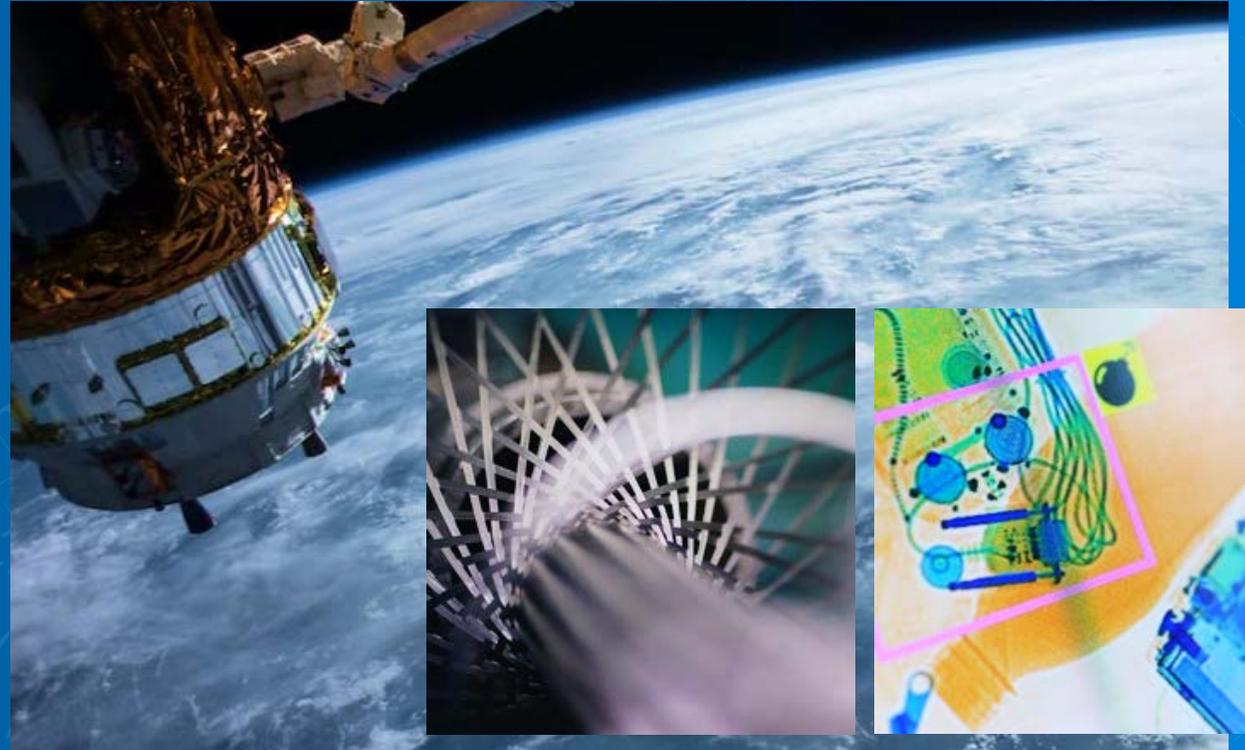


smiths

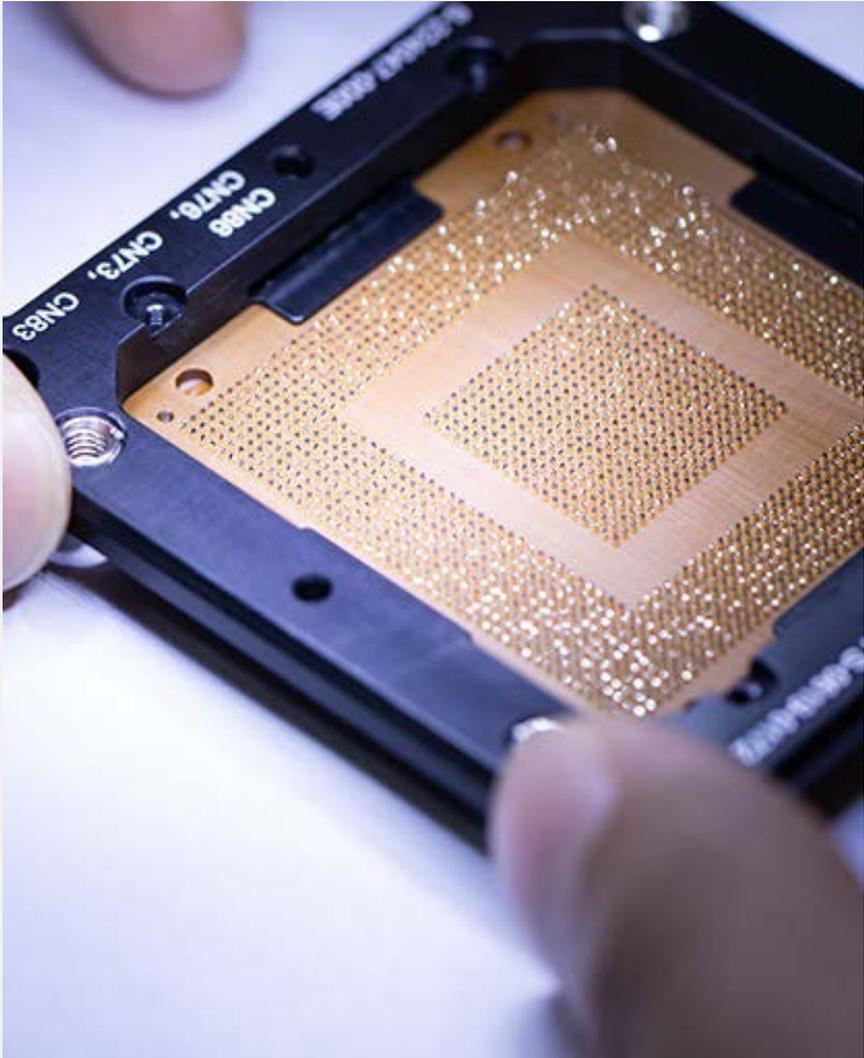
PIONEERS OF PROGRESS

Smiths Group plc
Capital Markets Event
10 November 2022

IMPROVING OUR WORLD
THROUGH SMARTER
ENGINEERING



Agenda



Progress towards our near, medium, and longer-term commitments
Paul Keel, Chief Executive Officer

Divisional deep dives Pat McCaffrey, President Flex-Tek
Julian Fagge, President Smiths Interconnect

Sustainability at Smiths
John Ostergren, Chief Sustainability Officer

Financial progress
Clare Scherrer, Chief Financial Officer

Q&A – webcast live at 16.00 GMT, 10 November
Technology expo – live with digital modules available on-line

Progress towards our near, medium, and longer-term commitments

Chief Executive Officer

Paul Keel



Opening Thoughts

Our value creation thesis is unchanged:

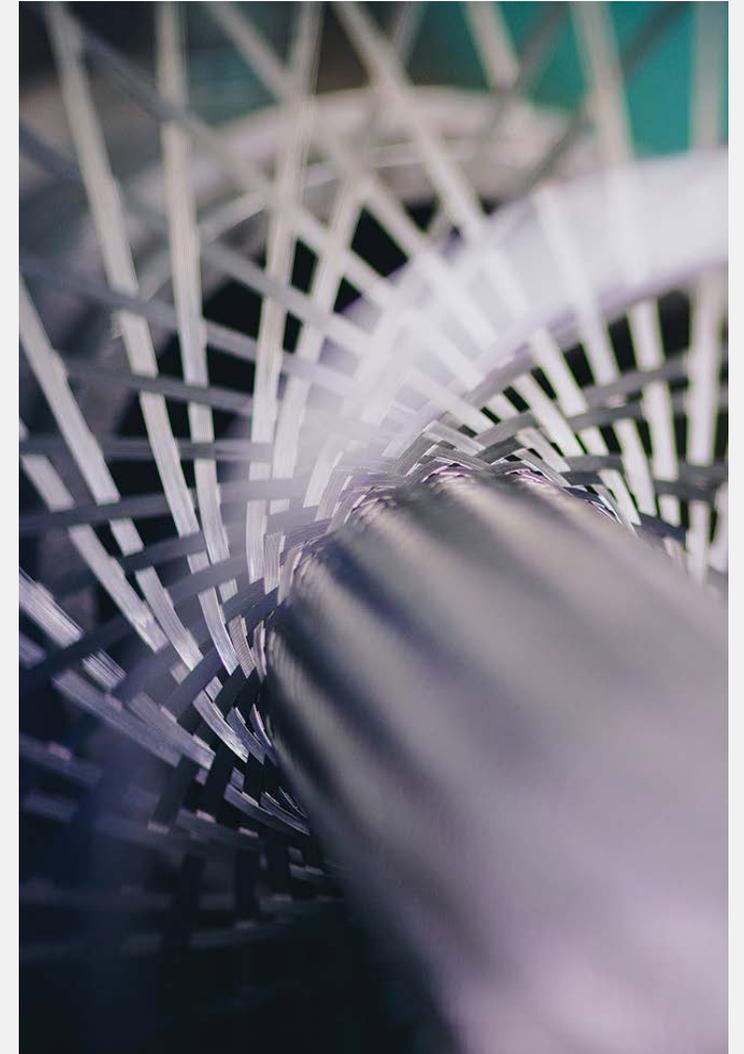
- Smiths is an intrinsically strong company capable of more
- Higher performance creates greater value for all stakeholders
- There is clear evidence of progress already, with further potential to come

Our momentum and improving execution will drive further gains in FY23, even with an uncertain macro outlook.

- With six straight quarters of accelerating growth, we carry good momentum
- Initiatives underway deliver earnings leverage and de-risk uncertainty

Our balanced portfolio supports delivery of our medium-term commitments

Our fundamental strengths and participation in secular megatrends support achievement of our long-term potential



Smiths Value Engine

OUR PURPOSE



PIONEERS OF PROGRESS

Improving our world through smarter engineering

OUR STRENGTHS



World-Class Engineering



Leading Positions in Critical Markets



Global Capabilities



Robust Financial Framework

OUR PRIORITIES



Growth

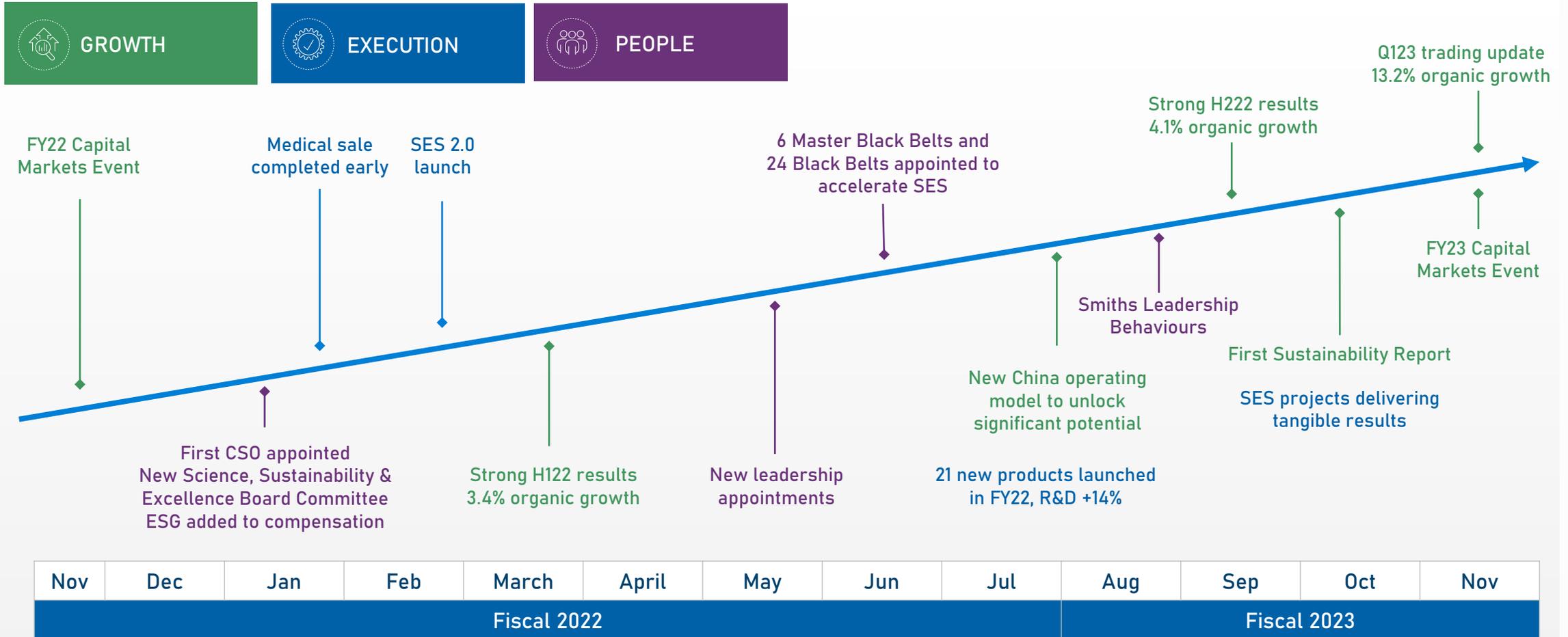


Execution



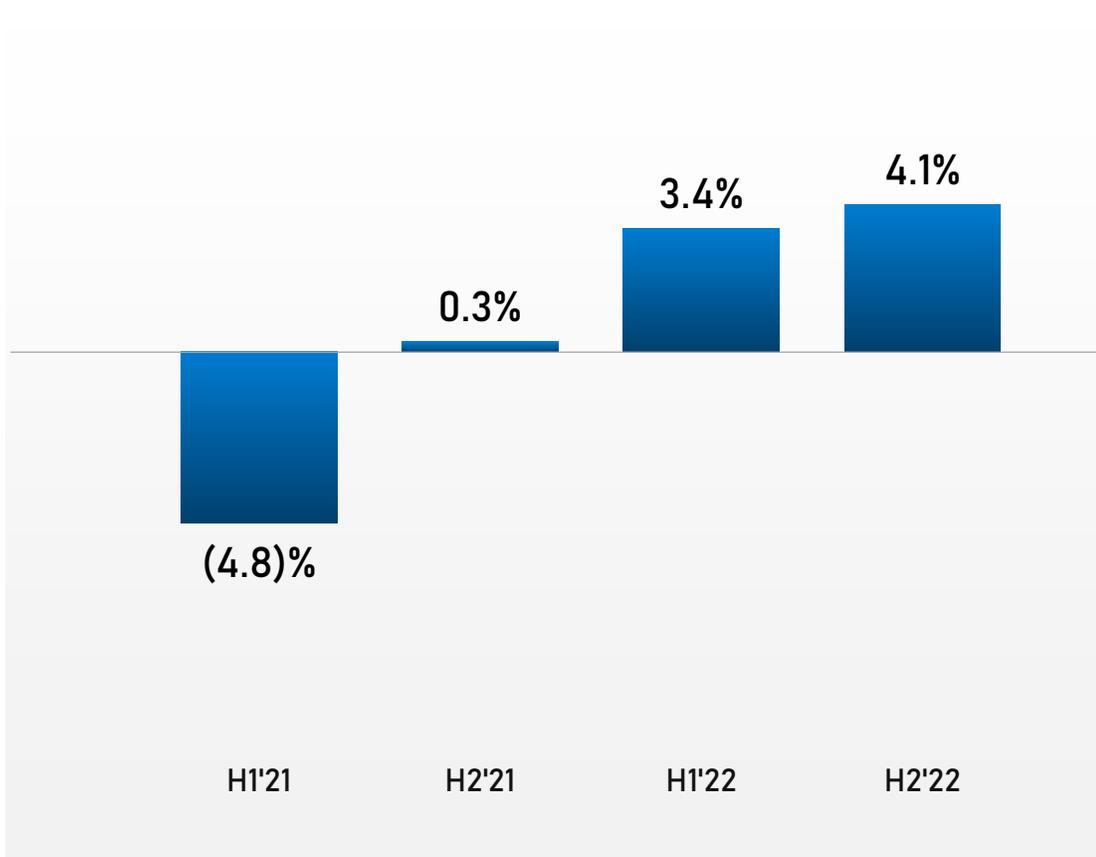
People

Progress since our last Capital Markets Event

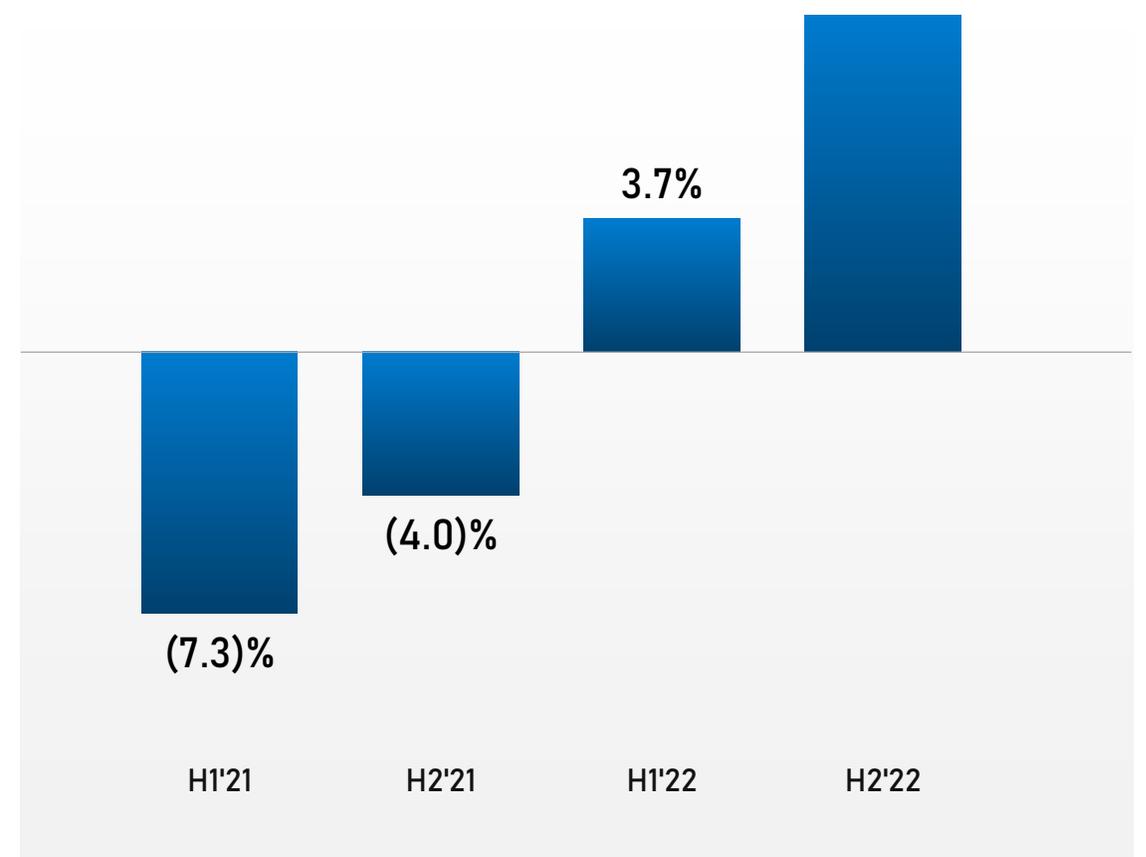


Accelerating Growth

Organic¹ revenue growth



Reported revenue growth



Agenda



**Continued momentum
in the near term**



**Delivery of medium-
term commitments**



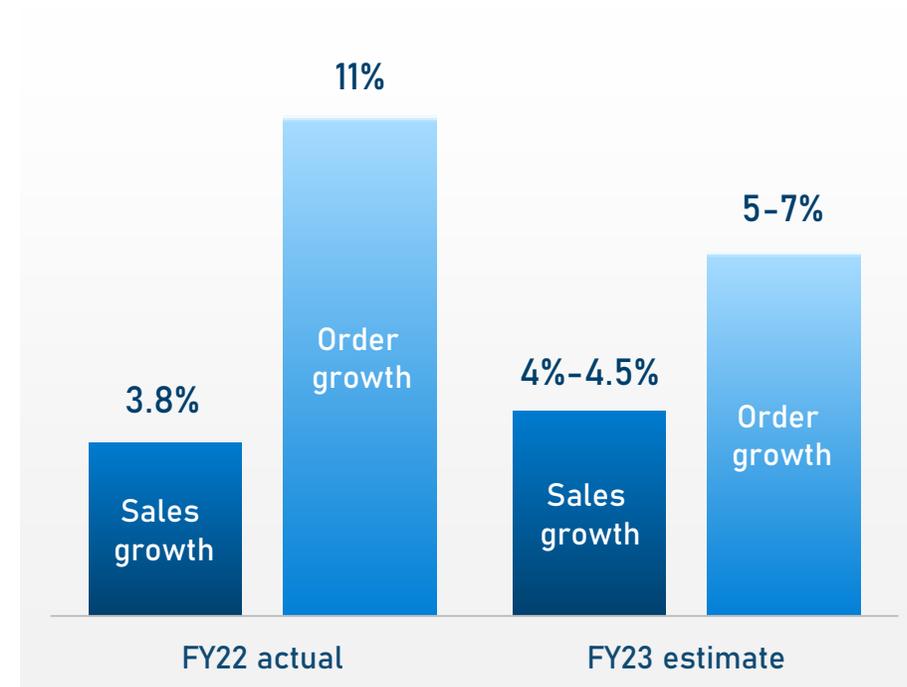
**Reaching our long-term
potential**

Strong Momentum

End market growth

Smiths business	FY22 Growth	Business FY23 outlook vs. FY22	Primary end markets	End market FY23 outlook
 John crane	3.7%	Accelerating growth	<ul style="list-style-type: none"> ▪ Energy ▪ Industrial 	++
smiths detection	(9.4)%	Return to growth	<ul style="list-style-type: none"> • Aviation • Other Security 	++
 FLEX-TEK	16.1%	Growth (below FY22 record levels)	<ul style="list-style-type: none"> ▪ Industrial ▪ Aerospace 	+
smiths interconnect	13.9%	Growth (below FY22 record levels)	<ul style="list-style-type: none"> • Industrial • Security • Aerospace 	+

Smiths organic sales growth vs. order growth



Strong demand continues in most end markets; FY23 growth will accelerate further from strong FY22

Order growth continues, still above accelerating revenue growth

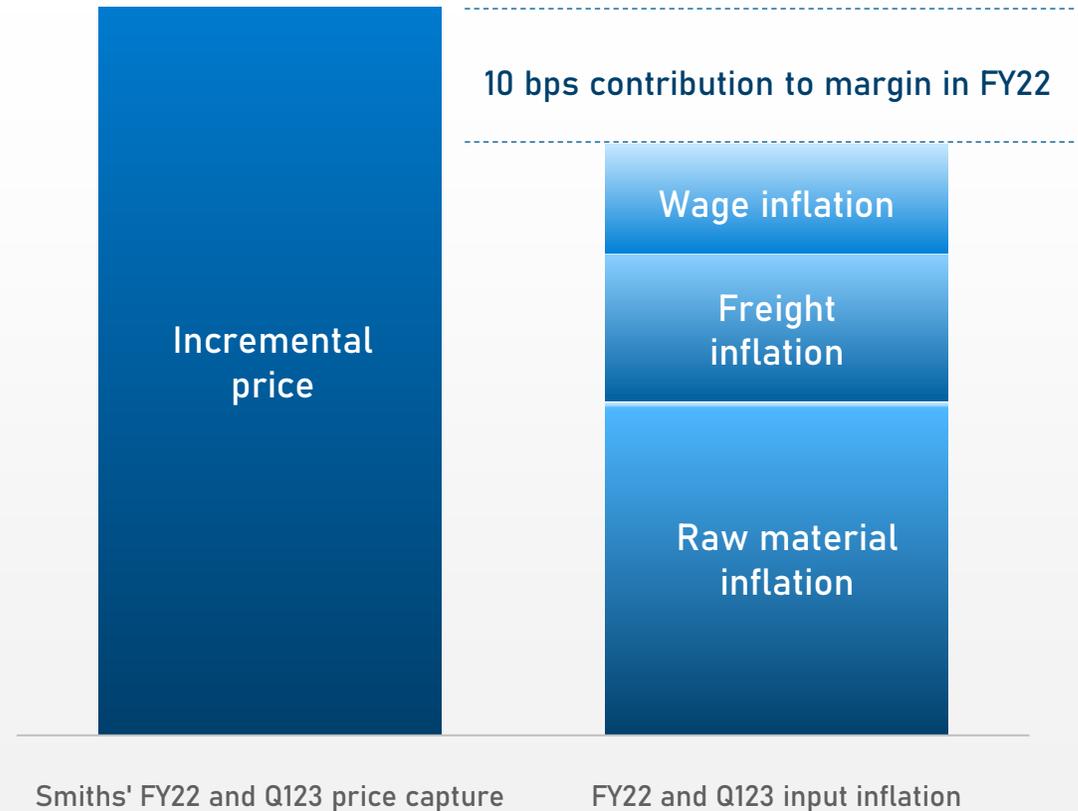
Smiths Group high-value model supports accretive price capture

R&D as % sales

Quartile	R&D % Sales
Smiths	4.2%
Top quartile	4%-6.5%
2 nd quartile	2.5%-3.5%
Median	2.5%
3 rd quartile	1% -2.5%
Bottom quartile	0-1%



Smiths price vs. input inflation



Smiths Detection's return to growth has a positive impact for Smiths Group

Drivers of Smiths Detection growth



3 of 4 of Smiths Detection's segments delivered revenue growth in FY22



A number of large tender wins in aviation, urban security, ports & borders and defence

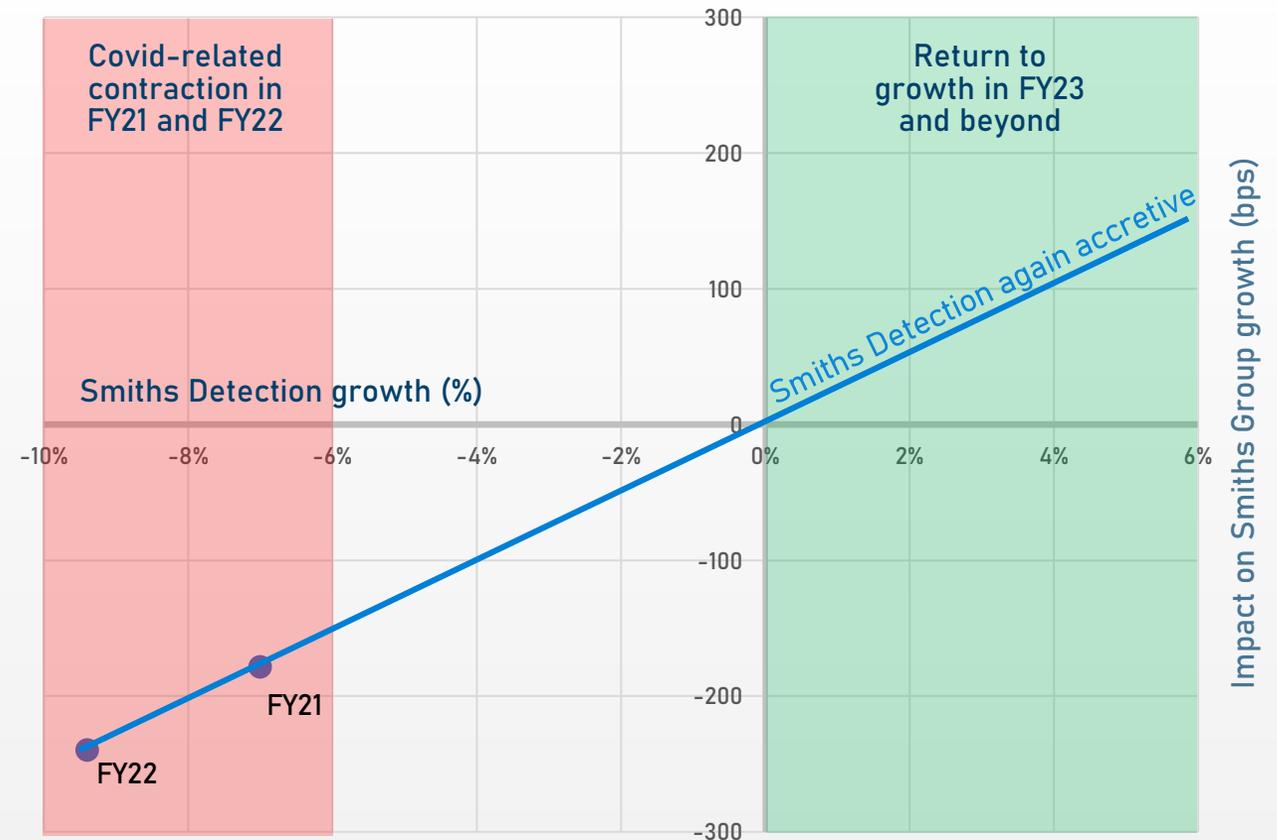


4 of 4 segments delivered order growth in FY22



Strong Q1, highly accretive to Smiths Group

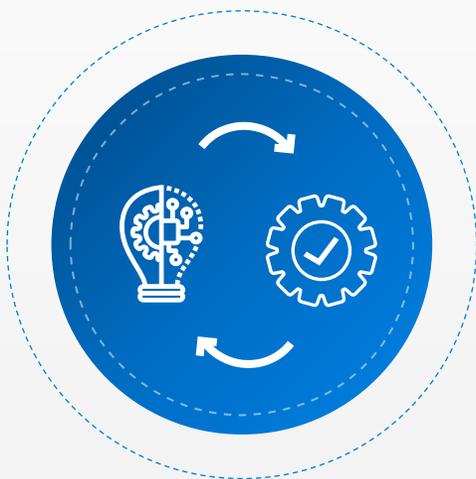
Impact of Smiths Detection growth (%) on Smiths Group growth (bps)



SES, restructuring, and supply chain actions will deliver earnings leverage and de-risk uncertainty

SES

- SES is central to how we solve problems and deliver results
- Full-time team including 6 Master Black Belts and 24 Black Belts
- Brought the SES Academy in house to amplify impact
- 29 Black Belt projects underway



In FY23, SES will deliver:

- ~£20m in operating profit
 - Growth
 - Productivity
- ~£20m in operating cash

Additional operating excellence



- Expanding presence in priority markets; continue to manage price and supply chain



- Optimising manufacturing footprint to better respond to customer demand



- Streamline end-to-end value chain; improve supply efficiency and enhance customer service to convert orders to revenue



- Reduce overhead costs to address contraction in FY22 and to amplify operating leverage with return to growth in FY23



- Non-headline charge of £35-40m
- Annualised benefit of £25-30m
- ~50% captured in FY23

Maintaining FY23 guidance

FY23 summary

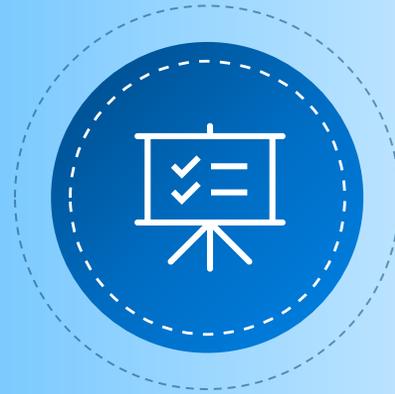
- Strong demand in most end markets, with order growth above accelerating sales levels
- Our high-value business model enabling price capture in excess of input cost inflation
- Smiths Detection back in growth
- SES and other initiatives delivering enhanced operating leverage and de-risking macro uncertainty
- Strong start in Q1

Expect to deliver
4.0-4.5% organic
revenue growth with
moderate margin
improvement in
FY2023

Agenda



Continued momentum
in the near term



Delivery of medium-
term commitments



Reaching our long-term
potential

Industrial technology group with multi-dimensional resilience and growth potential



Balanced portfolio and end market exposure

- Leading positions in long-term, attractive growth markets
- Geographic diversity across both developed and developing markets
- Attractive mix of OE and recurring after-market sales



Focused industrial technology portfolio with similar operating models and shared fundamentals

- New products and differentiated technology drives competitive advantage
- SES as common approach for innovation, execution and continuous improvement
- Shared fundamentals - common purpose, strengths and priorities



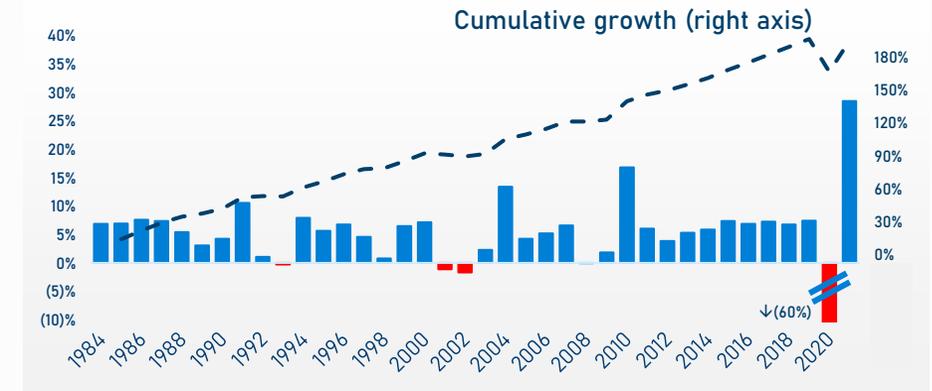
Financial stability

- Strong balance sheet
- High margins, ROCE and cash generation
- Accelerating growth

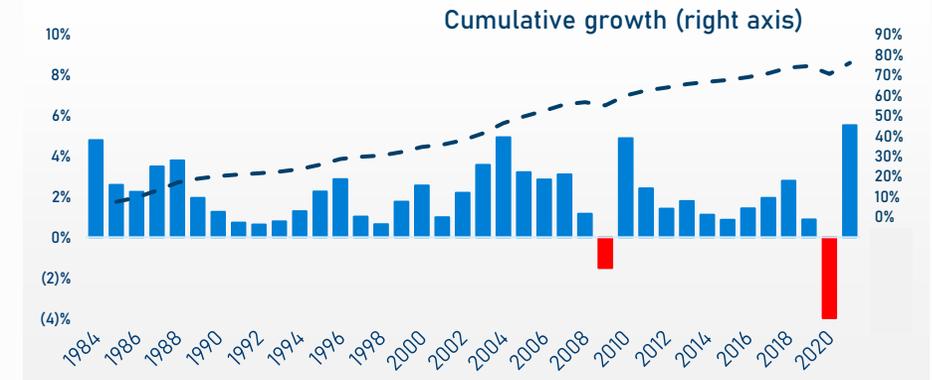
Our markets are attractive – both resilient and expanding

Customer end market	% Smiths FY22 sales	Medium term market outlook
General Industrial	42%	<ul style="list-style-type: none"> Strong demand continues in most end markets
Semiconductor	<3%	<ul style="list-style-type: none"> Double digit growth in FY22 and Q1 FY23 Cognisant of softening macro forecasts, we expect growth to moderate in FY23 but remain positive
Construction	<17%	
Safety & Security	31%	<ul style="list-style-type: none"> Aviation security market is returning to growth after unprecedented COVID shock Other security markets returned to growth in FY22 Sustained passenger volume growth provides long-term support
Energy	21%	<ul style="list-style-type: none"> Energy markets strong, buoyed by rising prices, post-covid demand, and Ukraine invasion Global energy demand has declined only twice in the past 40 years¹
Aerospace	6%	<ul style="list-style-type: none"> Aircraft, space, and defence all growing Global aircraft orders expected to grow ~6% per annum over the next five years³

Global aviation passenger volume¹ (annual change)

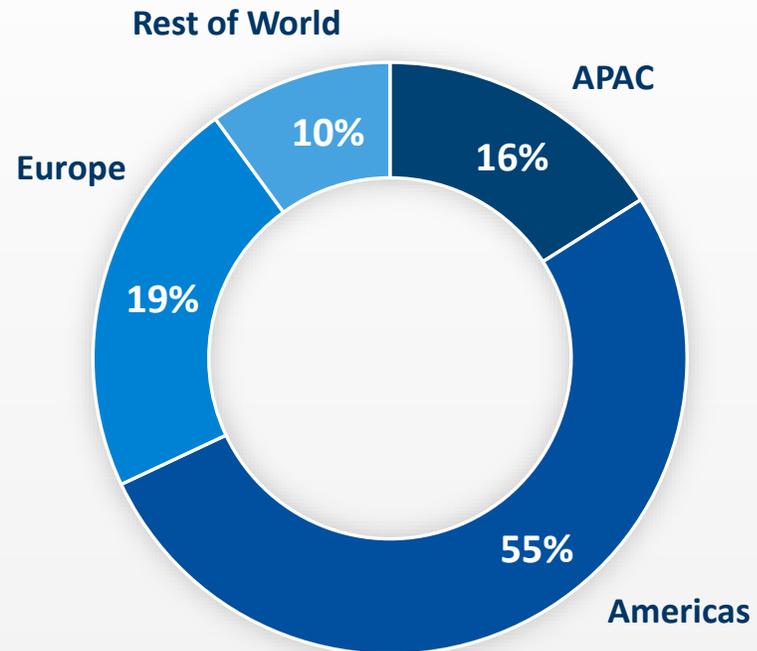


Global energy demand² (annual change)



Portfolio balanced geographically

FY22 Smiths revenue by geography



Worldwide capabilities to serve global customer



Localised supply chains

- Sourcing, manufacture and delivery typically in same region
- Shorter cycle times, reduces raw transportation, currency and tariff risk



Balanced positions across the US and Europe

- 47% sales in the US, 19% in Europe
- H2 2022 translation benefit of 530 bps

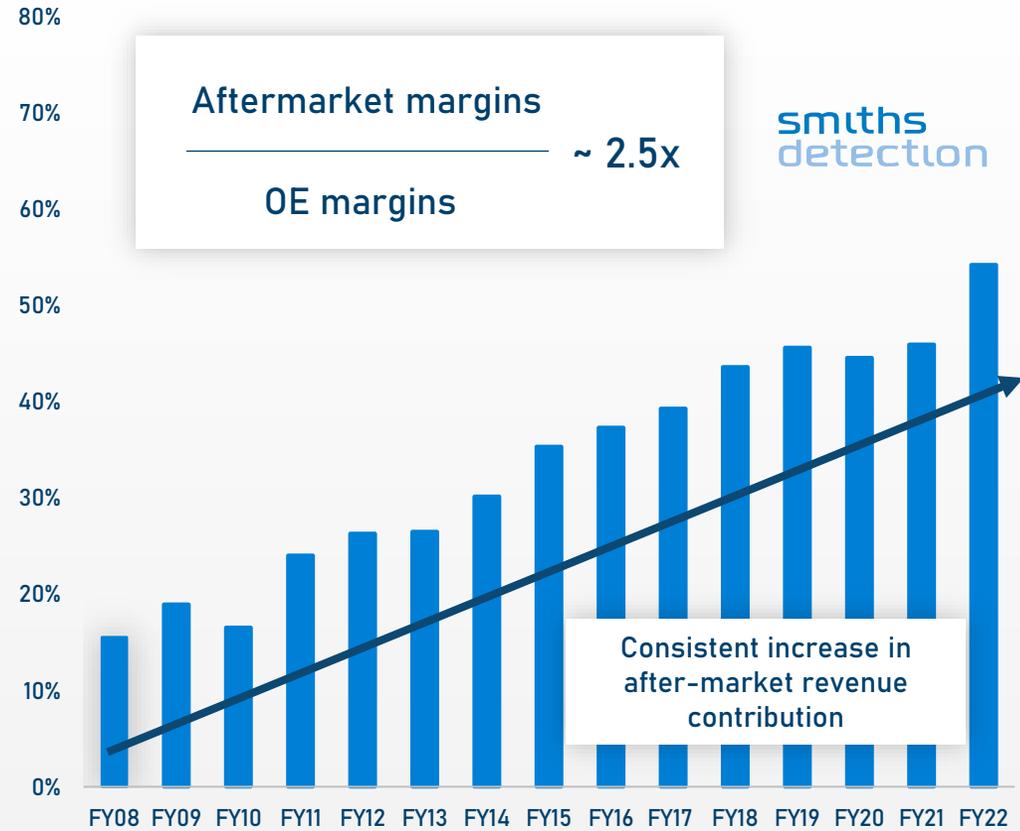


Diverse exposure to developing markets

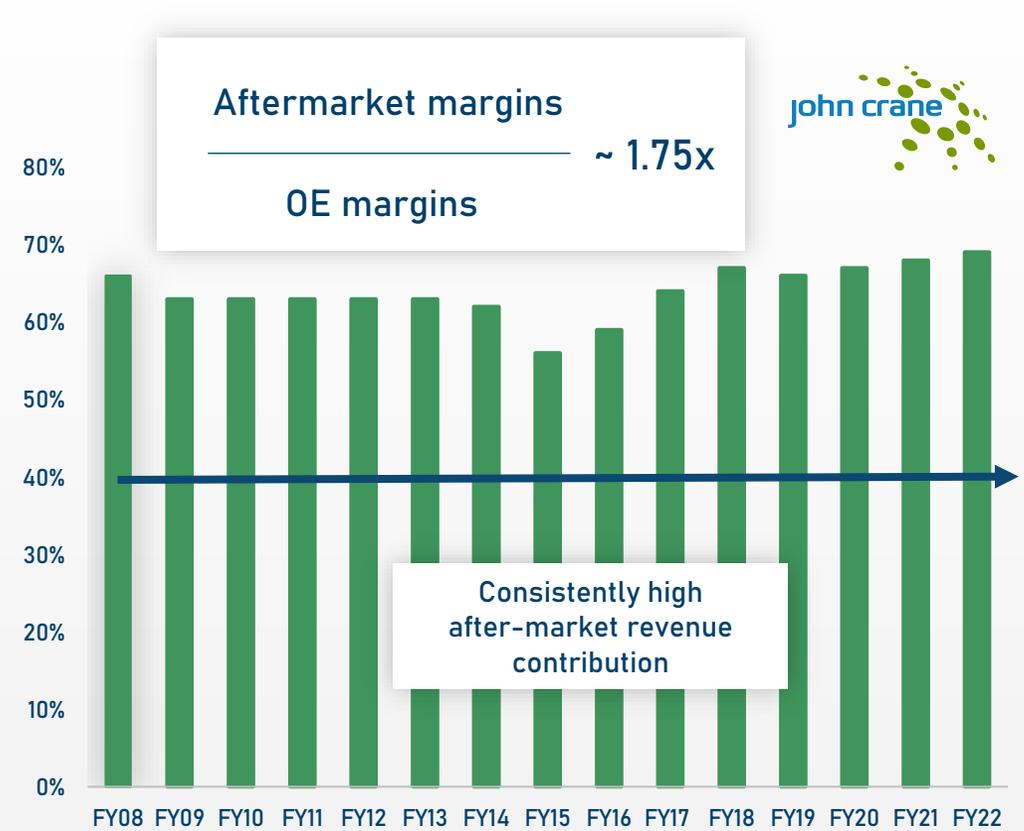
- 20% of sales, accessing growth while mitigating risk
- New operating model for Smiths China

Aftermarket revenues – growing, recurring, and margin expanding

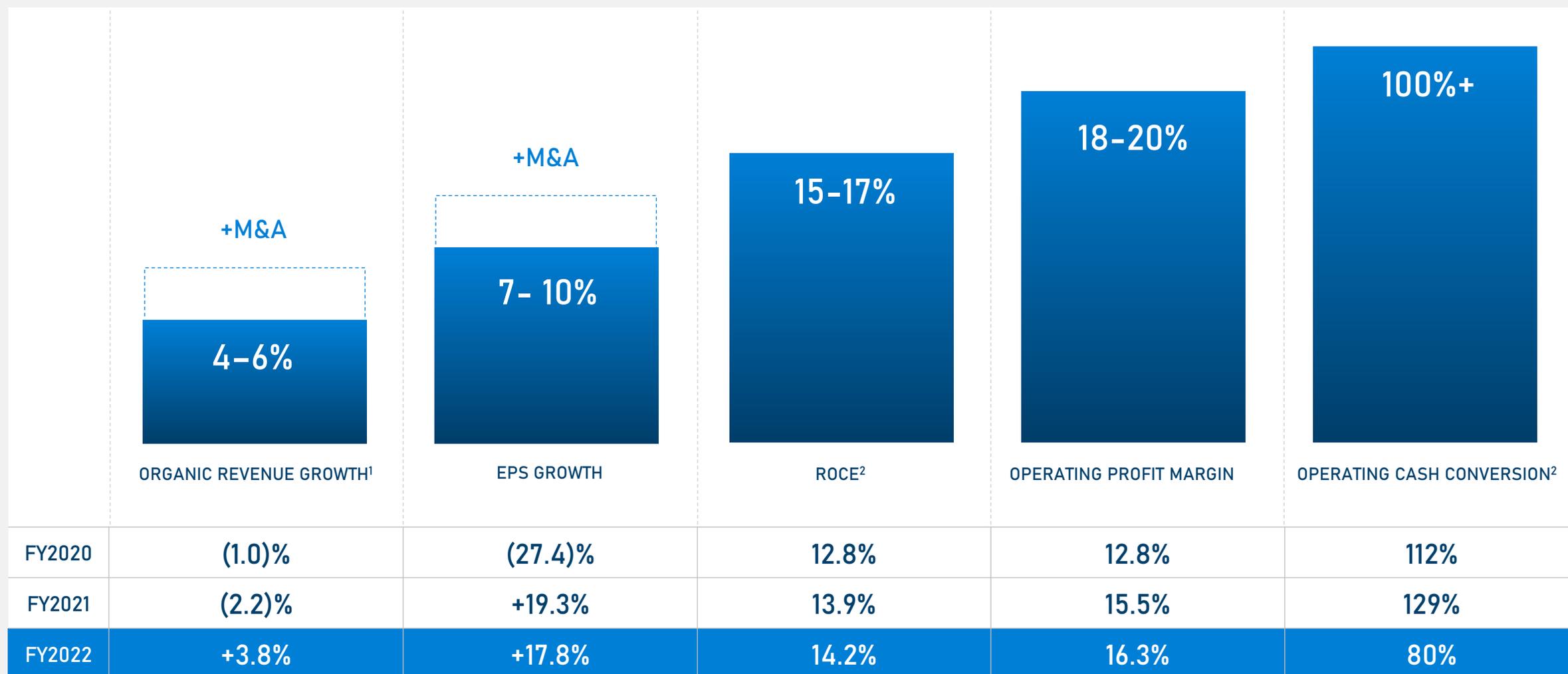
Aftermarket revenue as % total



Aftermarket revenue as % total



Clear progress towards medium-term financial targets



Agenda



Continued momentum
in the near term



Delivery of medium-
term commitments



Reaching our long-term
potential

Our fundamental strengths underpin achievement of our long-term potential

OUR STRENGTHS



World-Class Engineering

- 171-year track record of innovating across multiple markets
- R&D investment consistently above competition; strongest NPD pipeline in years
- Unmatched global service network of 2000+ specialists and 300+ sites



Leading Positions in Critical Markets

- Top 3 position in most key segments
- Serving securely attractive, long-term growth markets
- Sophisticated global customers reward differentiation



Global Capabilities

- Presence in more than 50 countries
- 1,300 sales reps, 1,900 service technicians and 2,300 engineers
- Sales balanced by geography as well as business, providing stability and growth



Robust Financial Framework

- Recurring, higher margin after-market revenues
- High margins and ROCE
- Low asset intensity and consistently strong cash generation
- Accelerating growth

Powerful megatrends propel long-term growth, which Smiths is uniquely positioned to access



Energy transition

- Fundamentally an engineering opportunity
- Particular opportunity for John Crane and Flex-Tek, as well as Detection and Interconnect
- \$100 trillion in investment over next 30 years¹



Insatiable demand for data

- Global data consumption doubling every 4 years³
- Transmission data rates doubling every 3.5 years⁴
- 1,800 satellite launches in 2022, vs. 129 10 years ago⁵



Ever-rising security needs

- Passenger air travel growing 3.8% per annum, freight growing 4.3%²
- Consumer, business and government demands continually increasing
- Regulatory requirements amplify demand



Sustainability

- Central to our Purpose
- A top priority for all stakeholders – customers, colleagues, communities, and shareholders
- Fully integrated strategy; growth, execution and people delivering significant value

Agenda



Continued momentum
in the near term



Delivery of medium-
term commitments



Reaching our long-term
potential

Executing our strategy and delivering our commitments



Growth

- Taking full advantage of the steady growth enabled by our diverse market exposure
- Developing high-impact new products, including compelling green technologies
- Building out priority market adjacencies
- Supplementing organic growth with disciplined M&A



Execution

- Embedding the Smiths Excellence System across our company
- Accelerating pace and establishing a more consistent operating rhythm
- Executing against our ESG commitments
- Steadily expanding margins, returns, and cash flow



People

- Building upon our world-class safety record
- Accelerating talent development through our Smiths Leadership Behaviours
- Creating an ever-more diverse and inclusive culture
- Living Smiths Values each and every day

Smiths Value Engine

OUR PURPOSE



PIONEERS OF PROGRESS

Improving our world through smarter engineering

OUR STRENGTHS



World-Class Engineering



Leading Positions in Critical Markets



Global Capabilities



Robust Financial Framework

OUR PRIORITIES



Growth



Execution



People

Organic Revenue Growth

4-6% (+M&A)

EPS Growth

7-10% (+M&A)

ROCE

15-17%

Operating Profit Margin

18-20%

Operating Cash Conversion

100%+