



Interim results for the six months
ended 30 September 2022

**GROWTH
RESILIENCE
SUSTAINABILITY**

23 November 2022

Strong growth and record order book

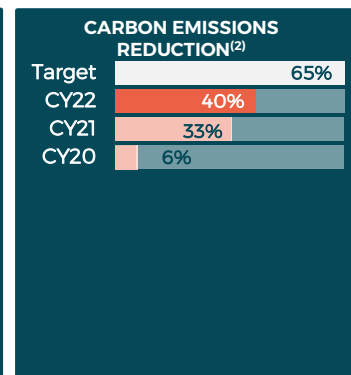
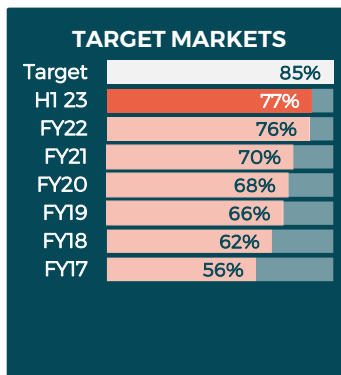
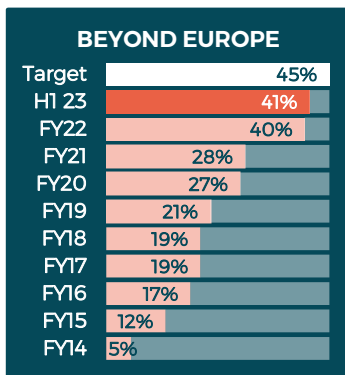
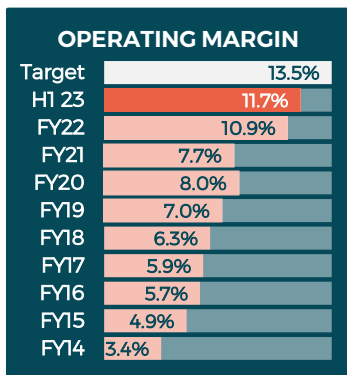
- **Strong growth:**
 - Sales : +23% CER and +14% organically v H1 22
 - Order book up 21% organically
- Underlying **EPS up strongly:** +37% CER v H1 22
- **Sustained growth** through the cycle since acceleration of strategy
 - Organic sales: +10% CAGR since H1 18
 - Underlying EPS: +25% CAGR since H1 18
- **Carbon emissions reduced** by c.40% since CY19
- **Net Zero carbon emissions plan** announced
- **H2 has started well:** on track to deliver full year underlying earnings in-line with Board's expectations



Focused on delivery of strategic targets

Key strategic indicators – on track to FY25 targets

- Underlying operating margin now 11.7%; FY25 target of 13.5%
- Sales beyond Europe⁽¹⁾ now 41%; FY25 target of 45%
- Sales into target markets⁽¹⁾ now 77%; FY25 target of 85%
- Carbon emissions reduction since CY19 of c.40%; CY25 target upgraded to 65% (was 50%)⁽²⁾



(1) As a percentage of Group revenue

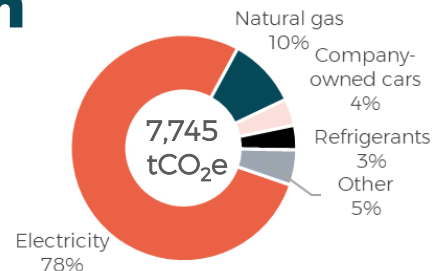
(2) Original target was a like for like reduction of 50% based on emissions in CY19. The upgraded target is now an absolute reduction of 65% from CY21 (so c75% reduction from CY19)

(3) Pre FY22 data is on a total Group basis (prior to sale of Acal BFI)

Announcing our Net Zero plan

- Committed to SBTi-aligned net zero emissions for Scope 1 & 2 by 2030 and Scope 3 by 2040
- 95% of discoverIE's Scope 1 & 2 emissions are from four sources
- Near-term target: 65% reduction by the end of CY25 on CY21 baseline
- Scope 3: work to quantify full inventory expected to complete by early 2024. SBTi-aligned reduction plans to be announced thereafter

Scope 1 & 2 Emissions



REDUCE

Reduce energy intensity across the Group

1

REPLACE

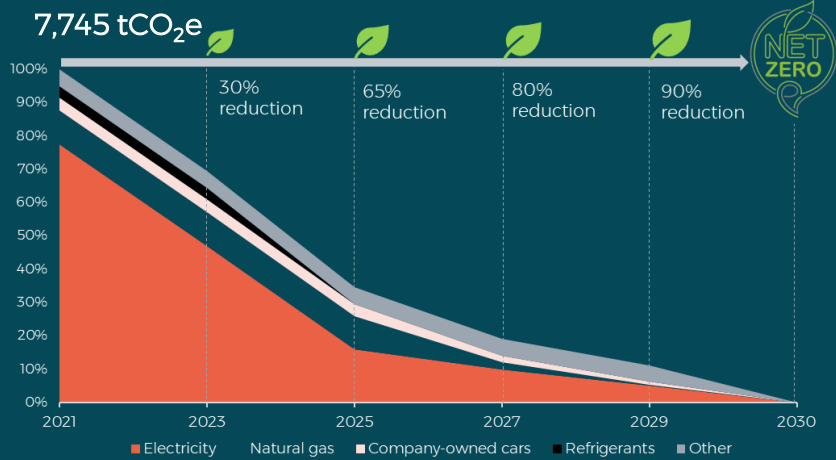
Replace high carbon energy sources with low or zero carbon options

2

REMOVE

Invest in removing emissions that cannot be replaced

3



1. The Group's initial 50% reduction plan announced in 2020 was based on 2019 baseline of 9,390 tCO₂e and is measured in intensity, i.e. emissions/£m sales. The net zero plan is based on 2021 baseline of 7,745 tCO₂e which is the latest available data and it's measured in absolute reduction.

Positioned well in a changing world

- **Essential products** - the Group's products are essential for customer applications to function & amount to a small proportion of the system cost
- **Broad footprint** - 31 manufacturing sites and operations around the world, able to support customers operating internationally and respond quickly to production movements
- **Efficient supply chains** - our manufacturing uses a low proportion of bought-in components, the majority being manufactured in-house from raw materials and base components, reducing exposure to external supply chain disruptions
- **Low energy intensity operations** - Most of the Group's energy is sourced from electricity and with low energy manufacturing, the Group's energy costs are <1% of revenues



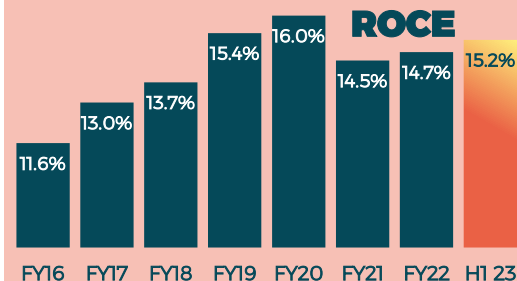


FINANCIAL REVIEW

Excellent financial performance

| | H1 23 | H1 22 | Growth | CER Growth |
|---|---------|---------|----------|------------|
| Revenue | £219.7m | £174.3m | +26% | +23% |
| Underlying operating profit ⁽¹⁾ | £25.6m | £18.0m | +42% | +37% |
| Underlying operating margin ⁽¹⁾ | 11.7% | 10.3% | +1.4ppts | +1.2ppts |
| Underlying profit before tax ⁽¹⁾ | £23.5m | £16.1m | +46% | |
| Underlying EPS ⁽¹⁾ | 17.8p | 13.0p | +37% | |
| Reported profit before tax | £14.8m | £6.4m | +131% | |
| Reported fully diluted EPS | 10.9p | 6.6p | +65% | |
| Interim dividend per share | 3.55p | 3.35p | +6% | |

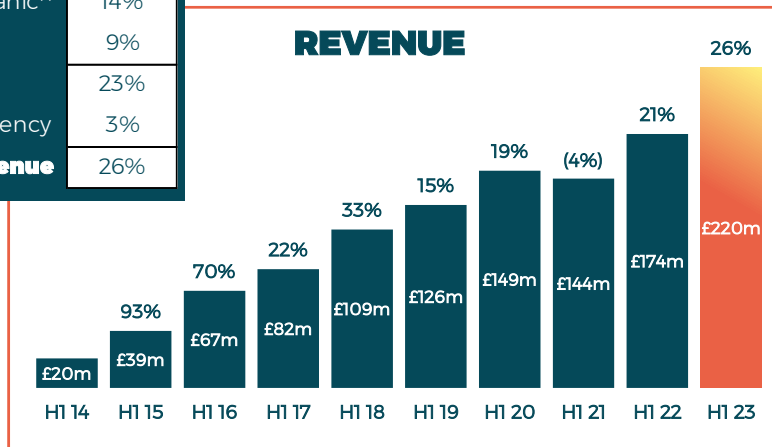
- **Strong growth over H1 22**
 - Sales +26% & operating profit +42%
 - Strong organic sales growth +14%
- **Operating margin now at 11.7%**
 - +1.4ppts over H1 22
- **Strong balance sheet**
 - Free cash flow conversion: 72% reflecting strong sales growth
 - Gearing of 0.8x
- **ROCE achieving 15% target**



(1) Underlying measures exclude acquisition-related costs (see Appendices I and II)

Strong & widespread growth

| | |
|------------------------|------------|
| Revenue | H1 23 v |
| growth | H1 22 |
| Organic ⁽¹⁾ | 14% |
| Acq | 9% |
| CER | 23% |
| Currency | 3% |
| Revenue | 26% |



■ **Headline sales up 26% despite supply chain headwinds**

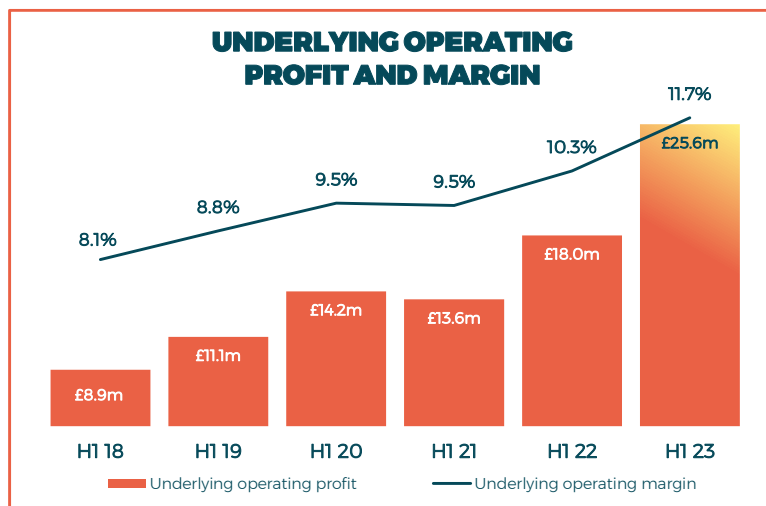
- Up 19% CAGR since H1 18
- Up 31% CAGR since H1 14

■ **Organic sales up 14%**

- Continuation of 14% organic growth (FY20 to FY22)
- c.8% volume, c.6% price

(1) Organic sales growth excludes the first 12 months of acquisitions

Profit growth with margin expansion

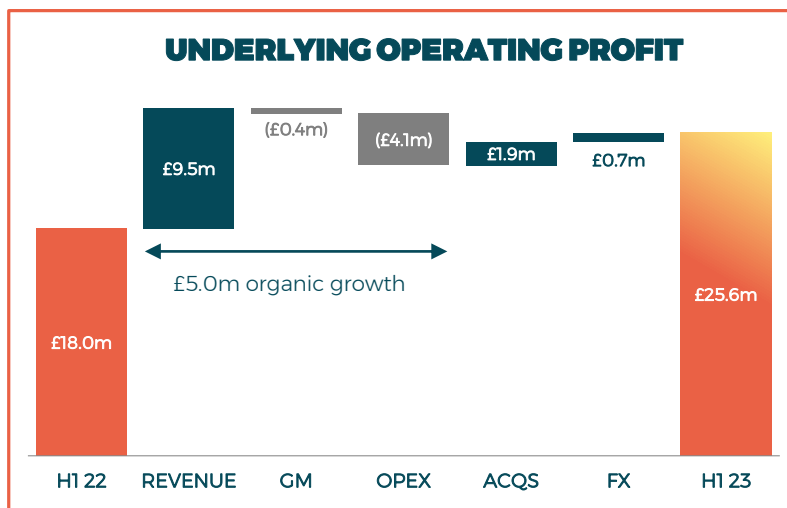


- **Operating profit growth of 42%**
 - 37% CER
 - 30% CAGR⁽¹⁾ since H1 18
- **Record operating margin: 11.7%**
 - Organic operating leverage & higher margin acquisitions
 - 3.6ppts increase since H1 18 (continuing operations)
 - 10ppts increase since H1 14
- **On-track to achieve operating margin target of 13.5% by FY25**

(1) Excludes Covid year. 24% CAGR including Covid year.

(2) Underlying measures exclude acquisition-related costs (see Appendices I and II).

Underlying operating profit driven by organic growth with efficiencies



- Two thirds of profit growth generated organically
 - EBIT drop through of 19% (organic)
 - Organic gross margins stable
 - Opex investment of 9% to support growth

(1) Underlying measures exclude acquisition-related costs (see Appendices I and II).

Strong performance in both divisions

| £m | H1 23 | | | H1 22 (CER) | | | Revenue growth % | | | Organic Orders growth | EBIT ⁽¹⁾ growth CER |
|------------------------|---------|---------------------|-------|-------------|---------------------|-------|------------------|-----|------------------------|-----------------------|--------------------------------|
| | Revenue | EBIT ⁽¹⁾ | % | Revenue | EBIT ⁽¹⁾ | % | Actual | CER | Organic ⁽²⁾ | | |
| | | | | | | | | | | | |
| Magnetics & Controls | 136.5 | 18.0 | 13.2% | 108.4 | 13.3 | 12.3% | 30% | 26% | 17% | (3%) | 35% |
| Sensing & Connectivity | 83.2 | 13.6 | 16.3% | 69.6 | 11.3 | 16.2% | 21% | 19% | 11% | 3% | 20% |
| Unallocated | | (6.0) | | | (5.9) | | | | | | |
| Total (CER) | 219.7 | 25.6 | 11.7% | 178.1 | 18.7 | 10.5% | 26% | 23% | 14% | (1%) | 37% |
| FX | | | | (3.8) | (0.7) | | | | | | |
| Continuing | 219.7 | 25.6 | 11.7% | 174.3 | 18.0 | 10.3% | | | | | 42% |

■ M&C: strong organic sales growth +17%

- Very strong sales growth in India & Europe
 - Book to bill of 1.06:1
 - Acquisition contribution from Beacon
 - Operating margin up 0.9ppts CER
- 35% CER growth in operating profit

■ S&C: strong organic sales growth +11%

- Very strong sales growth in North America and Asia
 - Book to bill of 1.11:1
 - Acquisition contribution from Antenova and CDT
 - Operating margin up 0.1ppt CER
- 20% CER growth in operating profit

(1) EBIT is underlying operating profit

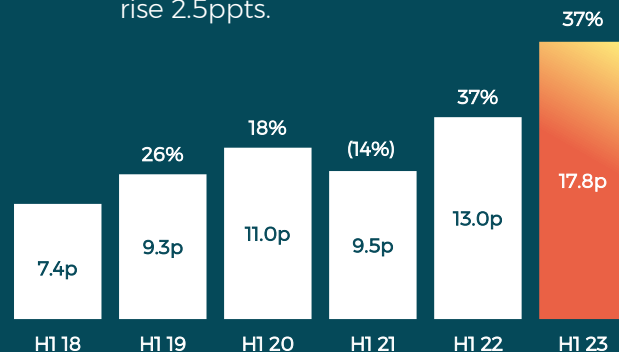
(2) Organic growth: excludes the first 12 months of acquisitions;

Excellent growth in PBT⁽¹⁾ and EPS⁽¹⁾

£m

| | H1 23 | H1 22 | Growth |
|--|-------|-------|--------|
| Underlying operating profit ⁽¹⁾ | 25.6 | 18.0 | 42% |
| Finance costs | (2.1) | (1.9) | |
| Underlying PBT ⁽¹⁾ | 23.5 | 16.1 | 46% |
| Effective tax rate | 26% | 25% | |
| Underlying PAT ⁽¹⁾ | 17.5 | 12.1 | 45% |
| Fully diluted shares (m) | 98.6 | 93.3 | 6% |
| Underlying EPS ⁽¹⁾ (p) | 17.8p | 13.0p | 37% |
| Reported diluted EPS (p) | 10.9p | 6.6p | 65% |

- Underlying PBT 46% higher
- Underlying EPS 37% higher
 - Tax rate is 1% higher
 - Number of shares 6% higher
 - 25% CAGR growth⁽²⁾ since H1 18
- Interest rate sensitivity
 - 1ppt in base rates: +£0.6m charge.
 - Average rate for H2 expected to rise 2.5ppts.


UNDERLYING EPS⁽¹⁾

(1) Underlying measures exclude acquisition-related costs (see Appendices I and II)

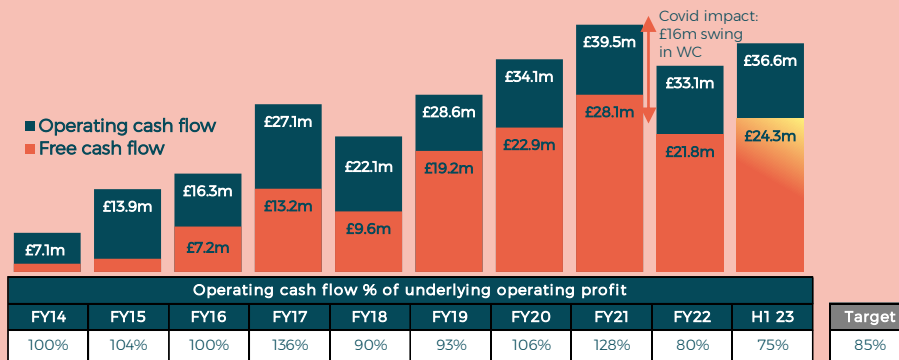
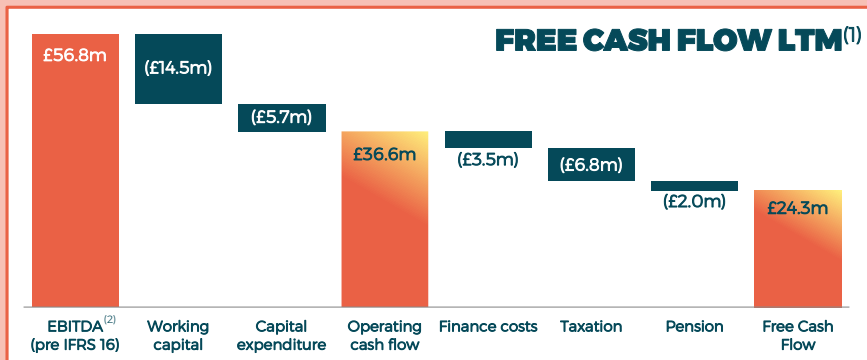
(2) Excluding Covid year, 19% including Covid year

Good cash generation & funding headroom

- **Continued good cash flow**
 - Free cash flow up 11% on FY22
 - Op profit conversion to cash of 75% includes £6m invested in extra inventory to secure supply
 - Low capex model: <2% of revenue

- **Low gearing (0.8x) provides plenty of funding headroom**
 - Target range 1.5 -2.0x
 - Net debt at period end of £45m

- **Revolving credit facility of £240m**
 - Renewed & extended in May 22
 - Term to June 27⁽³⁾



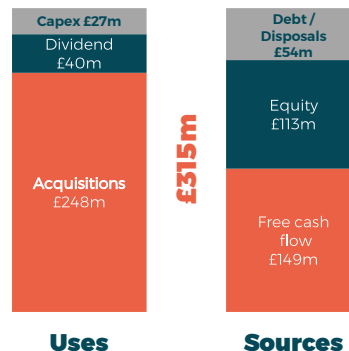
(1) LTM = last 12 months; see also Appendix III
 (2) Non-cash items being depreciation, amortisation, share based payments and IFRS 16 adjustments
 (3) Assumes option to extend by 1 year is exercised by the Group

Disciplined approach to capital allocation

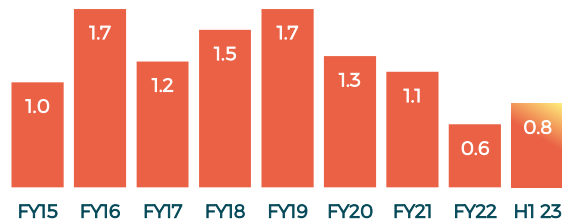
- £149m of free cash flow⁽¹⁾ over last 5yrs → fully deployed in support of the Group's capital allocation strategy
- 73%: growth investments:
 - accretive acquisitions as technology platforms or cluster bolt-ons helping drive growth & long term margins
 - Investment in capacity & production to drive organic growth: capital-light model (c.2% of revenue).
- 27%: returned to shareholders via progressive dividend policy
- Disciplined balance sheet management targeting gearing of 1.5x to 2.0x.

(1) Free cash flow above is quoted before capex
 (2) Net debt divided by underlying EBITDA as annualised for acquisitions

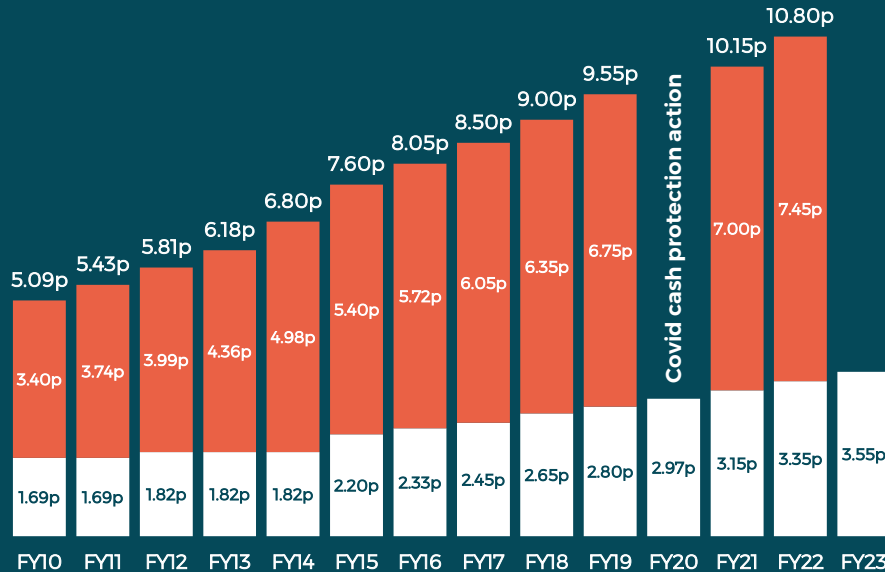
Total Capital Allocation



Net debt / EBITDA⁽²⁾ ratio



Progressive dividend policy



- **Interim dividend increased by 6% over last year**
 - c.3.0x cover (underlying) on an annualised basis

- **Progressive policy remains**
 - To exceed 3.0x cover (underlying)
 - Combines growth in dividends and self-funding of acquisitions

- **Dividend growth of 6% CAGR since FY10 to FY22**
 - Dividend more than doubled



OPERATING REVIEW

Group Overview

Niche products with a strong & defensible customer proposition

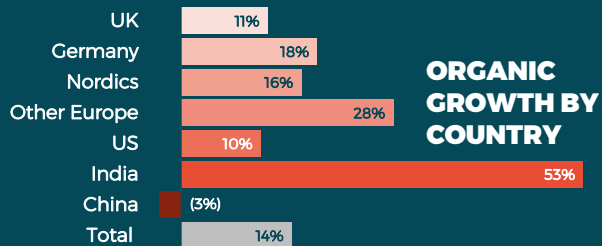
Global manufacturing business

- 31 manufacturing sites in 18 countries
- Increasingly regionalised
 - Benefit from customers re-shoring / localising production
- 20 acquisitions completed since 2011
 - Increasing specialist capability and international reach
- Expanding capacity in India, Germany, UK

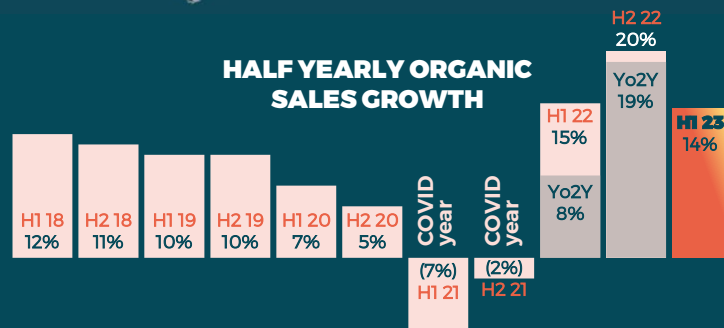


Attractive financial profile

- Consistent strong organic sales growth
- c.12% operating margin
- 15.2% ROCE
- Capital light model with capex c. 2% of revenue
- R&D investment c. 2%/rev (expensed)
- Consistently high levels of cash generation



HALF YEARLY ORGANIC SALES GROWTH



SELLING TO SUSTAINABLE GROWTH MARKETS

- Global trends driving structural growth
- Product development driven by technology
- Increasing electronic content
- Essential products
- Markets aligned with UN SDGs⁽¹⁾



Renewable Energy



Transportation



Medical



Industrial & Connectivity

Mega Trends

Decarbonisation & Diversification

Smart transportation, vehicle electrification

Artificial Intelligence, Sensing and Analytics

Connectivity, Automation & Industrial, Robotics, Internet of Things

Market Growth

Share of electricity generation⁽²⁾: 29% in 2020 to 60% in 2030

20% CAGR growth global electronic connectivity in transport⁽³⁾ to 2030

11.8% CAGR growth from 2021 to 2030⁽⁴⁾

22.8% CAGR growth in global industrial IoT⁽⁵⁾

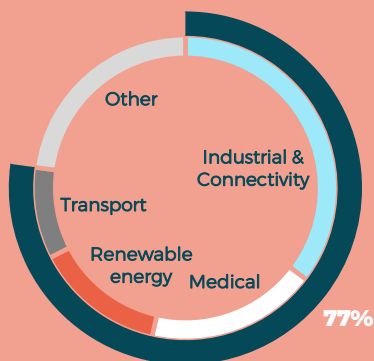


(1) United Nations Sustainable Development Goals
 (2) Source: International Energy Agency
 (3) Source: Research & Markets
 (4) Source: Precedence Research
 (5) Source: Statista Inc.

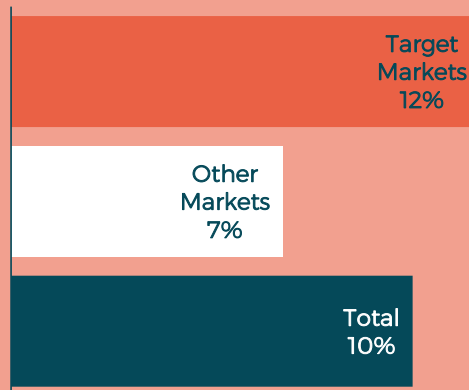
Target markets driving growth

REVENUE FROM TARGET MARKETS

(% of total revenue)



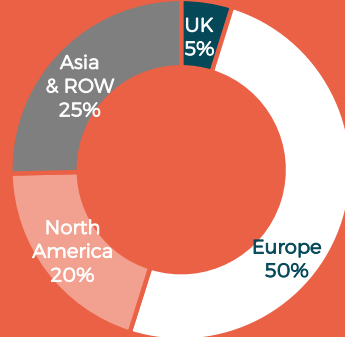
SIX YEAR ORGANIC GROWTH BY MARKET



- Consistent growth in target markets (H1 23: +14%)
 - Slower renewables sector (-6%) follows strong PY growth, offset by strong growth in other target markets (+20%)
 - Recovery in other markets (H1 23: +17%) from lower base
- 12% CAGR organic growth in target markets over last 6 years
 - 77% of total revenue (FY22: 76%)

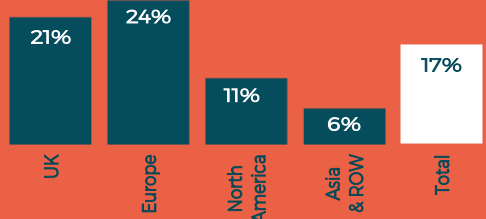


Magnetics & Controls division

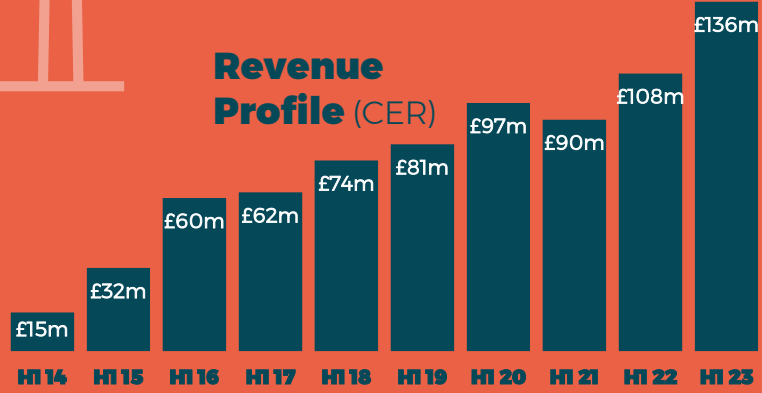


- Electronics for:
 - Signal conditioning, power conversion and switching
 - Monitoring & remote control, communication & interface control
- 62% of Group Revenue
- 3 acquisitions in the last 4 years
- 8 businesses across 17 countries with 20 manufacturing sites
- H1 grew +17% organically, with 13.2% margin
 - Accelerating Europe demand and slowing Asia growth as customers regionalise production

ORGANIC GROWTH BY REGION



Revenue Profile (CER)

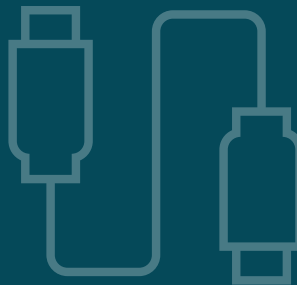
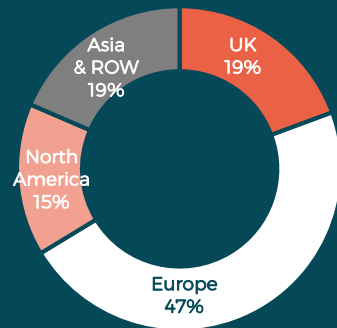


Electronic **Myrra** **Noratel** **Flux** **Plitron**
 Pre FY14 FY14 FY15 FY16 FY17

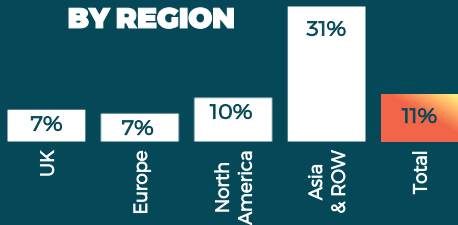
Cursor **Hobart** **Beacon**
 FY18 FY19 FY20 FY21 FY22 FY23

Sensing & Connectivity division

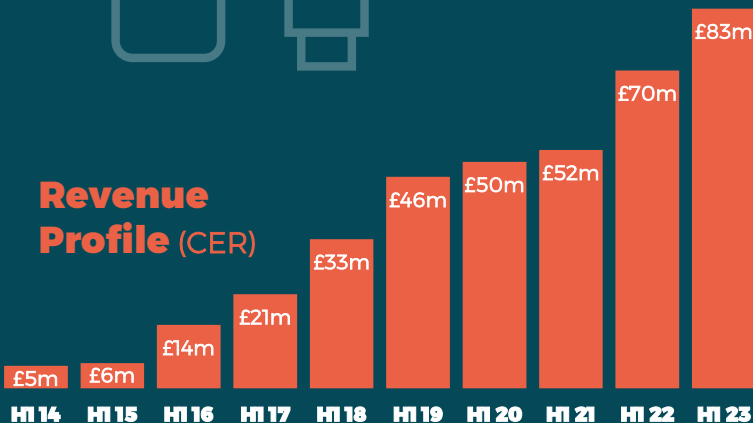
- Electronics for:
 - Sensing & measuring movement, temperature, pressure, position, force, load & x-ray detection
 - Connection, switching, wireless transmission, fibre optic connection & electromagnetic shielding
- 38% of Group Revenue
- 7 acquisitions in the last 3 years
 - Increasing specialist capability and international reach
- 13 businesses across 9 countries with 10 manufacturing sites
- H1 grew +11% organically, with 16.3% margin
 - Continuing strong growth in Asia



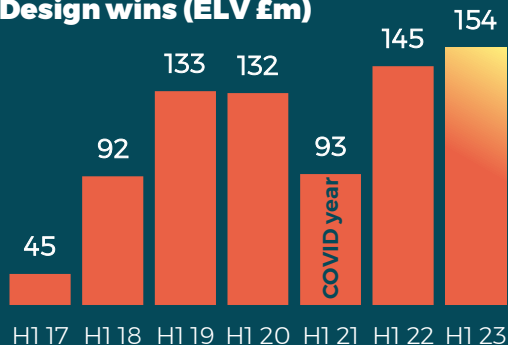
ORGANIC GROWTH BY REGION



Revenue Profile (CER)



Design wins (ELV £m)



DESIGN WINS

Record new project design wins

- Design wins increased by +6% YoY to £154m ELV⁽¹⁾
 - 85% in target markets
 - Biggest increases in renewable and industrial & connectivity
- Strong ongoing project pipeline



Renewable energy



Transportation



Medical



Industrial & Connectivity

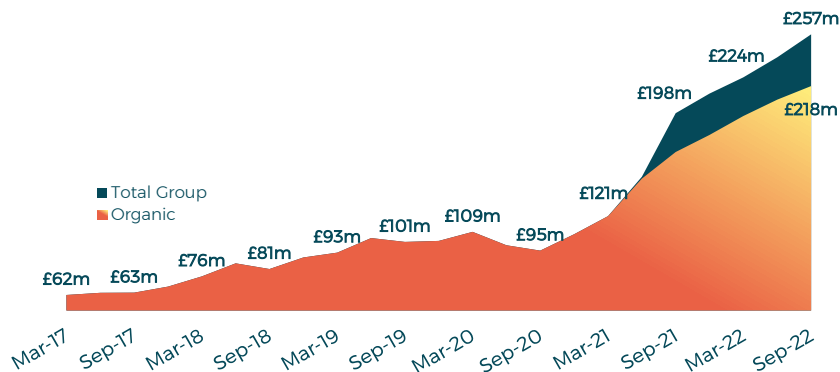
(1) ELV: Estimated lifetime sales value of projects, continuing operations

Record order book

- **£257m record order book**
 - +21% organically YoY
 - Expected to normalise as orders convert into sales

- **Order book driven by:**
 - Lengthening order windows
 - Demand confidence
 - Security of supply

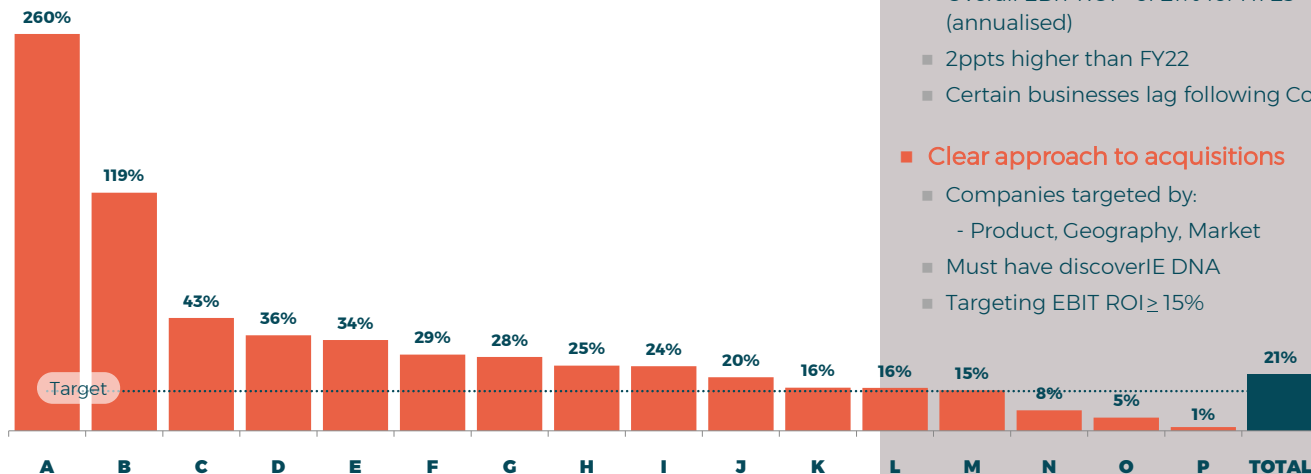
- **Mostly recurring revenues (>90%)**



Acquisitions performing well



H1 23 EBIT ROI⁽¹⁾



- **High quality acquisitions over 11 years**
 - £355m invested in 20 D&M acquisitions, £190m new equity
 - Developed sustainable growth business ahead of market
- **Generating strong returns**
 - Overall EBIT ROI⁽¹⁾ of 21% for H1 23 (annualised)
 - 2ppts higher than FY22
 - Certain businesses lag following Covid
- **Clear approach to acquisitions**
 - Companies targeted by:
 - Product, Geography, Market
 - Must have discoverIE DNA
 - Targeting EBIT ROI ≥ 15%

(1) EBIT ROI defined as annualised operating profit attributable to the business for H1 23 over total acquisition cost (comprising up-front consideration, acquisition expenses, earn-out & integration costs) All businesses included which were acquired before FY21. Excludes recent acquisitions: CPI, Beacon, Antenova, CDT

Acquisition case study – Foss

| Foss | FY15-22 |
|-------------------------|--------------|
| Revenue growth | 6% CAGR |
| Operating profit growth | 14% CAGR |
| Operating margin | 12% → 19% |
| ROCE | 16% → 36% |
| ROI | 19% → 46% |
| Working capital % | 16.0% → 9.6% |
| Target market % | 86% → 87% |

- Acquired: January 2015
- Products: Fibre optic components
- Division: Sensing & Connectivity
- Progress since acquisition:
 - Developed long term strategic plan
 - Organic growth in target markets
 - Capacity expansion in Norway & Slovakia
 - Acquired small local supplier to secure supply
 - Upscaled finance and sales teams
 - Strong focus on working capital
 - Integrated Group risk, control & ESG policies

Outlook

- H2 has started well with continued growth in sales and a record order book
- Order book expected to normalise thru' H2 as supply chains improve and order windows normalise
- Design wins underpins future growth
- Strong pipeline of acquisition opportunities
- Proforma gearing of 0.8x provides plenty of funding headroom
- On track to deliver full year underlying earnings in-line with Board's expectations

APPENDICES

Underlying to IFRS reconciliation

HI 23 (£m)

| | Underlying | Acqs | Amort | IFRS |
|--------------------|------------|-------|-------|-------|
| Operating profit | 25.6 | (0.9) | (7.8) | 16.9 |
| Net finance costs | (2.1) | | | (2.1) |
| Profit before tax | 23.5 | (0.9) | (7.8) | 14.8 |
| Taxation | (6.0) | | 1.9 | (4.1) |
| Profit after tax | 17.5 | (0.9) | (5.9) | 10.7 |
| Effective tax rate | 26% | | | 28% |
| EPS | 17.8p | | | 10.9p |

HI 22 (£m)

| | Underlying | Acqs | Amort | IFRS |
|--------------------|------------|-------|-------|-------|
| Operating profit | 18.0 | (3.3) | (6.4) | 8.3 |
| Net finance costs | (1.9) | | | (1.9) |
| Profit before tax | 16.1 | (3.3) | (6.4) | 6.4 |
| Taxation | (4.0) | 0.2 | 0.4 | (3.4) |
| Profit after tax | 12.1 | (3.1) | (6.0) | 3.0 |
| Effective tax rate | 25% | | | 53% |
| EPS | 13.0p | | | 3.2p |

- Management believe the adjustments enable a better understanding of the underlying performance of the business
- Adjustments made to IFRS results are:
 - Acquisition/disposal related costs (transaction costs, earn-outs, amortisation of acquired intangibles, initial one-off integration costs, profit/loss on acquisition or disposal)

Underlying adjustments & net assets

UNDERLYING ADJUSTMENTS (£m)

| | H1 23 | H1 22 |
|--------------------------------------|--------------|--------------|
| Acquisition expenses | (0.9) | (3.3) |
| Amortisation of acquired intangibles | (7.8) | (6.4) |
| Underlying adjustments | (8.7) | (9.7) |
| Tax impact of adjustments | 1.9 | 0.6 |
| After tax adjustments | (6.8) | (9.1) |

NET ASSETS (£m)

| | Net Assets |
|--|--------------|
| At 31 March 2022 | 290.4 |
| Net profit after tax | 10.7 |
| Dividend paid | (7.1) |
| Currency net assets - translation impact | 18.1 |
| Gain on defined benefit scheme | 0.6 |
| Share-based payments (incl tax) | 0.4 |
| At 30 September 2022 | 313.1 |

Cash flow & net debt

NET DEBT (£m)

| | H1 23 | H1 22 | Last 12 mths |
|--------------------------------|---------------|---------------|---------------|
| Net debt at 1 April | (30.2) | (47.2) | (75.6) |
| Free cash flow | 10.6 | 8.1 | 24.3 |
| Dividends | (7.1) | (6.2) | (10.3) |
| Acquisitions & disposals | (13.2) | (84.2) | 21.8 |
| Equity issuance (net of taxes) | (0.6) | 53.4 | (1.4) |
| Foreign exchange impact | (4.7) | 0.5 | (4.0) |
| Net debt at 30 Sept | (45.2) | (75.6) | (45.2) |

CASH FLOW (£m)

| | H1 23 | H1 22 | Last 12 mths | |
|--------------------------------------|-------------|-------------|--------------|---------------|
| Underlying profit before tax | 23.5 | 16.1 | 45.0 | |
| Net finance costs | 2.1 | 1.9 | 4.0 | |
| Non cash items ⁽¹⁾ | 6.9 | 6.1 | 13.3 | |
| Total EBITDA | 32.5 | 24.1 | 62.3 | |
| IFRS 16 | (2.8) | (2.4) | (5.5) | |
| EBITDA (pre IFRS 16) | 29.7 | 21.7 | 56.8 | |
| Working capital | (10.3) | (6.0) | (14.5) | |
| Capital expenditure | (2.6) | (2.4) | (5.7) | |
| Operating cash flow | 16.8 | 13.3 | 36.6 | |
| Finance costs | (2.0) | (1.7) | (3.5) | |
| Taxation | (3.2) | (2.6) | (6.8) | |
| Legacy pension | (1.0) | (0.9) | (2.0) | |
| Free cash flow | 10.6 | 8.1 | 24.3 | Target |
| Operating cash flow % ⁽²⁾ | | | 75% | 85% |
| Free cash flow % ⁽³⁾ | | | 72% | 85% |

(1) Non-cash items are depreciation, amortisation and share based payments (IFRS 16 adjustment of £3.0m excluded; H1 22 £2.4m).

(2) Operating cash flow as a percentage of underlying operating profit.

(3) Free cash flow as a percentage of underlying profit after tax.

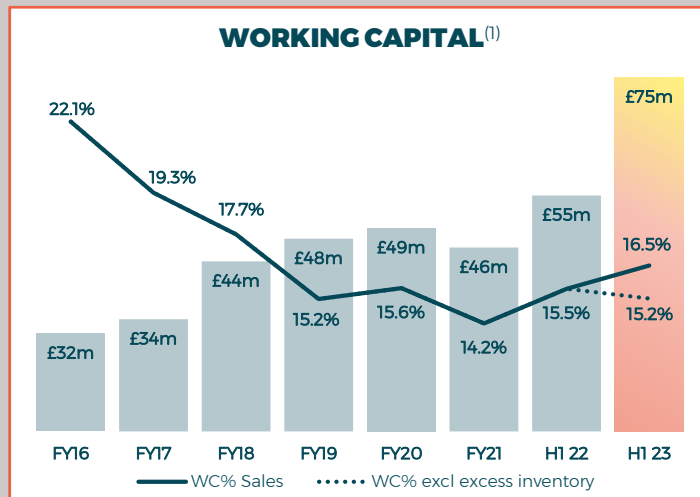
Working capital

■ £6m Investment in inventories to secure supply

- WC at 16.5% of sales⁽²⁾, or 15.2% excluding the additional stock (0.3ppt better than H1 22)
- Further increase in absolute WC due to strong sales growth (+£11m) & due to weak Sterling translation (+£3m)

■ Robust KPIs across both divisions

- Debtor days: 49 (v 49 H1 22)
- Creditor days: 78 (v 74 H1 22)
- Stock turns: 3.0 (v 3.1 H1 22)



(1) Working capital is defined as net inventory, trade & other receivables and trade & other payables

(2) WC% sales based on annualised H1 sales at CER including pre-acq sales of acquisitions in the period

Foreign exchange effects

Translation effects

- Sterling fell sharply on average against the US\$ partially offset by some strength against € and Nordic currencies. This increased the value of overseas sales and profits on translation into Sterling.
- Translation impact for H1 23:
 - Sales +£3.8m; operating profit +£0.7m
- c.90% of Group revenues are non-UK (mainly €, Nordic and US\$).
- H2 23: further 1% weakening of £ would increase sales by +£1.8m and EBIT by +£0.3m

Operational effects

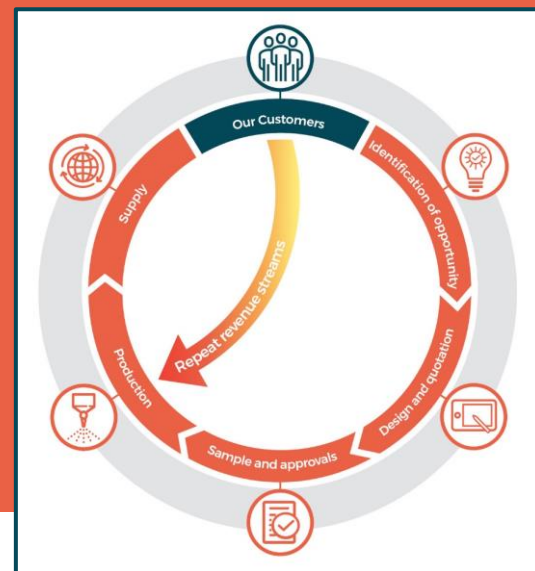
- c.34% of group sales and c.42% of group costs are incurred in currencies other than the local reporting currency.
- The Group hedges material transactional exposures from point of order through to payment
 - Protects GM at FX rate at time of order.

| | £/€ | £/Nordic ⁽¹⁾ | £/\$ |
|---------------|-----|-------------------------|------|
| H1 23 v H1 22 | 1% | 2% | -12% |
| FY22 v FY21 | 5% | 2% | 5% |
| FY21 v FY20 | -2% | -2% | 3% |
| FY20 v FY19 | 1% | 4% | -3% |
| FY19 v FY18 | 0% | 4% | -1% |
| FY18 v FY17 | -5% | -2% | 1% |

(1) Nordic rate is a weighted average combination of £/NOK, £/SEK and £/DKK rates based on Group sales in each territory.

Consistent, proven strategy continues

- Sales growth well ahead of GDP over the economic cycle
- Move up the value chain into higher margin products
- Acquire businesses with attractive growth prospects and strong operating margins
- Further internationalise the business
- Generate strong cash flows and long term sustainable returns while reducing impact on the environment



Key strategic & performance targets

Key Strategic Indicators

| | FY14 | FY18 | FY19 | FY20 | FY22 | H1 23 | FY25 Target |
|--|------|------|------|------|-------|-------|------------------|
| 1. Increase underlying operating margin | 3.4% | 6.3% | 7.0% | 8.0% | 10.9% | 11.7% | 13.5% |
| 2. Build sales beyond Europe ⁽¹⁾ | 5% | 19% | 21% | 27% | 40% | 41% | 45% |
| 3. Target Market Sales ⁽¹⁾ | | 62% | 66% | 68% | 76% | 77% | 85% |
| 4. Carbon emissions reduction ⁽²⁾ | | | | 6% | 33% | c.40% | 65% (was 50%) |

Key Performance Indicators

| | FY14 | FY18 | FY19 | FY20 | FY22 ⁽³⁾ | H1 23 | Target |
|--------------------------------|-------|-------|-------|-------------------|---------------------|-------|--------------------|
| 1. Sales growth | | | | | | | |
| CER | 17% | 11% | 14% | 8% | 27% | 23% | Well ahead |
| Ongoing Organic | 3% | 11% | 10% | 5% | 14% | 14% | of GDP |
| 2. Underlying EPS growth | 20% | 16% | 22% | 11% | 20% | 37% | >10% |
| 3. Dividend growth | 10% | 6% | 6% | 6% ⁽⁴⁾ | 6% | 6% | Progressive |
| 4. ROCE | 15.2% | 13.7% | 15.4% | 16.0% | 14.7% | 15.2% | >15% |
| 5. Operating profit conversion | 100% | 85% | 93% | 106% | 101% | 75% | >85% of op profit |
| 6. Free cash conversion | | | 94% | 104% | 102% | 72% | >85% of net profit |

(1) As a percentage of Group revenue

(2) Original target was a like for like reduction of 50% based on emissions in CY19. The upgraded target is now an absolute reduction of 65% from CY21 (so c75% reduction from CY19)

(3) FY22 growth shown as growth over the pre-covid period FY20 to illustrate the underlying growth of the business

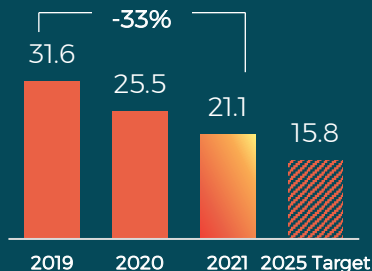
(4) 6% increase in the H1 20 interim dividend; a final dividend was not proposed for FY20 due to COVID-19

ESG progress

Our Planet

Making positive impacts on our environment

CARBON EMISSIONS⁽¹⁾ (tCO₂e/£m)

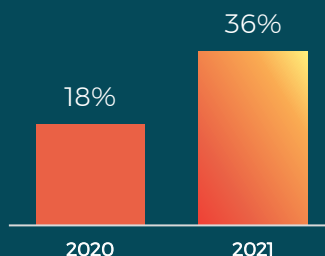


- 33% reduction in carbon emissions⁽¹⁾ since 2019
- 10 out of 36 sites have switched to renewable electricity sources
- Sri Lanka solar panel project phase 1 completed. Phase 2 & 3 on track
- 26% of company cars now electric or hybrid (2020: 19%)
- Energy audits – 23% sites completed (2020: 13%). Target all sites by end of 2023

Our People

Keeping our people safe & happy

GENDER DIVERSITY

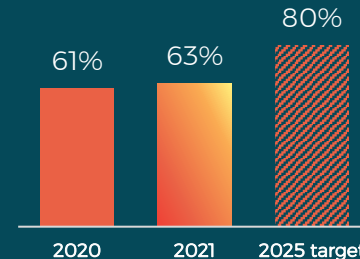


- Diversity increasing - 36% (2020:18%) females across Group wide senior operational management. 20% (2020: 15%) females at executive levels + direct reports
- Number of H&S representatives increased to 128, equal to 1:38 H&S reps/employees ratio (2020: 78 and 1:52)
- Employee retention remained high

Our Products

Ensuring product reliability & sustainability

REVENUE COVERED BY ISO 14001



- ISO14001 environmental management standards cover 63% of Group revenue. Target 80% by 2025.
- Group-wide supplier audits covering key suppliers equivalent to 60% of Group spend
- Responsible sourcing of materials policy introduced, e.g. human rights and conflict minerals
- Enhanced cyber security controls with end-point security and introducing Security Operations Centre

