-specific engineering

BUSINESSES

John Crane **57%**

Flex-Tek **43%**

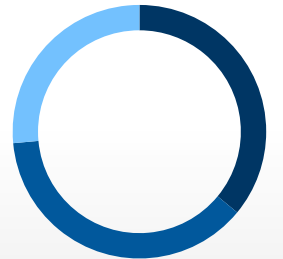


END MARKETS

Energy **36%**

Industrial **38%**

Construction **26%**



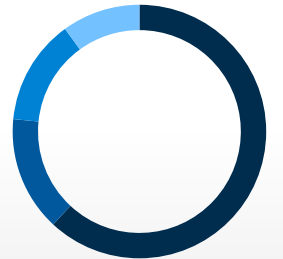
GEOGRAPHY

Americas **62%**

Europe **15%**

APAC **13%**

RoW **10%**



Leading positions in attractive, large and structurally growing end markets

	Energy	Industrial	Construction
End market CAGR ¹	~4-5%	~4-5%	~4-5%
Smiths key sub-segments CAGR 2025-35 ¹	~5% Mechanical seals	~7% Industrial electric process heaters ~5% Mechanical seals and filters ~4% Aerospace components	~5% US residential and light commercial HVAC
Underlying drivers	<ul style="list-style-type: none">- Demand for energy security and efficiency- Continuing demand for traditional energy, alongside higher growth for new energy	<ul style="list-style-type: none">- Demand for process efficiency- New commercial and military aircraft build programmes- Investment into industrial process heat electrification	<ul style="list-style-type: none">- US housing inventory deficit- Demand for efficient thermal solutions

Underpinned by structural megatrends



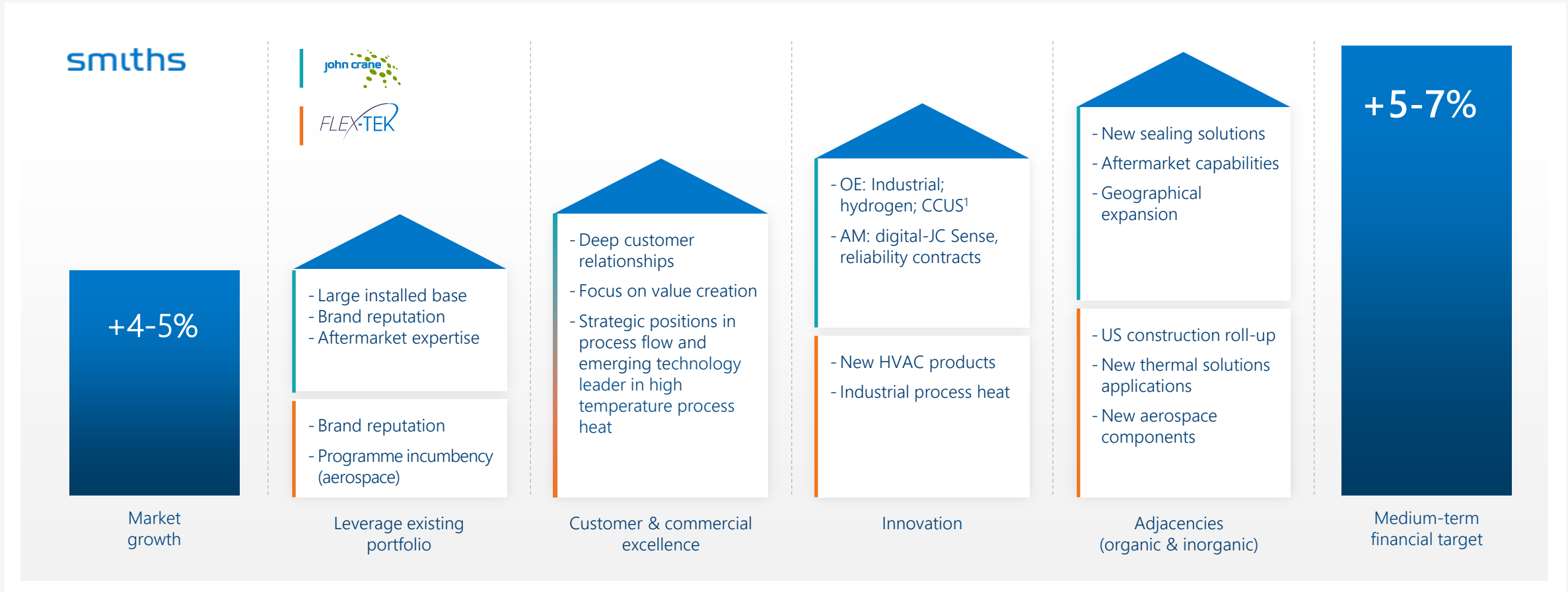
Energy security and efficiency



Productivity and sustainability

1. Source: McKinsey, weighted average market growth rate 2025-2035

Above market growth over the medium term, underpinned by significant recurring revenue



>70% aftermarket, recurring or repeatable revenue

1. Carbon capture, utilisation and storage

Flex-Tek – delivered above-market growth in FY2025

Leverage existing portfolio

- Increased sales of flexible ducting through widened distribution channels

Customer and commercial excellence

- Increased demand for heat kits with key customer

Innovation

- Launched new Blue Series redesigned sealed metal duct system
- Tailored electric heaters for ultra-low carbon emissions electro-fuel project

Adjacencies – organic/inorganic

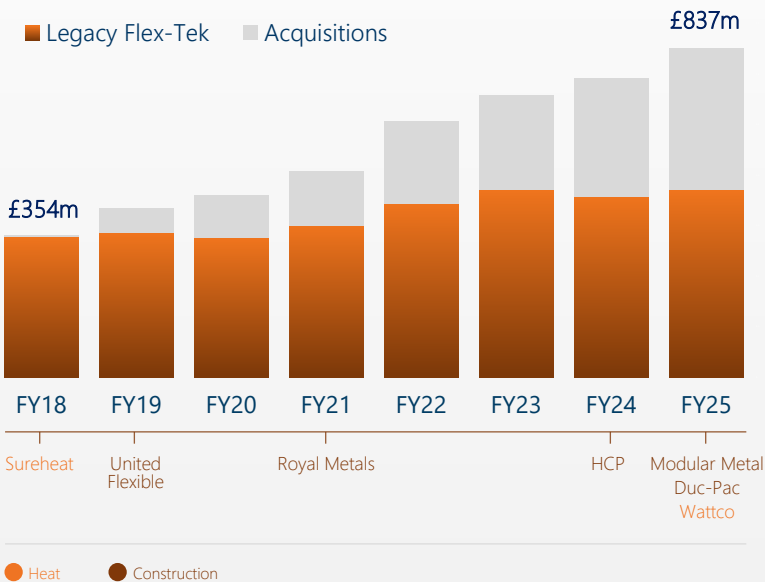
- Acquisition of metal ducting businesses widens geographic market for flexible ducting products



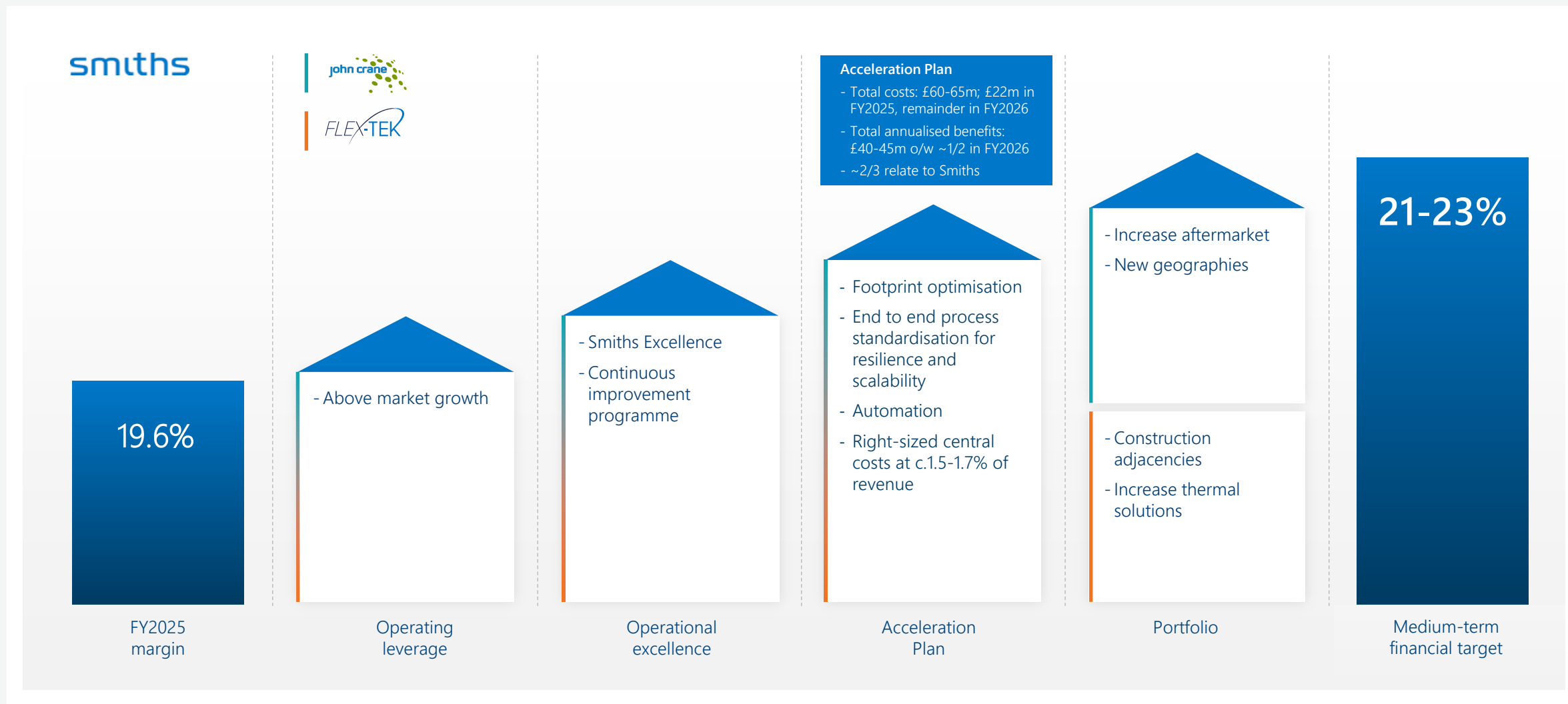
Acquisitions compounding revenue growth

- Three acquisitions in FY2025 at ~25% operating profit margin
- Broadening geographic spread and expanding heat capabilities

13.1%
CAGR



Driving margins towards our medium-term target range



John Crane - operational excellence initiatives underpin organic revenue growth and margin expansion

Operational excellence

- Investing in automation and machining
- Standardising and automating technical applications and drawing creation
- Optimising global supply chain

Acceleration Plan

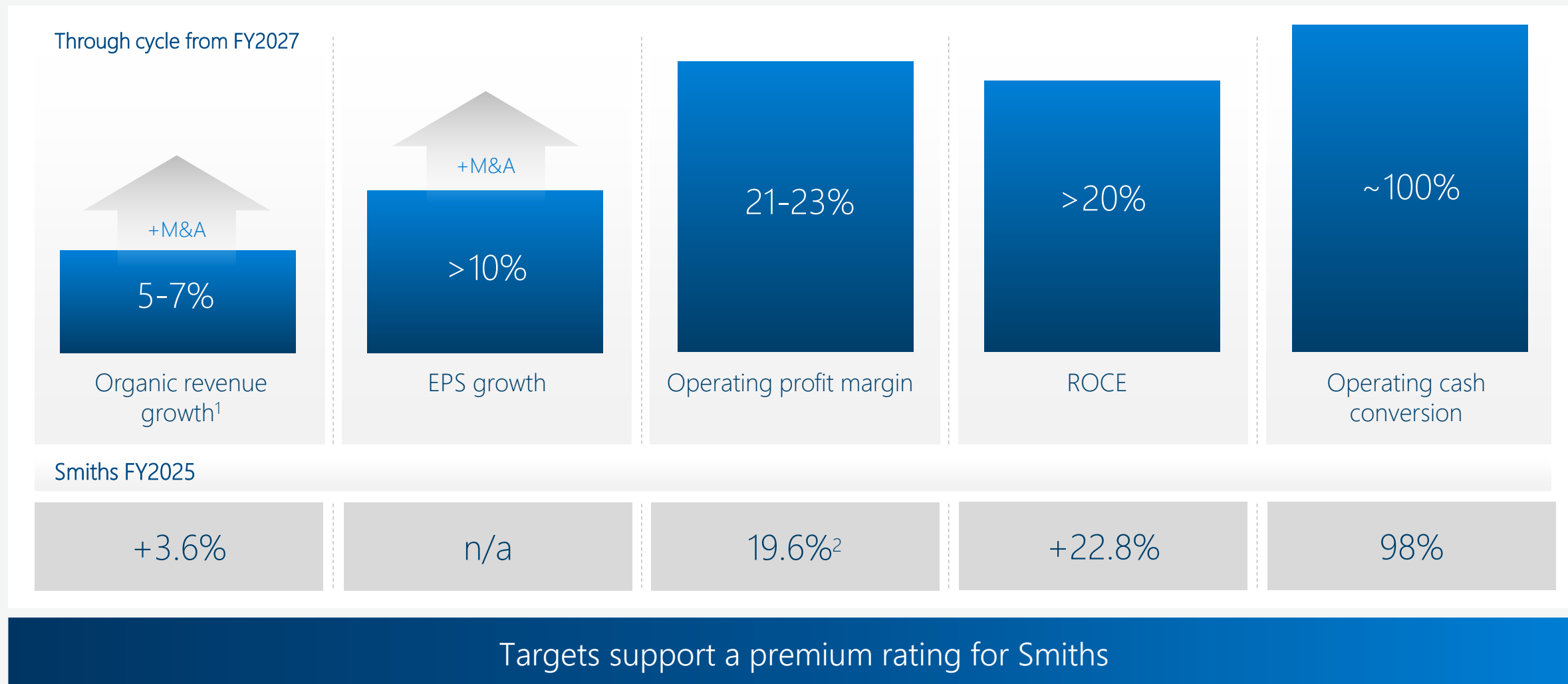
- Optimising global footprint
- Centralising transactional procurement and finance

- Improved quality and customer satisfaction
- More streamlined and resilient supply chain, reducing risk and improving lead times
- Increased availability, resulting in reduced lead times
- Increased agility and flexibility to scale with market
- Enhanced value add and pricing
- Improved cost competitiveness

**Enhanced
operating
leverage to
drive growth
and margin
expansion**



Enhanced medium-term targets – reflecting further growth and higher return profile



Through-cycle medium-term targets apply to Smiths (ie combination of John Crane and Flex-Tek) | 1. Organic revenue growth excludes the effects of foreign exchange and acquisitions | 2. Including FY2025 central costs of £46m

Enduring foundations underpin our success

 Our purpose	<ul style="list-style-type: none"> - Pioneers of progress - Engineering a better future: we drive efficiency for customers in mission-critical situations
 Our people and culture	<ul style="list-style-type: none"> - Continue to invest in, empower and support our teams
 Our values	<ul style="list-style-type: none"> - Focused on integrity, respect, excellence and customer focus
 Our commitment to operational excellence	<ul style="list-style-type: none"> - Recordable incident rate lowest in 3 years at 0.28 - >9,000 employees completed Smiths Excellence Fundamentals training
 Our support for our communities	<ul style="list-style-type: none"> - Smiths Group Foundation – awarded £1.675m to 19 charities in 11 countries
 Our approach to sustainability	<ul style="list-style-type: none"> - Double materiality assessment supports our framework - Notable progress in emissions reduction, energy efficiency and responsible sourcing



SMITHS GROUP
FOUNDATION
CONTRIBUTING TO OUR COMMUNITIES

£1.675m funded to date

Grants made to 19 different charities across 11 countries worldwide

CDP B



ISS ESG

G: 1; E: 2; S: 2

MSCI AA

FTSE4Good

SUSTAINALYTICS 25

Well positioned to deliver superior value over the medium and long term



Leveraging our strong foundations to drive long-term success

smiths

Q&A



Appendix



Continuing operations FY2026 guidance

Currency	Revenue exposure (Continued operations)	FY2025 average rate	FY2024 average rate	% change
USD	51%	1.30	1.26	+3.2%
EUR	14%	1.19	1.17	+1.8%

Translation impact	FY2025
Revenue	£(108)m or (3.8)%
Operating profit	£(22)m or (4.8)%

Financial guidance	FY2026
Effective tax rate	25.0%
Pension contributions	~£17m
Net finance expense	~£40-45m

Acquisition	TTM revenue ¹	FY2025 revenue contribution
Modular Metal Fabricators	£23m	£18m
Wattco	£18m	£12m
Duc-Pac	£15m	£6m

- Expect FX headwind of ~3% on FY26 revenue and ~3% on operating profit²
- For each \$0.10 move, the annual operating profit impact is ~£24m
- For each €0.10 move, the annual operating profit impact is ~£2m

FY2026 outlook relates to continuing operations, excluding Smiths Interconnect | 1. TTM to 31 July 2025 | 2. Assuming FX rates as of end August 2025

Bridge – reported to organic

£m - Smiths Group	FY2024 Headline ¹	Foreign exchange	FY2024 Organic ²	Organic movement ²	Acquisitions	FY2025 Headline ¹
John Crane	1,133	(50)	1,083	32	-	1,115
Flex-Tek	786	(24)	762	34	41	837
Smiths Detection	859	(23)	836	127	-	963
Continuing operations	2,778	(97)	2,681	193	41	2,915
Smiths Interconnect	354	(11)	343	78	-	421
Group headline revenue	3,132	(108)	3,024	271	41	3,336
John Crane	263	(13)	250	15	-	265
Flex-Tek	161	(5)	156	(2)	10	164
Smiths Detection	102	(3)	99	23	-	122
Central costs	(49)	0	(49)	3	-	(46)
Continuing operations	477	(21)	456	39	10	505
Smiths Interconnect	49	(1)	48	27	-	75
Group headline operating profit	526	(22)	504	66	10	580
John Crane	23.2%		23.0%			23.8%
Flex-Tek	20.5%		20.5%			19.5%
Smiths Detection	11.9%		11.9%			12.7%
Continuing operations	17.1%		17.0%			17.3%
Smiths Interconnect	13.9%		13.9%			17.8%
Group headline operating margin	16.8%		16.7%			17.4%

1. Headline excludes non-headline items as defined in note 3 of the financial statements | 2. Organic excludes the effects of foreign exchange and acquisitions







Group income statement

£m	FY2025	FY2024	Reported change
Revenue	3,336	3,132	+6.5%
Group headline ¹ operating profit	580	526	+10.3%
Amortisation of acquisition related intangible assets	(52)	(49)	
Legacy pension scheme arrangements	(4)	(10)	
Non-headline litigation provision movements	16	(21)	
Restructuring costs	(22)	-	
Separation costs	(18)	-	
Impairments	(45)	-	
Other non-headline charges	(10)	(31)	
Total non-headline items	(135)	(111)	
Group operating profit on a "statutory" basis	445	415	+7.2%

- Acceleration Plan costs of £22m
- Separation costs of £18m
- Impairments relate to:
 - £15m non-material balance sheet overstatement in Flex-Tek
 - £30m impairment from agreement to sell Smiths Interconnect's US sub-systems business unit

Group refers to Smiths Group including all four businesses | 1. Headline excludes non-headline items as defined in note 3 of the financial statements

Delivering results in sustainability

	FY2025	FY2025-2027 target	UN Sustainable Development Goals (SDGs)
> LINKED TO REMUNERATION			
Energy reduction ¹	3.5%	2% in FY2025	 7 AFFORDABLE AND CLEAN ENERGY
Scope 1 & 2 GHG ² emissions reductions ³	9.7%	17.5% reduction	 13 CLIMATE ACTION
> OTHER			
Supplier spend on Ecovadis	28%	40%	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Proportion of electricity from renewable sources	74% 1% increase	80% decrease	 7 AFFORDABLE AND CLEAN ENERGY
Normalised non-recyclable waste ⁴	6% reduction	5% reduction	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Normalised water use in stressed areas ^{4,5}	1% reduction	5% reduction	 6 CLEAN WATER AND SANITATION

1. Energy reduction target is expressed as MWh energy consumed (excluding renewable electricity produced and consumed onsite), compared to a revenue-adjusted MWh baseline (excluding price growth within the measurement year). Excludes acquisitions of Wattco, Modular Metal and Duc-Pac
2. Scope 1, 2 and 3 GHG emissions calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol
3. Excluding acquisitions of Wattco, Modular Metal and Duc-Pac
4. Normalised to reported revenue
5. Across 10 identified water stressed areas

ENVIRONMENTAL GOALS	
NET ZERO	
2040	Scope 1 and 2 GHG ² emissions
2050	Scope 3 GHG ² emissions

