Strategy for Profitable Growth

spectris

2021 Half year results

Value beyond measure

Andrew Heath
Chief Executive

Our Strategy for Profitable Growth is delivering

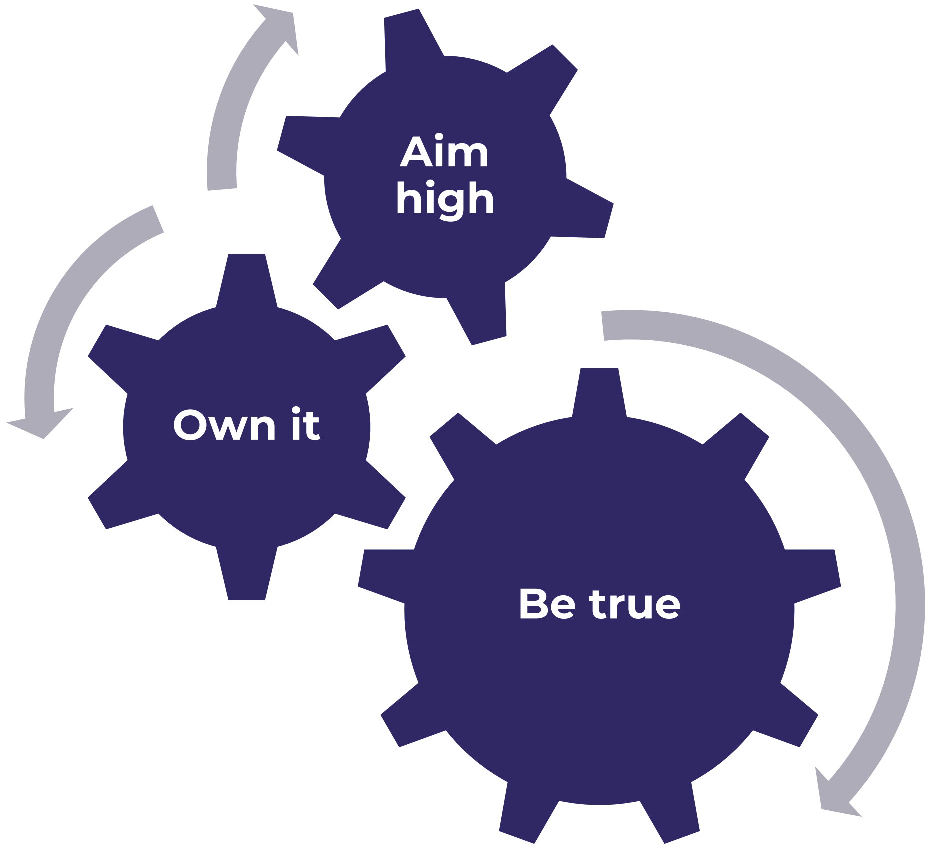
Our Strategy for Profitable Growth is defined by our purpose and built on our values

Purpose

Our purpose is to *deliver value beyond measure*

We harness the power of precision measurement to equip our customers to make the world *cleaner, healthier and more productive*

Values



Strategy

"We are emerging from the pandemic a more focused, leaner and stronger business"

H1 2021 scorecard – executing our strategy

Operating leverage	✓	12.8% adjusted operating margin
Portfolio management	✓	Divestment of ESG, B&K Vibro & Millbrook
Capital allocation: Business	✓	R&D 7.2% of sales Capex 3.2% of sales
Capital allocation: Dividend	✓	DPS +5%
Capital allocation: M&A	✓	Acquisition of Concurrent Real-Time
Simplify and focus	✓	Simpler, more focused business, well positioned

Operating leverage being delivered
- Improved operating leverage
- Margin enhanced from 11.0% in 2019

Portfolio management well progressed
- Three divestments completed in H1
- Further portfolio management activity planned in H2

Increasing investment in new products and services
- Maintained spend on R&D, supporting new product development activities
- Capex maintained on key projects

Dividend in line with our policy
- Dividend growth of 5%

Capital being allocated to M&A
- Concurrent R-T significantly strengthens HBK's simulation offering

An even greater focus on our Purpose
- More focused business, aligned to key end markets with attractive growth trajectories and sustainability trends

Strong financial performance

- Delivered strong financial performance:
  - 14% LFL sales growth, reflecting market recovery and new product launches, only 2% lower than in 2019
  - Orders 16% higher on a LFL basis, providing momentum into the second half
  - Strong operating leverage - adjusted operating margin of 12.8%, up from 11.0% in 2019
  - Strong adjusted cash flow conversion and divestment proceeds result in net cash position of £272.8 million
  - Dividend per share increase of 5%
- Fully adapted to the new operating environment and well positioned as markets recover

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Being a sustainable business

- New business environment provides good prospects in many of our end markets
- We play an important role in sectors that are rapidly transforming – pharma, auto, energy, mining
- Current and future product and service offerings equip our customers to make the world cleaner, healthier and more productive
- Committed to taking a leading role in minimising the emissions footprint of our own operations, and across our value-chain
- Net Zero pledge aligned with the 1.5°C climate warming scenario, using 2020 as the baseline.

Environment

7 AFFORDABLE AND CLEAN ENERGY

People

8 DECENT WORK AND ECONOMIC GROWTH

Operations

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

NET ZERO COMMITMENT

Focusing on sustainable solutions…making a difference to our planet, underpinning future growth

Derek Harding
Chief Financial Officer

2021 scorecard – strong performance compared to 2020 & 2019

	vs H1 2020		vs H1 2019	
Sales growth	✓	+14% LFL	✗	(2.3%) LFL
Operating profit growth	✓	+74% LFL	✓	+14% LFL
Operating margin expansion	✓	+450bps LFL	✓	+190bps LFL
Working capital management	✓	3.2% improvement to 11.4%	✓	1.2% improvement from 12.6%
Cashflow	✓	122% conversion (790bps)	✓	+330bps
ROGCE	✓	+90bps	✗	(120bps)

Sales growth
- Strong compared to 2020; almost back to 2019 levels

Operating profit growth
- Significant improvement versus 2020 and 2019

Operating margin expansion
- Controlled cost resulting in operating leverage

Average working capital
- Improvement of 3.2% to 11.4% of sales, within 11-15% guidance

Cashflow
- Cashflow conversion of 122%, against a tough comparator

Return on gross capital employed
- Now on an improving trend driven by increased profitability on a lower capital base post disposals.

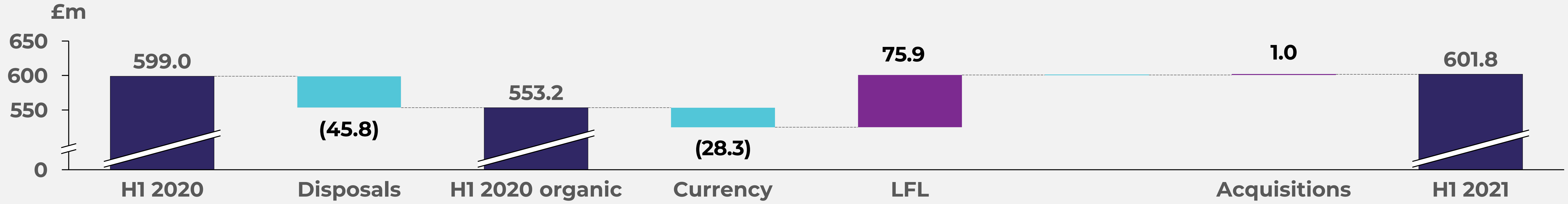
Strong financial performance

	H1 2021	H1 2020	Change	Like-for-like change vs 2020[2]	Like-for-like change vs 2019[2]
Sales (£m)	**601.8**	599.0	0.5%	13.7%	(2.3%)
Adjusted operating profit (£m)[1]	**76.8**	44.1	74.2%	74.2%	14.0%
Adjusted operating margin (%)[1]	**12.8%**	7.4%	540bps	450bps	190bps
Adjusted profit before tax (£m)[1]	**73.7**	40.4	82.4%		
Adjusted effective tax rate (%)[1]	**22.0%**	22.0%	-		
Adjusted EPS (pence)[1]	**49.7p**	27.2p	183%		
DPS (pence)	**23.0p**	21.9p	5%		
Adjusted cash conversion (%)[1]	**122%**	201%	(790bps)		
Net cash (£m)[1]	**272.8**	94.3	289%		
Return on gross capital employed (%)[1]	**12.2%**	11.3%	90bps		

Notes
1. These adjusted performance measures represent the statutory results excluding certain items.
2. At constant exchange rates and including acquisitions and disposals on a comparable basis ('LFL').

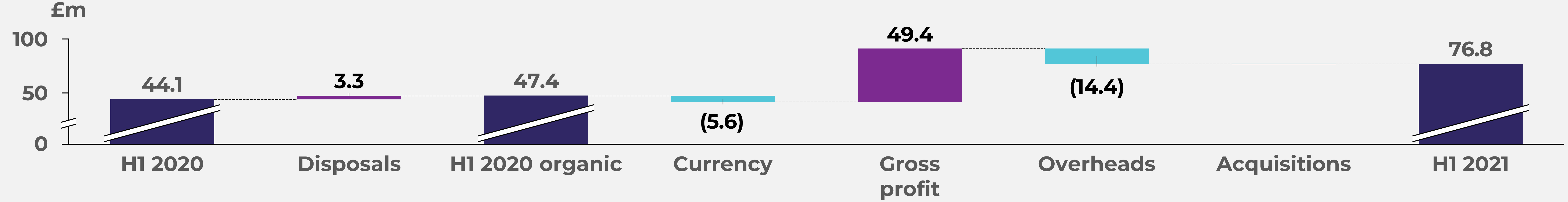
Strong operating leverage improves operating margin

Sales



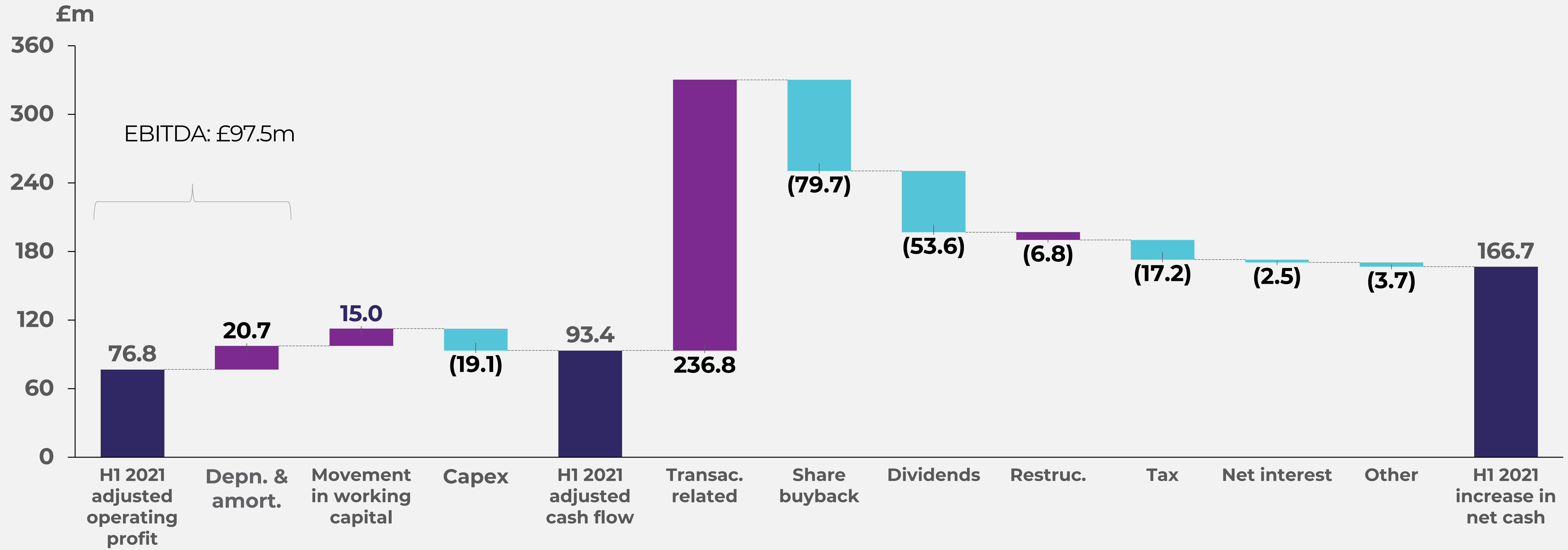
YoY Change		(8%)		(5%)	14%			0.5%

Adjusted operating profit



Return on sales	7.4%							12.8%

Continuing strong cash flow generation



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Adjusted and statutory operating profit/loss and PBT

£m	H1 2021	H1 2020
Adjusted operating profit[1]	**76.8**	**44.1**
Restructuring costs	(3.8)	(3.0)
Net transaction-related costs and fair value adjustments	(3.4)	(2.0)
Depreciation of acquisition-related fair value adjustments to property, plant and equipment	(0.1)	(0.4)
Impairment of goodwill	-	(58.4)
Amortisation and impairment of acquisition-related intangible assets and impairment of other property, plant and equipment	(8.9)	(36.5)
Statutory operating profit/(loss)	**60.6**	**(56.2)**
Profit on disposal of businesses	117.7	5.1
Financial income	11.9	0.6
Finance costs	(3.2)	(15.0)
Statutory profit/(loss) before tax	**187.0**	**(65.5)**

Notes
1. These adjusted performance measures represent the statutory results excluding certain items.

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Updated 2021 considerations

Headwinds	Tailwinds
• Continued COVID-19 interruptions • Unwind of temporary COVID-19 savings (£10 million – full year) • Overheads inflation of 2% (£10 million – full year) • Potential additional cost to address additional growth/supply chain • ESG disposal - 2020 sales £11m; profit £1m • £ strength against the $ translation effect compared to 2020	• End market recovery relative to 2020 • Strong order book • Further product launches • Full year LFL sales growth in range of 10-12% • Continued delivery of the Spectris Business System • Concurrent-RT acquisition - sales £15m; operating profit £3m

Impact of 1 cent change versus GBP	2021 sales £m	2021 adj op profit £m	H2 assumed rate
USD	3.5	0.6	1.38
EUR	2.8	0.4	1.16

Financial guidance

- Capex anticipated to be c. £50 million
- Adjusted tax rate of 22%
- Working capital ~11% of sales
- Limited restructuring costs

Andrew Heath
Business update

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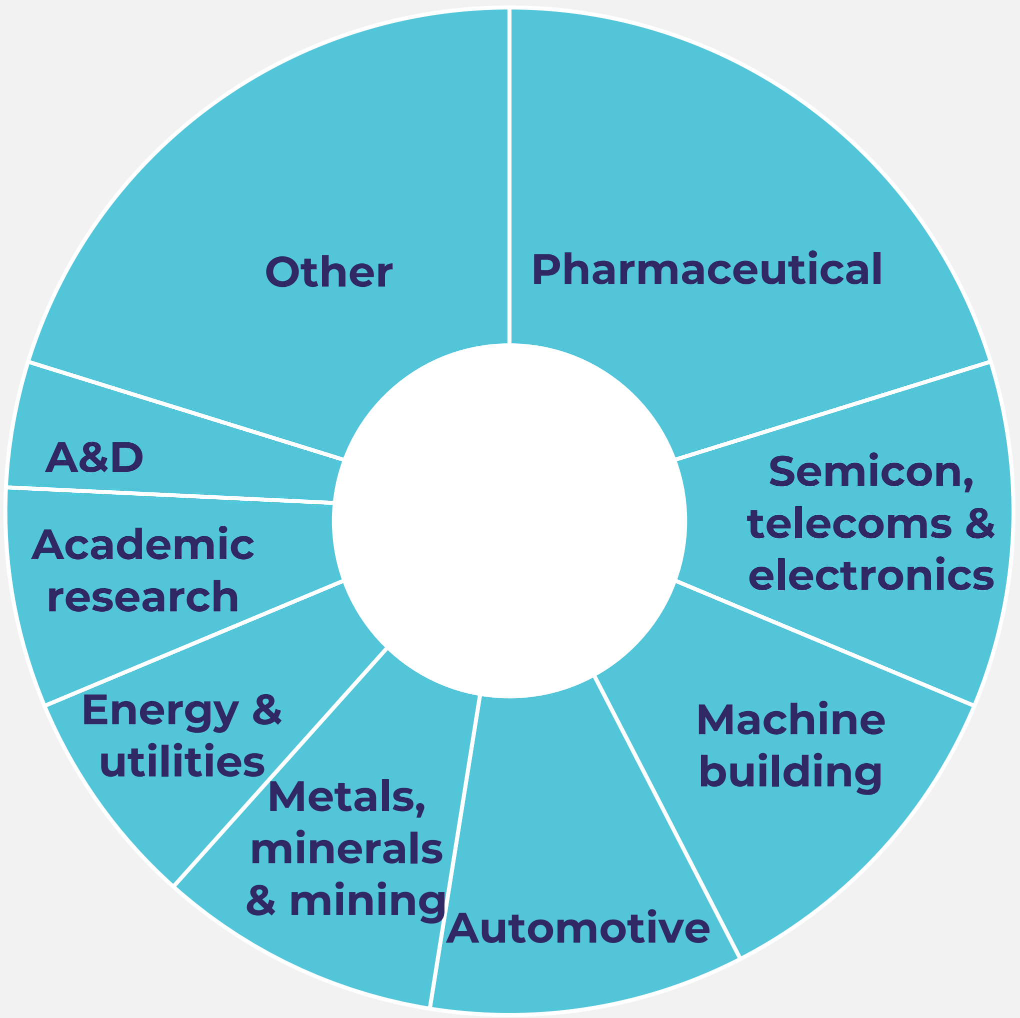
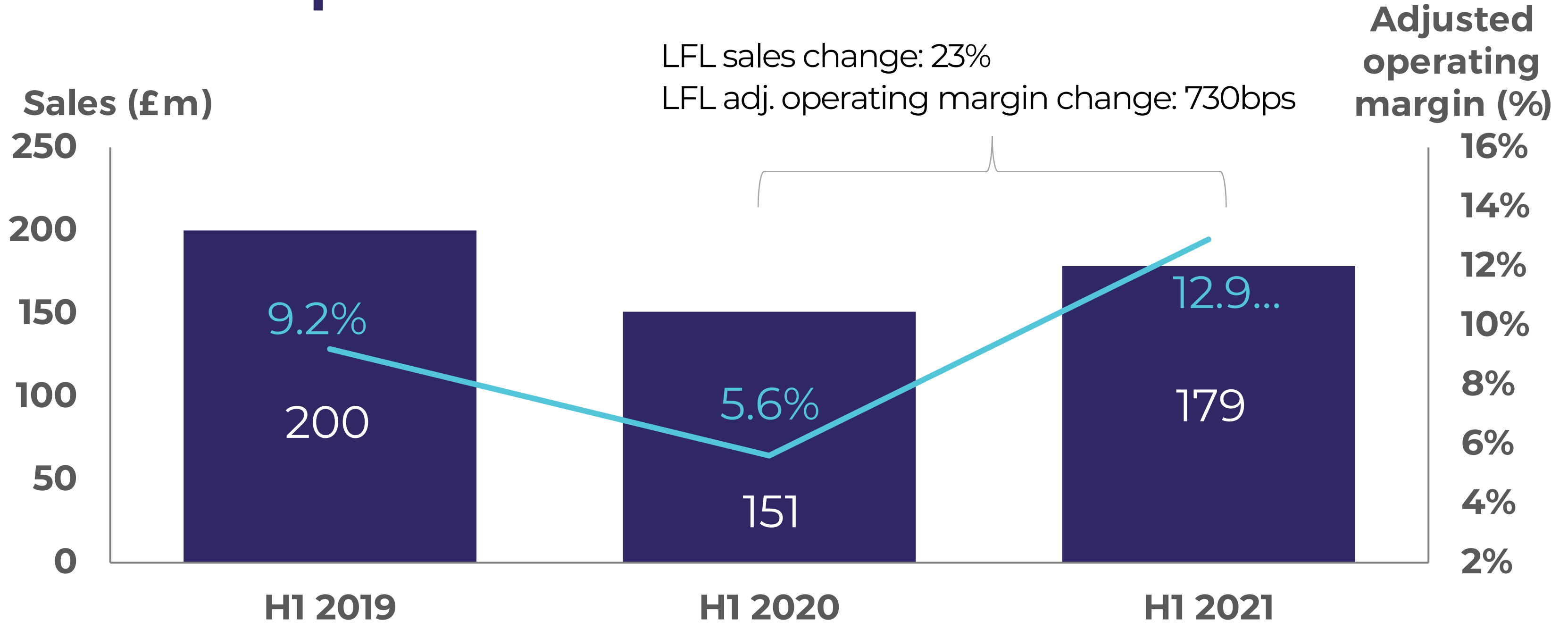
Sales by end market

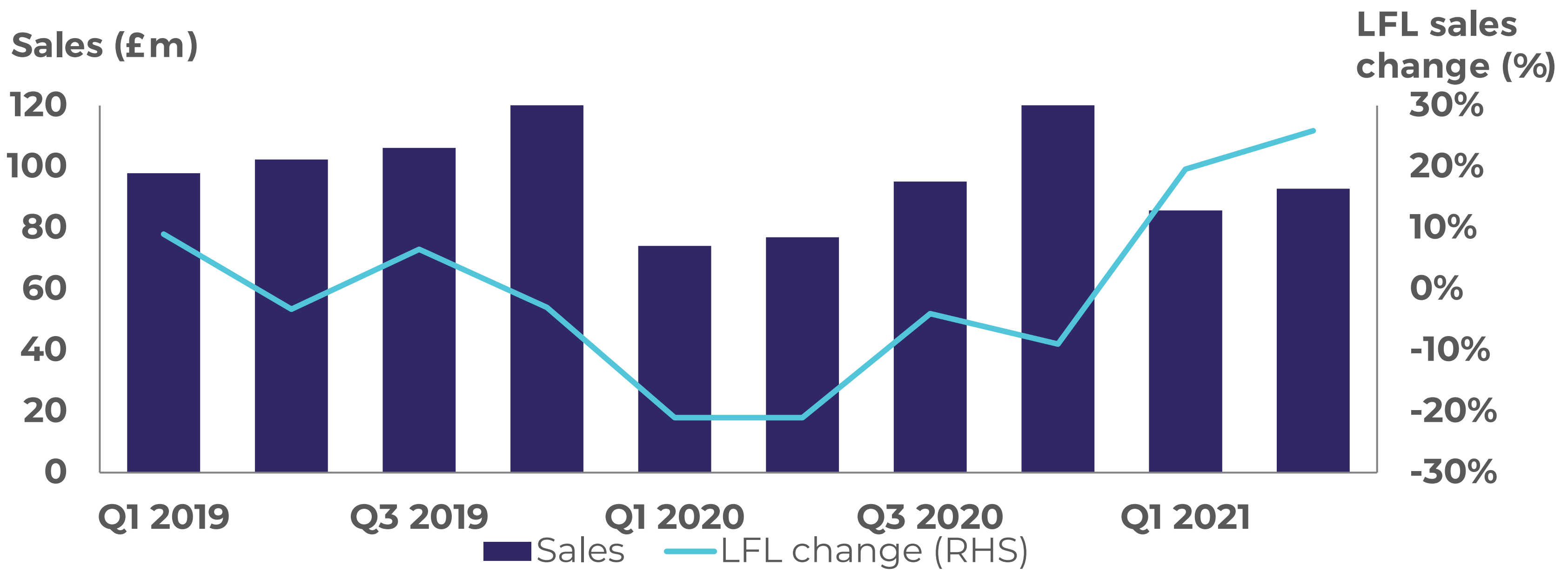


End market	% of Group sales	LFL change H1 2021	LFL change H1 2020
Pharmaceutical	20%	**27%**	**(3%)**
Semiconductor, telecoms & electronics	11%	**20%**	**(20%)**
Machine manufacturing	11%	**42%**	**(4%)**
Automotive	10%	**(6%)**	**(11%)**
Metals, minerals & mining	9%	**15%**	**(24%)**
Energy & utilities	7%	**(9%)**	**(14%)**
Academic research	7%	**7%**	**(21%)**
Aerospace & defence	4%	**3%**	**(17%)**
Other	21%	**n.a.**	**n.a.**

Malvern Panalytical – financial and strategic update

Financial performance





Strategic update

- Strong recovery, particularly in pharmaceutical and in Asia
- Robust demand for new products such as Zetasizer Advance and OmniTrust
- Strategic initiatives continue with new products
  - Smart Manager - cloud based 'control room' to connect/monitor XRF systems
  - Aeris compact XRD – small size, now with larger system capabilities
  - Epsilon XRF analyser – enhanced version with higher accuracy
- End market performance:
  - Pharma - increase in onshoring; uplift in vaccine/viral vector manufacturing
  - Primary materials - economic recovery; good aftersales revenues
  - Advanced materials – new technology developments in battery, additive manufacturing and fuel cells support growth

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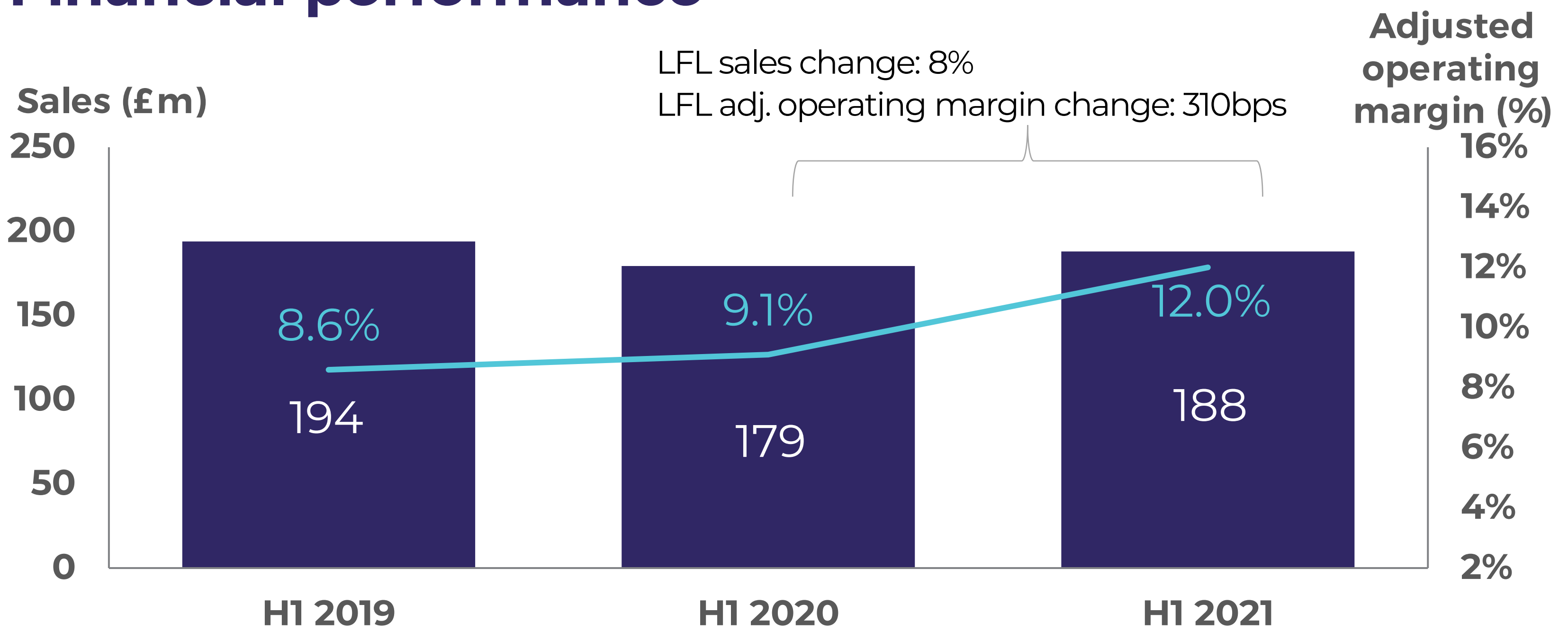
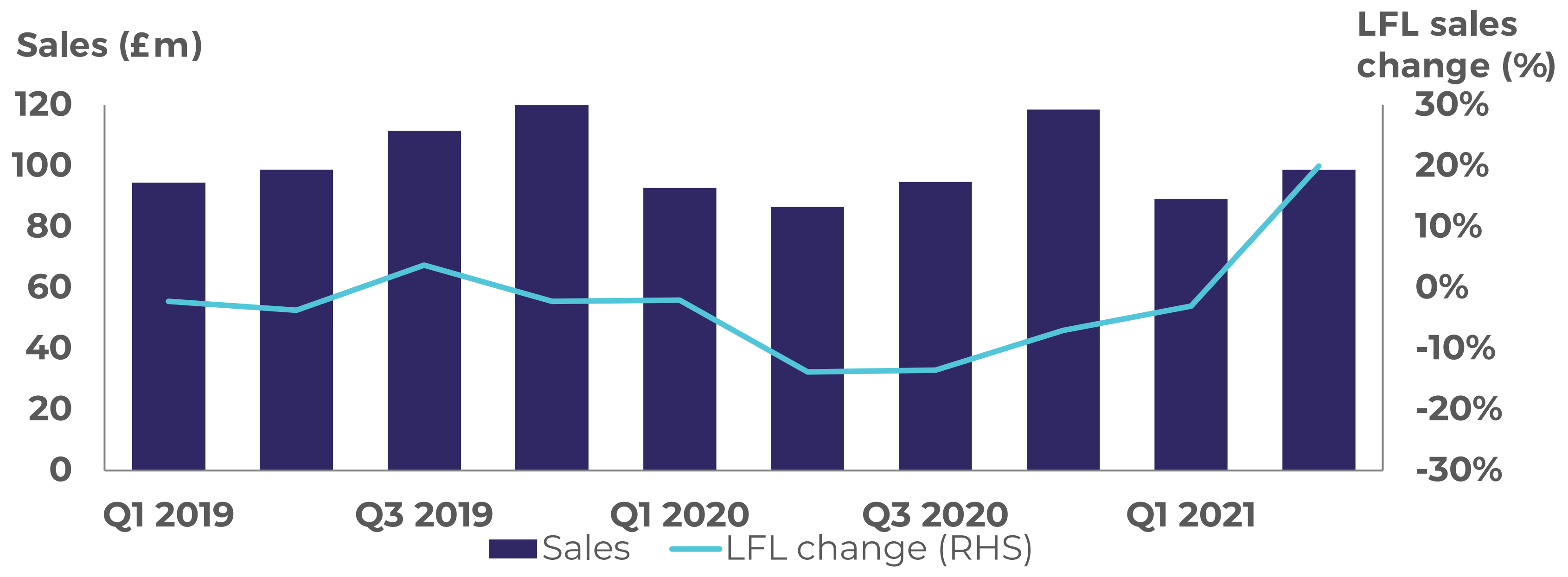
HBK – financial and strategic update

Financial performance





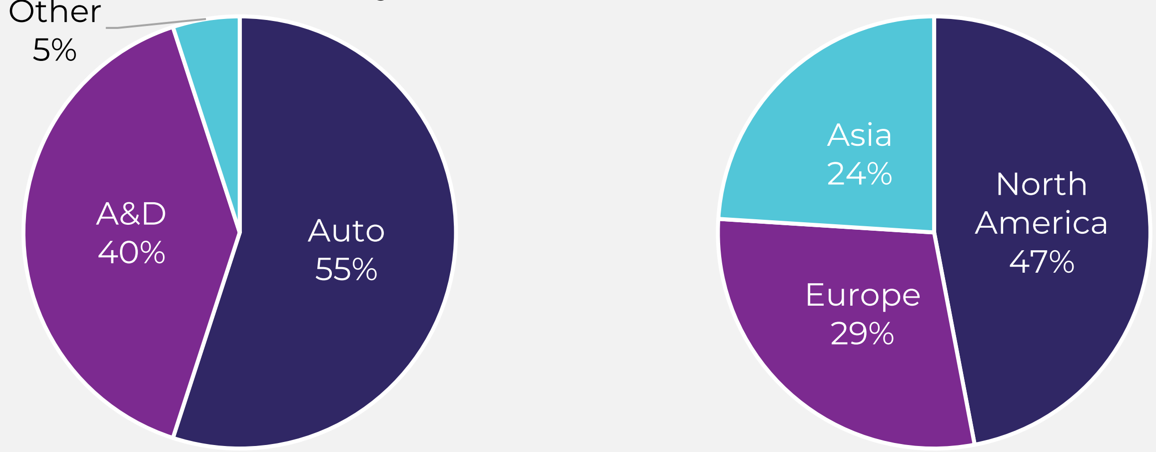
Strategic update

- Later cycle impact, but strong pick-up in demand in Q2; machine manufacturing strongest end market
- Merger initiatives continue, better positioning HBK
- Strategic initiatives continue with new products
  - Simulation - NVH Simulator 2021.0
  - Physical testing – adding key technology to QuantumX
  - Software - latest version of Tescia Repetitive Testing system
- Acquisition of Concurrent Real-Time strengthens simulation offering
- End market performance:
  - Machine manufacturing – strong demand for weighing technologies and OEM sensor solutions
  - Automotive – market still slow, but trending positive
  - A&D – defence and space/satellite markets more robust than commercial aerospace

Concurrent Real-Time enhances HBK's simulation offering

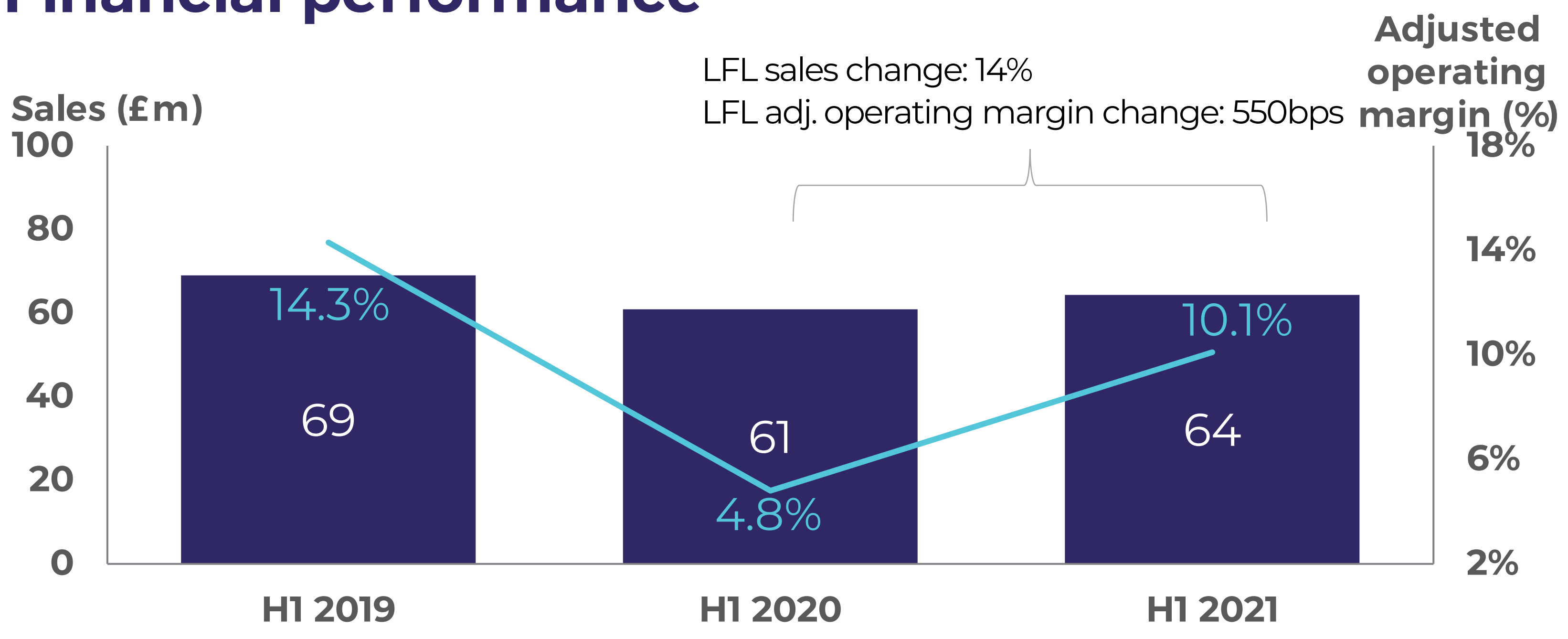
- Leading developer/supplier of real-time operating systems, for hardware-in-the-loop ('HiL') simulation
- Significantly strengthens HBK's current and future simulation offerings
- Already utilised by VI-grade in its simulators
- Integrated into HBK's Virtual Test Division, alongside VI-grade
  - Adds industry diversification, especially in aerospace/defence
  - Allows greater market expansion into automotive HiL business
  - Combining HiL features with driver-in-the-loop systems – meets a currently unmet customer requirement
- Helps customers achieve product innovation in shorter time scales, at lower cost and risk to bring products to market more quickly

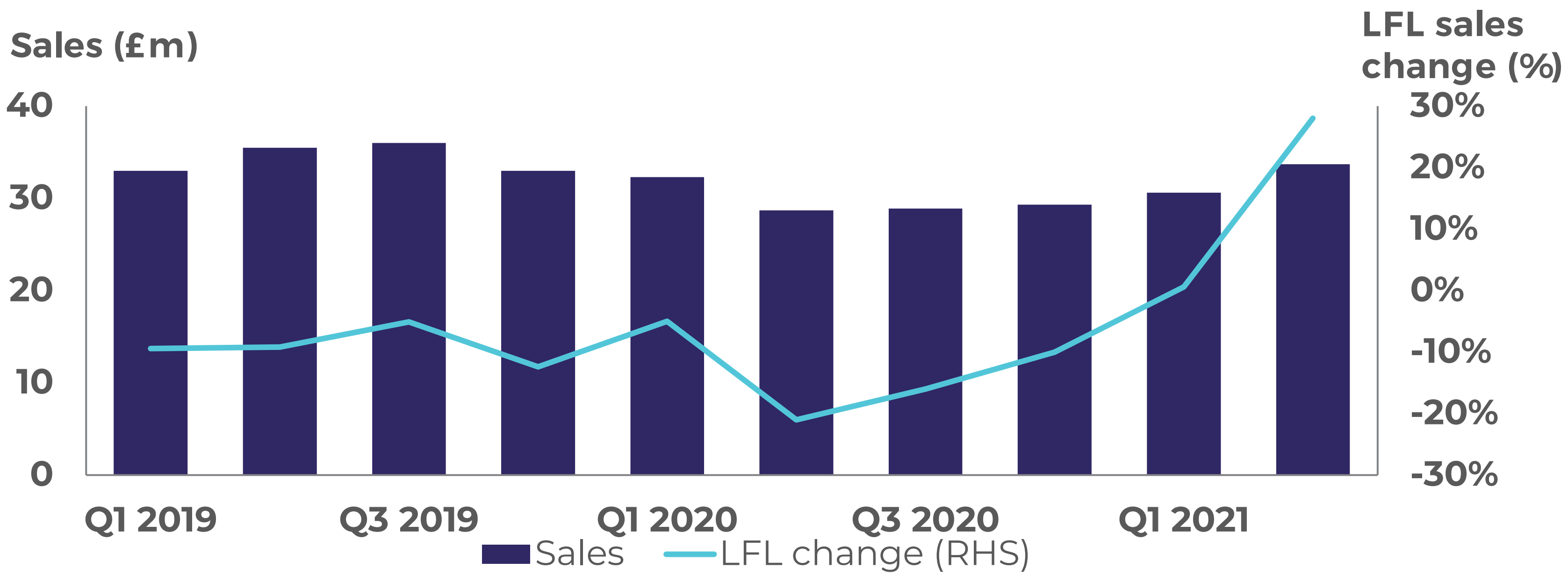
Sales by market and destination



Omega – financial and strategic update

Financial performance



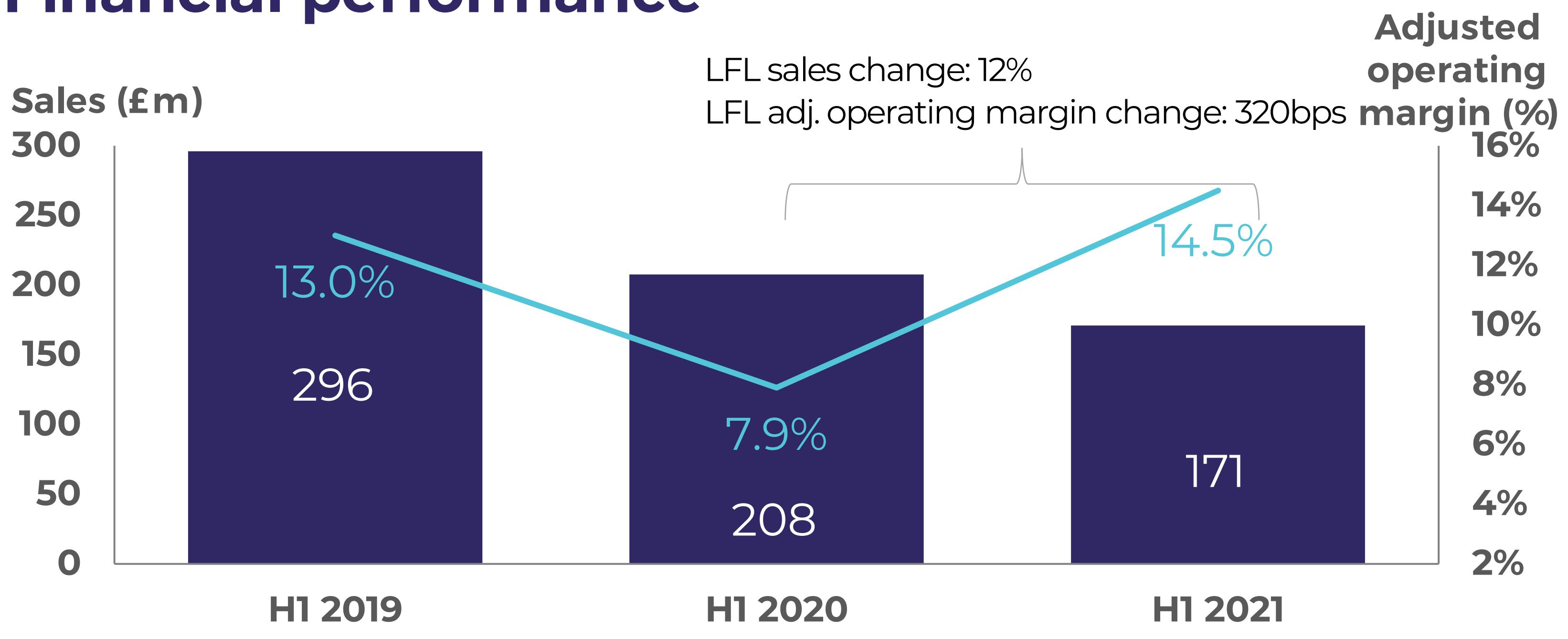


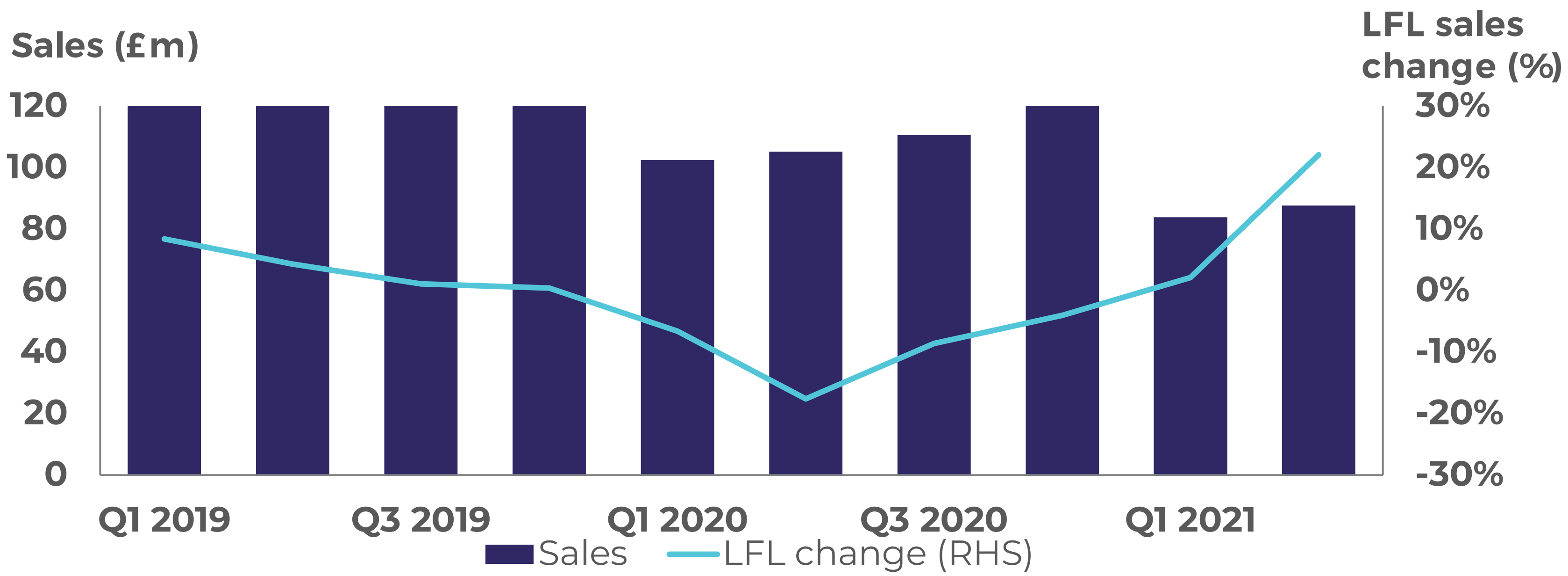
Strategic update

- Much improved performance in H1
- Delivered above market growth in North America - strong demand from strategic accounts and market share gains
- Above market growth in Asia, supported by semicon demand; Europe flat
- Four strategic initiatives underway to drive organic growth
  - Optimising the digital customer experience – achieved record average order values and improved conversion rate
  - Expanding sales distribution channels and developing new partnerships – sales through Newark partnership doubled year-on-year
  - Accelerating product development to expand the product offering - fewer, more impactful launches – high-accuracy non-invasive temperature sensor ('HANI') a key launch
  - Continuing to simplify the business and improve operational performance

Industrial Solutions – financial and strategic update

Financial performance





Strategic update

- Robust growth, especially semiconductor and pharmaceutical
- Strong market recovery and impact of product launches
  - Servomex Ultra product range; Red Lion FlexEdge; PMS MiniCapt Mobile and IsoAir products
- Divestment strategy continues; focus on building out platforms
  - To be a leading provider of high precision, in-line sensing and monitoring solutions
- Strategic initiatives continue with new products
  - PMS - Lasair Pro Airborne particle counter/IsoAir Pro-Plus particle counter
- End market performance:
  - Semicon/electronics - rising chip demand and onshoring of production
  - Pharma - increase in onshoring; uplift in vaccine & viral vector manufacturing
  - Energy - slower than expected recovery but emissions control and increasing focus on environmental issues
  - Expansion in digital, automation solutions and connectivity

A sustainable business; ambitious net zero targets set

NET ZERO COMMITMENT

- Committed to taking a leading role in minimising emissions of our own activity, and across our value chain
- Pledged to achieve:
  - Our operations - Net Zero by 2030 across Scope 1 & 2 emissions
  - Our value chain - Net Zero by 2040 across Scope 3 emissions
- Scope 1, 2 and 3 targets aligned to Paris Agreement's goal to limit global warming to 1.5° C
- Submitted both targets to the Science Based Targets Initiative for validation
- Developing products and services that accelerate our customers' journey to net zero
- TCFD progress - climate risk scenario analysis completed by each platform, against a 2°C and 4°C warming scenario
- Great place to work - 'Belonging' programme and continued mental health, wellbeing and resilience activities
- Spectris Foundation approved by UK Charities Commission – first investments expected in H2

SCIENCE BASED TARGETS RE100 EV100 TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES spectris FOUNDATION

Virtual testing

Developing new vehicles in a resource-efficient way

Aston Martin Lagonda has adopted VI-grade's Compact Simulator to employ vehicle models and simulation tools and is now able to conduct numerous tests on the virtual vehicle model at an early stage, well before building a first prototype.

This leads to higher reliability and confidence in the prototypes and more effective testing, resulting in a higher quality vehicle.

It also saves cost and resources in the development of new vehicles,, helping in the reduction of emissions compared to building numerous prototypes and testing these on physical proving grounds.

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Summary and outlook

- We have adapted well to the new operating environment
- Actions and approach taken in last two years positioned us well to benefit from the market recovery
  - A less complex, more focused, leaner and stronger business
- Strong financial performance delivered, also benefiting from investment in product innovation
- Order book provides good momentum into H2; expect full-year LFL sales growth of 10-12%
- Now starting to move into the next phase of our Strategy for Profitable Growth
  - Our ambition is to be a leading sustainable business; improving the sustainability in our operations
  - More focused on our purpose - equipping our customers to make the world cleaner, healthier and more productive
- In support of this, we have set ambitious net zero targets:
  - Committed to taking a leading role in minimising emissions of our own activity, and across our value chain
  - Also helping our customers accelerate their journey to net zero
- We are well positioned to deliver long-term, sustainable financial progress


Q&A

Appendix

Delivering Value Beyond Measure

For future generations

Our roadmap to Net Zero

July 2021

We are committed to Net Zero

"We recognise that the greatest difference we can make to a Net Zero world is through our products and solutions which support our customers to make the world cleaner, healthier and more productive and this remains the purpose at the heart of our strategy".

Andrew Heath
Chief Executive

NET ZERO COMMITMENT

We have set a clear ambition

Spectris operations:
Net Zero by 2030
(Scope 1 and 2 emissions)

Our value chain:
Net Zero by 2040
(Scope 3 emissions)

Our science-based targets support this ambition

The 85% absolute reduction in Scope 1 and 2 emissions by 2030

The 42% absolute reduction in Scope 3 emissions by 2030

Both targets are aligned to a 1.5 degree warming scenario and have been submitted to the Science Based Targets Initiative for validation.

Delivering value beyond measure through precision measurement and analytics solutions for our customers means supporting our customers' sustainability journeys, as well as ensuring we have accountability for the sustainability of our own operations. We recognise that embedding sustainability throughout the Group protects and creates long-term value for all our stakeholders, and will secure our long-term success.

In 2020, we launched the Group's first coordinated sustainability strategy creating a consistent and clear line of sight to commitments around our people, the environment, and our operations. Central to our strategy was the setting of our Net Zero ambition.

We have harnessed our ethos of clarity, precision and measurement in setting our target. Supported by EcoAct, an Atos company, we have measured our current emissions footprint across our value chain and modelled the reduction levers available to us. This approach allows us to now set robust targets, which are stretching but achievable, against a 1.5°C warming scenario.

Given the scale of today's climate challenge, no single organisation can tackle this challenge alone. A Net Zero world requires collaboration across the entire value chain. In recognition of this challenge, we are proud to be committing to achieving Net Zero across our Scope 1, 2 and 3 emissions, covering everything from the electricity used in our manufacturing processes to goods and services purchased and the efficiency of our products. This is a challenging ambition but we have a longstanding and comprehensive Net Zero strategy to meet our mid and long-term goals.

We are privileged to have a highly skilled and engaged workforce, including scientists and engineers who will provide valuable inspiration and expertise as they support our collective efforts to reduce emissions and redesign lower carbon products and circular solutions. And combined with the efforts of our customers, who have significant technical expertise and ambitious sustainability targets, we have confidence that we can achieve our Net Zero commitment.

This document sets out our roadmap, explaining how we will achieve our ambition. We will be transparent on our progress and we have clear structures to ensure accountability and support our ability to measure our progress and deliver against these ambitious goals.

Our Net Zero roadmap

Our baseline

2020 is the baseline year for our ambition. This is a challenging baseline due to lower emission-generating activity taking place in 2020 as a result of the COVID-19 pandemic and demonstrates our commitment to delivering genuine progress.

Measuring our progress

We will report on our progress annually and this progress will be independently assured.

Scope 1 and 2

To support our ambition, we are:

- Aligning with RE100 – committing to 100% renewable electricity across our operations by 2030
- Aligning with EV100 – committing to a fully electric global fleet by 2030
- Undertaking global energy efficiency audits to reduce emissions at our manufacturing sites by 20% by 2030
- Building on our current solar generation capability
- Engaging our workforce – through our engineering skills and mindset we will use an enhanced consciousness of our environmental footprint to empower our employees to be part of the solution
- Sourcing natural refrigerant solutions by 2030

Scope 3

To support our ambition, we are:

- Undertaking a global supplier engagement process with EcoVadis
- Committing to zero waste to landfill before 2030
- Exploring a material shift away from air-logistics routing by 2030 and working with our air freight carriers to deliver suitable abatement and offsetting where this is not possible
- Developing both the circularity and efficiency of our products, building off a pilot programme undertaken by Servomex in 2021
- Using technology to limit the return of business travel

This work will be supported by the "greening of the grid" which will mean that, over time, more of our products will be powered by renewable energy during their use

Living our values

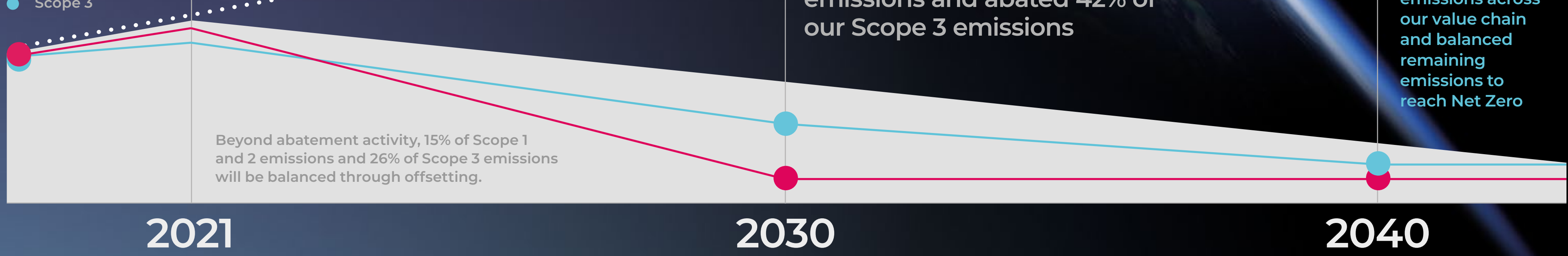
Beyond these targets we will continue to prioritise our strategy of developing products and services that support our customers on their own decarbonisation journey as part of our wider purpose to make the world cleaner, healthier and more productive.

NET ZERO COMMITMENT

By 2040 we will have abated all possible emissions across our value chain and balanced remaining emissions to reach Net Zero

By 2030 we will have reached Net Zero across Scope 1 and 2 emissions and abated 42% of our Scope 3 emissions

Key
- Business as usual
- Scope 1 and 2
- Scope 3



Beyond abatement activity, 15% of Scope 1 and 2 emissions and 26% of Scope 3 emissions will be balanced through offsetting.

Our total emissions by scope

Emissions from our direct operations, known as Scope 1 and Scope 2, accounted for just 8% of our GHG emissions. The vast majority of our GHG emissions (92%) come from activities in our supply chain. As a result, that is where we will focus most of our efforts.

Total GHG emissions by Scope

(Tonnes of $CO_{2}e$, in 2020)

Scope 1 — 2% (8,673)

Emitted directly

from sources we own or control such as on-site combustion (natural gas, fuel for company's vehicle fleet).

Scope 2 (market emissions) — 6% (30,201)

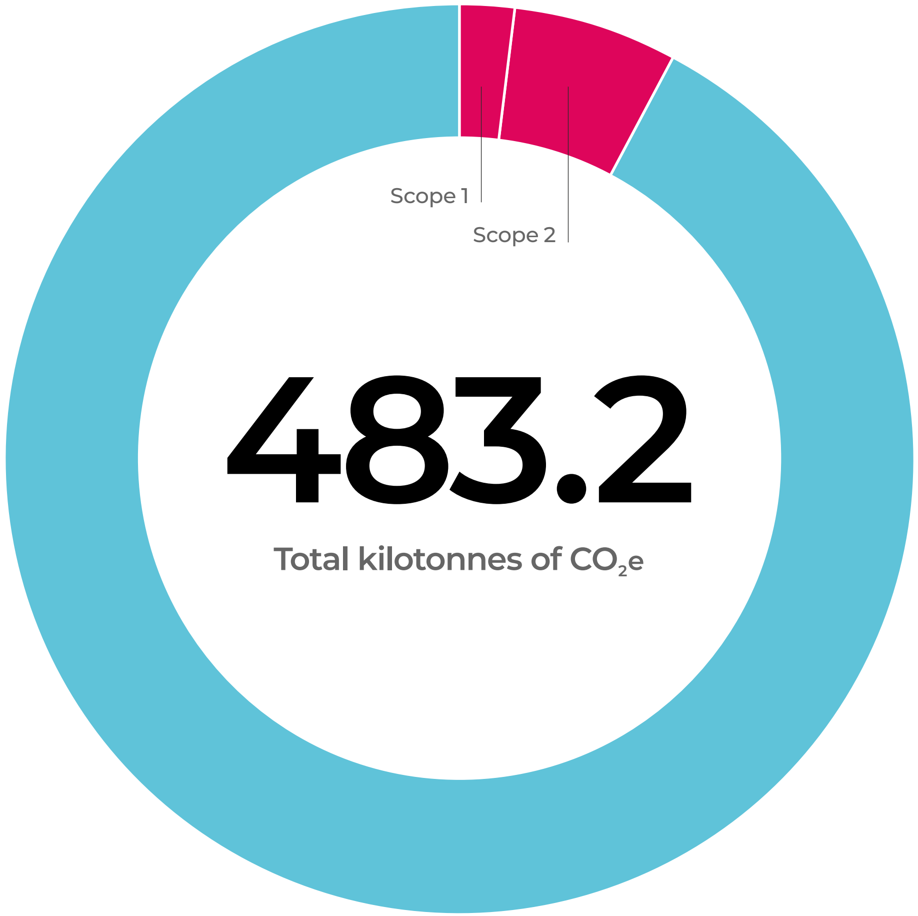
Emitted indirectly

from the generation of purchased energy like electricity and heating/cooling network.

Scope 3 — 92% (444,280)

All other indirect emissions

in our value chain, both upstream and downstream, such as sourcing and use of sold products.



Figures have been rounded.

Scope 1 and 2 emissions

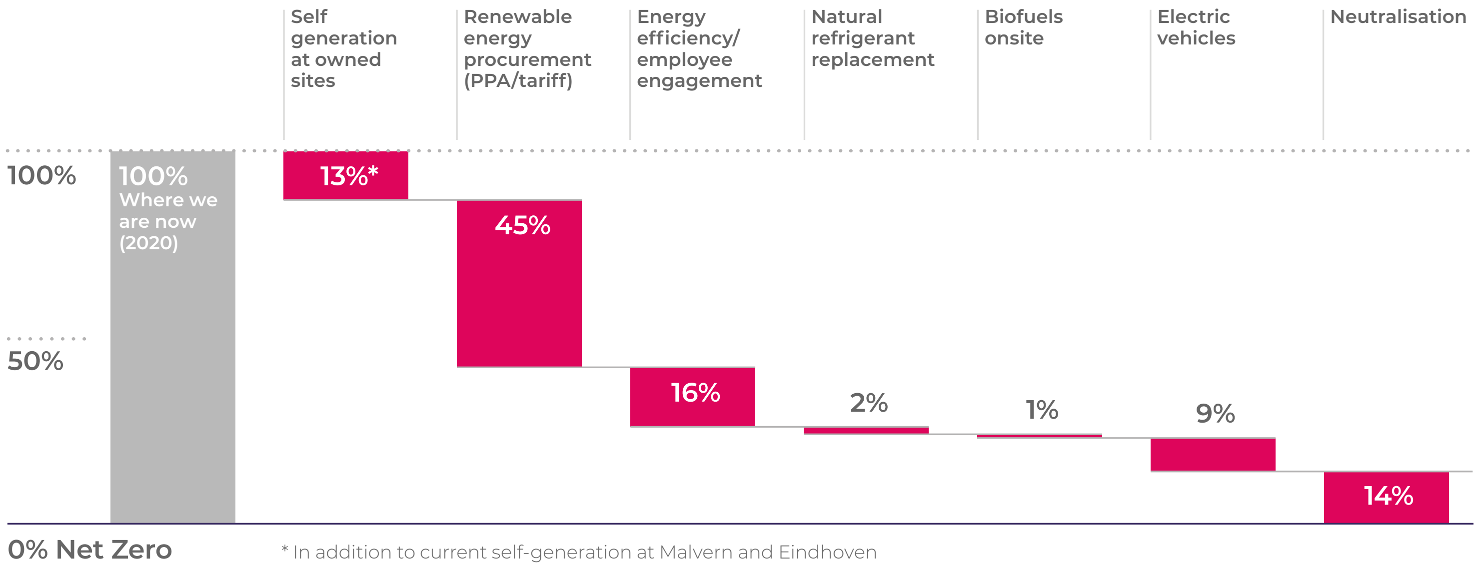
We have committed to reach Net Zero across our Scope 1 and 2 emissions by 2030 with a science-based target of 85% abatement, set against a 1.5°C warming scenario. The chart to the right explains how we will do this, with a core focus on renewable energy, employee engagement and electric vehicles.

Our onsite solar generation capability at Malvern Panalytical in the UK and the Netherlands produced 457.76 MWh of electricity in 2020. We will build on this solar capability and we have established the potential to generate 13,323 MWh on-site at seven key manufacturing sites. This capability would be sufficient to generate c.28% of our current total electricity consumption.

Our EV100 commitment will see us move to a fully electric fleet by 2030.

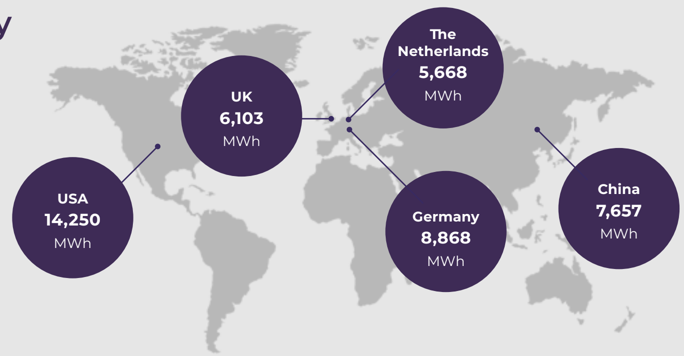
As part of our commitment to building employee engagement, we are gifting employees the Giki Zero app to emphasise the role we can play individually and as a team in lowering our footprint.

Scope 1 and 2 – reaching Net Zero



* In addition to current self-generation at Malvern and Eindhoven

Scope 2 electricity



- We have committed to RE100 and will consume 100% of electricity produced from renewable sources by 2030.
- Non-renewable electricity consumption accounts for 57% of our total Scope 1 and 2 emissions.
- The five countries identified on the map are the source of 95% of all our emissions from purchased electricity.

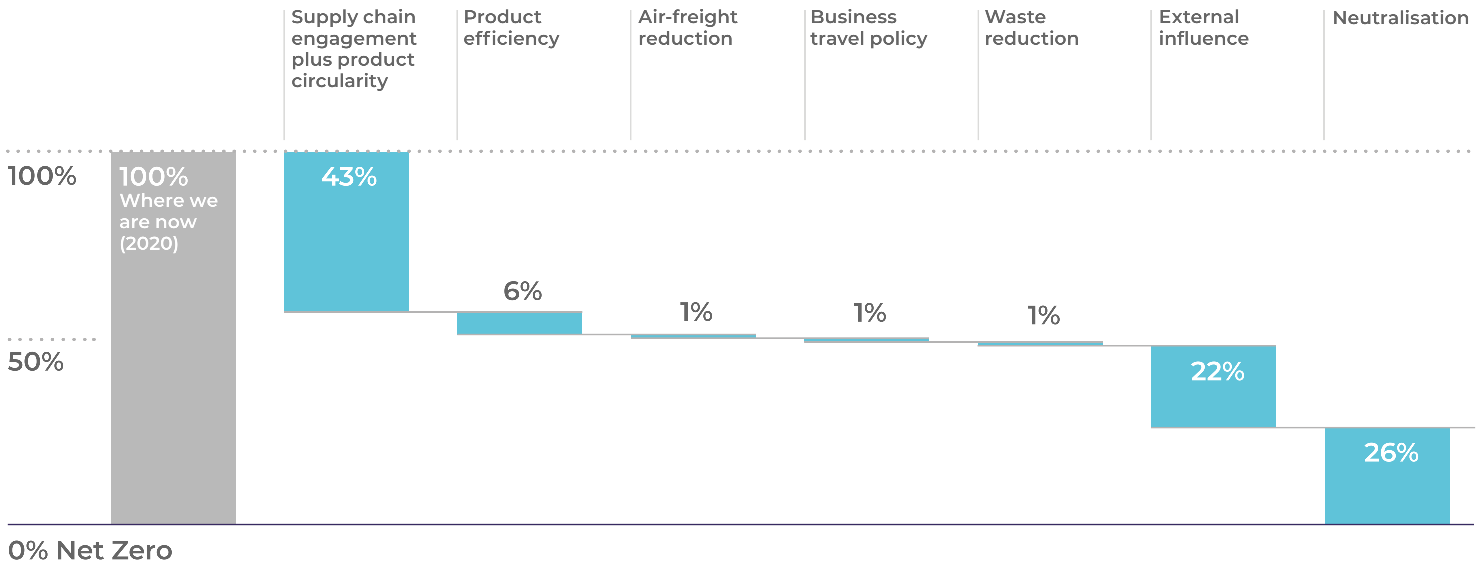
Scope 3 emissions

We have committed to reach Net Zero across our Scope 3 emissions by 2040 with an interim science-based target of 42% abatement by 2030 against a 1.5°C warming scenario.

To achieve this, our key focus will be on supplier engagement, by partnering with our suppliers to strengthen the environmental performance of our supply chain.

Our ambition will be supported by the progressive “greening of the grid” which will mean that, over time, more of our products will be powered by renewable energy during their use.

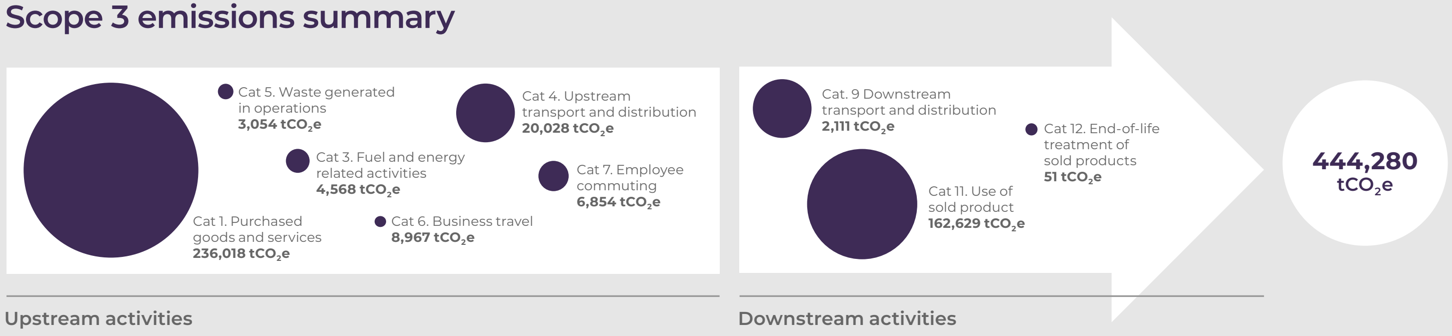
Scope 3 – reaching Net Zero



Estimation methodologies

Category	Data coverage	Uplift method
Cat 1. Purchased goods and services	HBK, Malvern Panalytical, Omega	% of group sales by business (HBK 33%, MP 31%, Omega 10%)
Cat 4. Upstream transport and distribution	80% coverage (Geodis, Fedex, UPS)	Uplift remaining 20%
Cat 5. Waste generated in operations	HBK, MP, Omega	Waste intensity (kg/FTE) applied to remaining total FTE
Cat 11: Use of sold products	HBK, MP, Omega	% of group sales by business (HBK 33%, MP 31%, Omega 10%)

Scope 3 emissions summary



Glossary

What is Net Zero?

Net Zero is a state where we add no incremental greenhouse gases to the atmosphere. This means achieving a balance between carbon emissions and carbon sinks through a combination of emissions reduction within our business activities and carbon sequestration.

Attaining Net Zero requires the abatement of our emissions output to as close to zero as possible, consistent with a 1.5°C warming scenario and then balancing any remaining emissions via removal/sequestration of an equivalent quantity of carbon from the atmosphere.

What are carbon emissions?

Carbon emissions are the release of carbon into the atmosphere. Otherwise known as greenhouse gas emissions; these are the main contributors to climate change.

What is a carbon sink?

Carbon sinks are reservoirs (natural or artificial) that absorb carbon circulating in the biosphere. By helping to reduce the amount of atmospheric CO_2, carbon sinks influence the climate by slowing global warming. Natural carbon sinks include oceans, soil and flora (forests, peat bogs, grasslands) while artificial carbon sinks refer to technologies that actively extract carbon from the atmosphere.

Carbon dioxide equivalent (CO_2e)

The universal unit of measurement to indicate the global warming potential (GWP) of each Greenhouse Gas Emission (GHG), expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate the climate impact of releasing (or avoiding releasing) different greenhouse gases on a common basis.

Most typically, the CO_2-equivalent is obtained by multiplying the emission of a GHG by its GWP for a 100-year time horizon. For a mix of GHGs, it is obtained by summing the CO_2-equivalent of each gas.

What is carbon neutralisation?

Neutralisation offsets are activities that 'remove' carbon emissions from the atmosphere. By investing in, or developing neutralisation projects we will be taking measures to counterbalance/remove and permanently store the impact of unabated emissions.

What is a 1.5°C warming scenario?

A scenario of emissions of greenhouse gases and other climate forcers that provides an approximately one-in-two to two-in-three chance, given current knowledge of the climate response, of global warming either remaining below 1.5°C or returning to 1.5°C by around 2100 following an overshoot. This is the long-term temperature goal included in the Paris Agreement which establishes 1.5°C as the warming limit in the long term. The purpose of the goal is to 'reduce the risks and impacts of climate change' as assessed in the science of the time, not to achieve a mere objective in terms of a temperature number.

What does our Net Zero Ambition cover?

Our ambition covers our Scope 1, 2 and 3 emissions.

Scope 1 emissions
Our direct greenhouse gas emissions resulting from our fuel combustion, vehicles and fugitive emissions.

Scope 2 emissions
Our indirect greenhouse gas emissions which result from the procurement of electricity, steam, heating, or cooling from a third-party.

Scope 3 emissions
The indirect greenhouse gas emissions which occur in our value chain, not included in Scope 2 emissions, related to the emissions from our supply chain ('upstream') and our customers ('downstream').

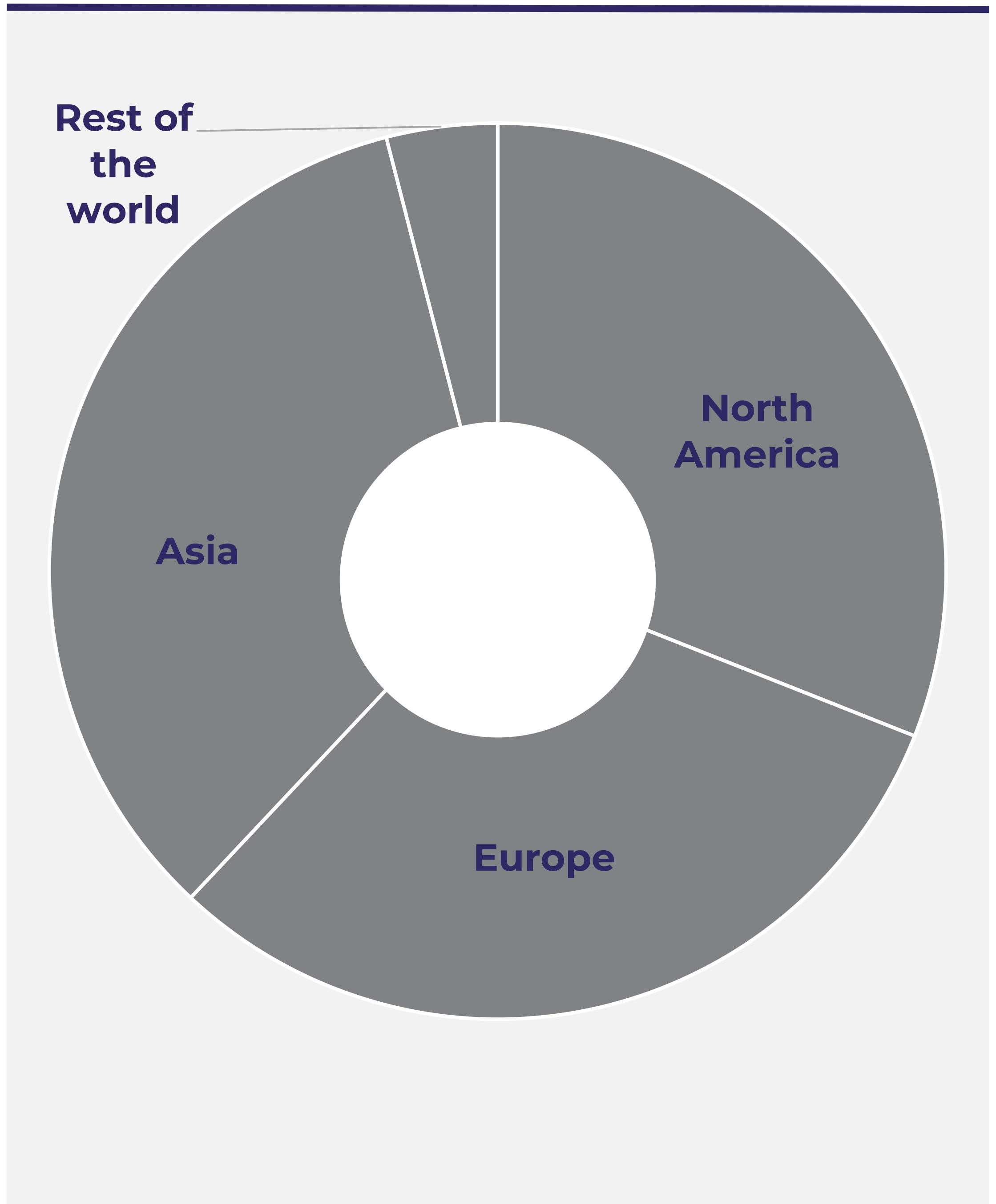
Which initiatives are we aligning with to support our ambition?

RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity. Led by the Climate Group and in partnership with CDP, their mission is to accelerate change towards zero carbon grids at scale. RE100 member companies are already driving enough renewable electricity demand to power a medium sized country.

EV100 is a global initiative led by the Climate Group and in partnership with CDP to bring together forward-looking companies committed to accelerating the transition to electric vehicles, who commit to transition their fleets to EV and install EV charging for staff and customers by 2030.

The Science-Based Target initiative (SBTi) is a partnership between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBTi facilitates a third-party validation process which assesses whether corporate climate targets are in line with the emissions reductions required by climate science.

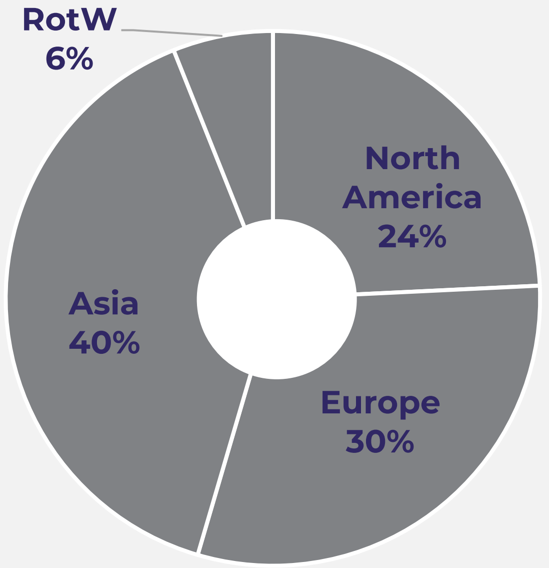
Sales by destination

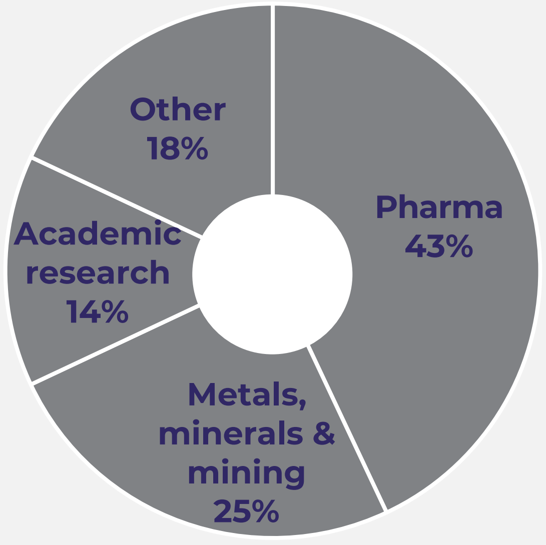


Destination	% of Group sales	LFL change H1 2021	LFL change H1 2020
North America	31%	**8%**	**(11%)**
Europe	31%	**9%**	**(15%)**
Germany	9%	**3%**	**(13%)**
UK	5%	**0.2%**	**(15%)**
Asia	34%	**25%**	**(16%)**
China	16%	**31%**	**(9%)**
Japan	5%	**2%**	**(11%)**
Rest of the world	4%	**9%**	**(11%)**

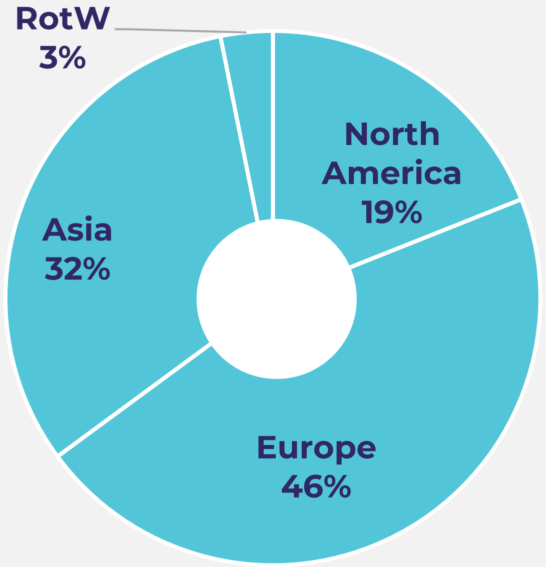
Sales by destination and end market

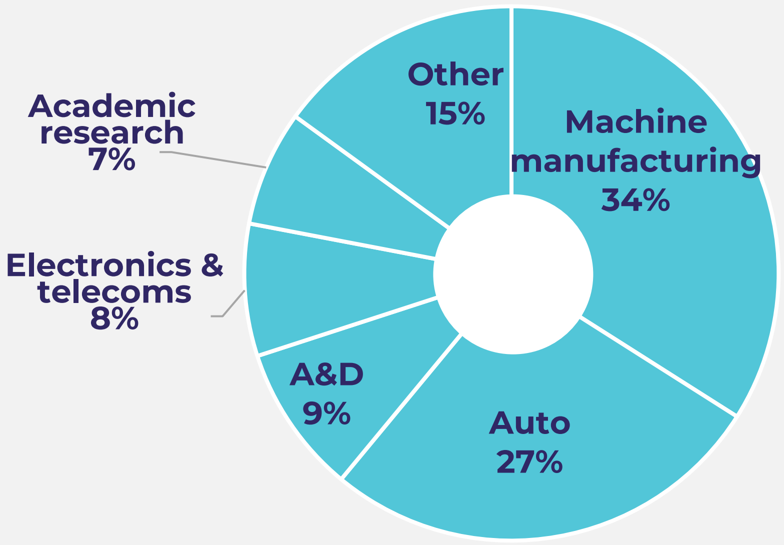
Malvern Panalytical



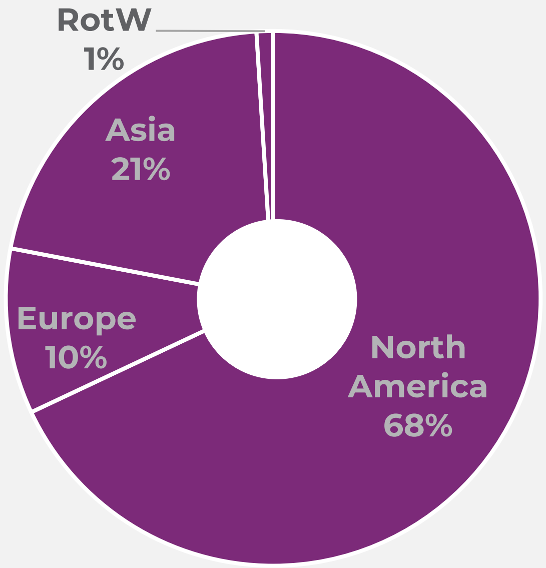


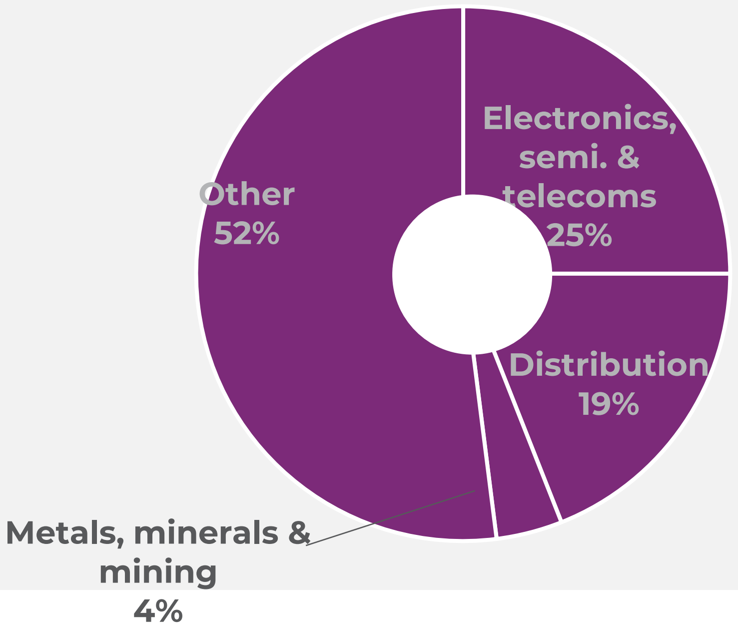
HBK



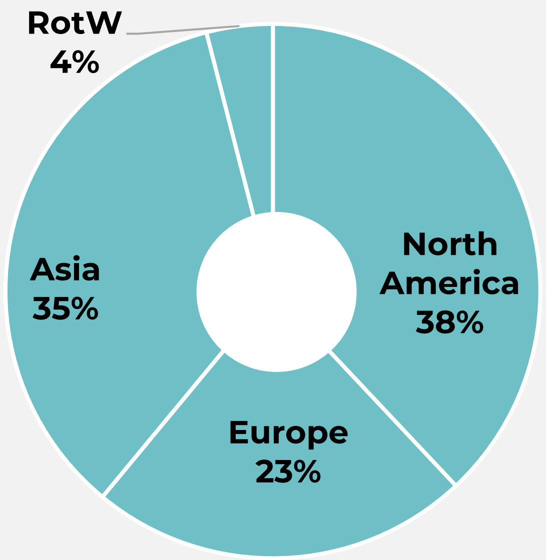


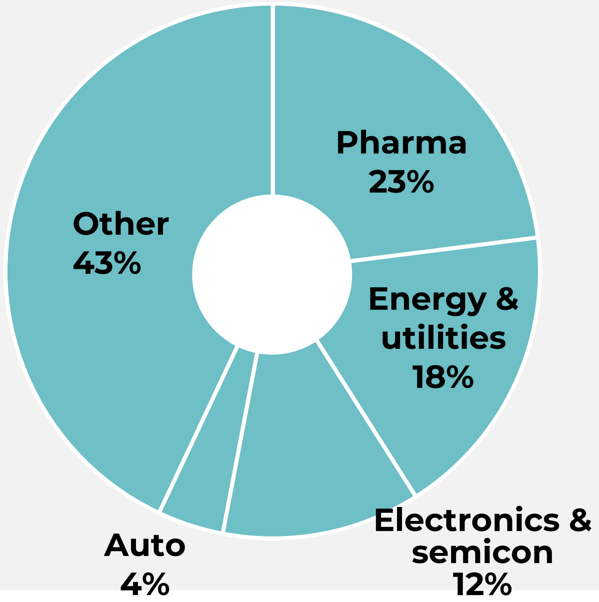
Omega





Industrial Solutions





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Balance sheet

Summary (£m)	H1 2021	H1 2020
Goodwill and intangible assets	686.8	783.9
Property, plant and equipment	182.4	368.9
Investment in equity & debt instruments	47.1	0.8
Working capital:		
- Inventories	178.0	221.8
- Receivables	273.8	298.1
- Payables	(329.5)	(324.6)
- Provisions	(19.3)	(29.4)
Derivatives & taxation (net)	7.2	(11.2)
Lease liabilities	(38.4)	(59.8)
Retirement benefits	(17.8)	(29.5)
Net capital employed	**970.3**	**1,219.0**
Net cash	272.8	94.3
Net assets	**1,243.1**	**1,313.3**

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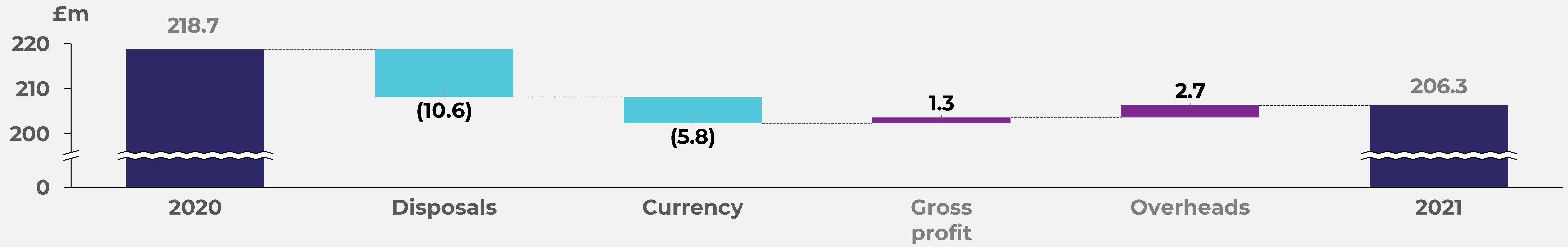
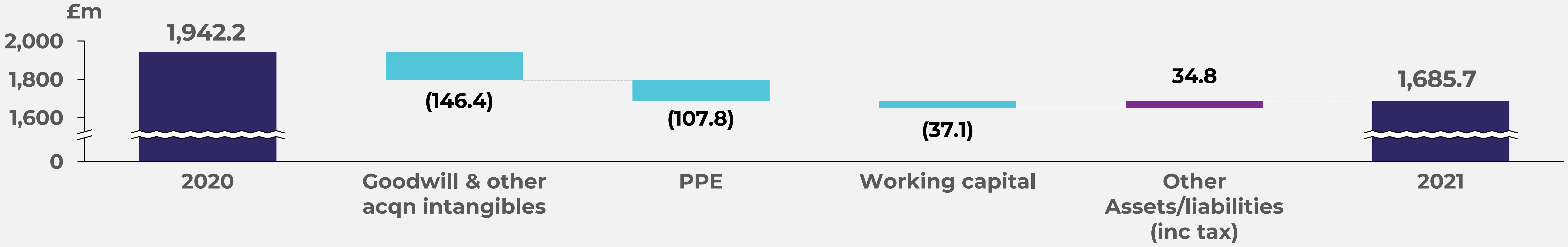
Return on gross capital employed

Adjusted operating profit



Average gross capital employed



ROGCE	11.3%	12.2%

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Disciplined capital allocation approach

Capital allocation

Sources of capital

Cash generation	Disposals	Capital raise (debt/equity)

Available capital

Progressive ordinary dividend based on affordability & sustainability

Uses of capital

Appropriate capital structure	Maintaining the business	Growing the business organically	Growing the business inorganically	Returning surplus capital to shareholders
Efficient balance sheet	Maintenance capex Maintenance R&D (Product refresh)	Growth capex Growth R&D (New product areas) Working capital	Acquisition spend	Special dividends Share repurchases

- Continued strong cash generation
- Net cash of £272.8 million at end June
- Adequate resources to fund future investment, grow ordinary dividend and for M&A
- Disposals proceeds of £235.5 million received in H1
- £79.7 million of the £200 million share buyback transacted in H1

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