



# FULL YEAR RESULTS 2014

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# AGENDA

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Welcome Mark Rollins CEO

2014 Results Derek Harding FD

Markets & Outlook Mark Rollins CEO



# 2014 RESULTS

# FINANCIAL HIGHLIGHTS

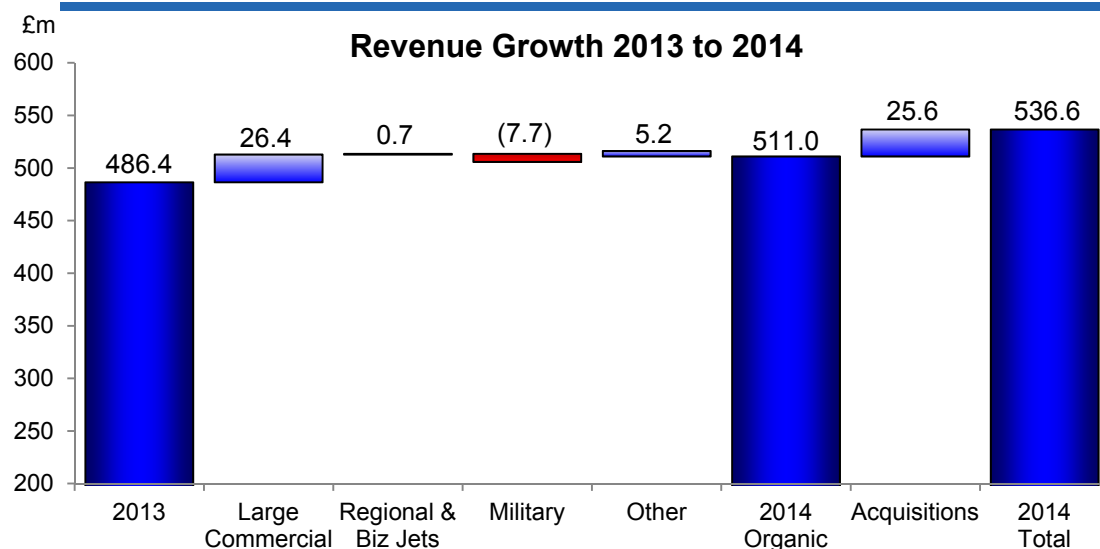
	2014	2013	Change	constant currency
Revenue	<b>£820.8m</b>	£775.1m	<b>+6%</b>	<b>+11%</b> <sup>(1)</sup>
Adjusted Operating Profit	<b>£111.6m</b>	£107.6m	<b>+4%</b>	<b>+10%</b> <sup>(2)</sup>
Adjusted Operating Margin	<b>13.6%</b>	13.9%	<b>-0.3ppts</b>	<b>-0.2ppts</b> <sup>(3)</sup>
Adjusted Profit before Tax	<b>£102.6m</b>	£98.1m	<b>+5%</b>	<b>+11%</b>
Adjusted Earnings per Share	<b>19.84p</b>	19.00p	<b>+4%</b>	
Total Dividend per Share	<b>5.63p</b>	5.12p	<b>+10%</b>	
Free Cash Flow	<b>£57.8m</b>	£63.8m	<b>-9%</b>	
Net Debt	<b>£105.0m</b>	£59.2m	<b>£46m increase</b>	

(1) Organic revenue (excluding acquisitions) increased by 5% on a constant currency basis.

(2) Organic adjusted operating profit (excluding acquisitions) increased by 4% on a constant currency basis.

(3) Organic adjusted operating margin (excluding acquisitions) is 13.7% (2013: 13.8% on a constant currency basis).

# AEROSPACE RESULTS – constant exchange rates<sup>(2)</sup>



£m	2014	2013	Change
<b>Revenue</b>	536.6	486.4	+10.3%
<b>Adj OP<sup>(1)</sup></b>	77.9	73.7	+5.7%
<b>Margin</b>	14.5%	15.2%	-0.7ppts
<b>Organic<sup>(3)</sup></b>			
<b>Revenue</b>	511.0	486.4	+5.1%
<b>Adj OP<sup>(1)</sup></b>	75.1	73.7	+1.9%
<b>Margin</b>	14.7%	15.2%	-0.5ppts

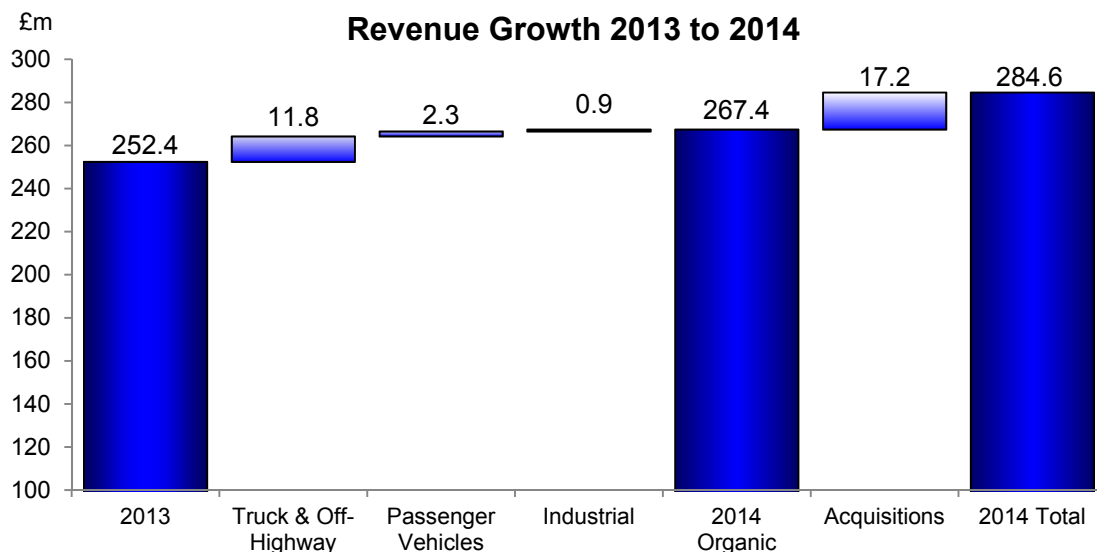
- ⇒ Organic sales in **large commercial aircraft** sector, up £26.4m (↑ 10%); build rate increases as anticipated
- ⇒ Organic **regional jet** sales up £2.4m (↑ 11%); organic **business jet** sales down £1.7m (↓ 4%)
- ⇒ As expected, weaker activity in **military and defence** sector, down £7.7m (↓ 7%) on organic basis
- ⇒ Operating margin down due to operational challenges associated with industrialising a greater number of new commercial aerospace programmes – with costs expensed as incurred
- ⇒ Senior Aerospace Upeca performance broadly in line with expectations
- ⇒ Bombardier decision to suspend L85 programme leads to £1.8m exceptional charge for impairment of inventory and full impairment of £9.4m of goodwill at Senior Aerospace Composites

(1) Before amortisation of intangible assets arising on acquisitions of £4.8m (2013: £3.0m), acquisition costs of £0.3m (2013: £0.4m), restructuring costs of £1.5m (2013: £1.9m), impairment of inventory relating to the suspended L85 programme of £1.8m (2013: £nil) and goodwill impairment charge of £9.4m (2013: £12.7m).

(2) All at 2014 exchange rates – translation effect only.

(3) 2014 organic growth figures exclude 1 month's contribution from Atlas (£0.4m turnover; £0.1m operating profit), which was acquired beginning of February 2013, 11 month's contribution from Thermal (£15.6m turnover; £1.0m operating profit), which was acquired end of November 2013 and 9 month's contribution from Senior Aerospace Upeca (£9.6m turnover; £1.7m operating profit), which was acquired beginning of April 2014.

# FLEXONICS RESULTS – constant exchange rates<sup>(2)</sup>



£m	2014	2013	Change
<b>Revenue</b>	284.6	252.4	+12.8%
<b>Adj OP<sup>(1)</sup></b>	43.5	37.4	+16.3%
<b>Margin</b>	15.3%	14.8%	+0.5ppts
<b>Organic<sup>(3)</sup></b>			
<b>Revenue</b>	267.4	252.4	+5.9%
<b>Adj OP<sup>(1)</sup></b>	41.1	37.4	+9.9%
<b>Margin</b>	15.4%	14.8%	+0.6ppts

- ⇒ Total (also organic) revenue from **land vehicles** markets increased by £14.1m (↑ 10%)
  - North American truck: Senior revenue increased by £8.3m (↑ 11%)
  - £2.6m (↑ 18%) growth in European truck turnover as new programmes ramped up
  - Improved demand in European passenger vehicle markets resulted in turnover up by £4.0m (↑ 12%)
  - Elsewhere, increased land vehicle turnover for China was offset by weaker demand in Brazil & India
- ⇒ Organic turnover from **industrial** markets increased slightly by £0.9m (↑ 1%)
  - Petrochem turnover grew by £5.6m (↑ 27%), offset by weaker powergen, HVAC and renewables
- ⇒ Increase in operating margin achieved due to lower French losses and efficiency gains in North America
- ⇒ Senior Flexonics Upeca performance in line with expectations

(1) Before amortisation of intangible assets arising on acquisitions of £2.4m (2013: £1.2m), acquisition costs of £0.3m (2013: £nil) and reversal of GA contingent consideration payable of £nil (2013: £3.8m).

(2) All at 2014 exchange rates – translation effect only.

(3) 2014 organic growth figures exclude 9 month's contribution from Senior Flexonics Upeca (£17.2m turnover; £2.4m operating profit), which was acquired beginning of April 2014.

## DIVISION RESULTS – constant exchange rates<sup>(2)</sup>

£m	Revenue £m			Adj Operating Profit <sup>(1)</sup> £m			Margin on Sales	
	2014	2013	Change	2014	2013	Change	2014	2013
Aerospace	536.6	486.4	+10.3%	77.9	73.7	+5.7%	14.5%	15.2%
Flexonics	284.6	252.4	+12.8%	43.5	37.4	+16.3%	15.3%	14.8%
Share of JV	-	-	-	(0.3)	(0.3)	-	-	-
<i>Inter-seg. sales</i>	<i>(0.4)</i>	<i>(0.8)</i>	-	-	-	-	-	-
Central Costs	-	-	-	(9.5)	(8.9)	-	-	-
<b>Continuing Ops.</b>	<b>820.8</b>	<b>738.0</b>	<b>+11.2%</b>	<b>111.6</b>	<b>101.9</b>	<b>+9.5%</b>	<b>13.6%</b>	<b>13.8%</b>
Exchange	-	37.1	-	-	5.7	-	-	-
<b>As Reported</b>	<b>820.8</b>	<b>775.1</b>	<b>+5.9%</b>	<b>111.6</b>	<b>107.6</b>	<b>+3.7%</b>	<b>13.6%</b>	<b>13.9%</b>

(1) Adjusted operating profit is as defined on page 6.

(2) All at 2014 exchange rates – translation effect only.

## GEOGRAPHIC RESULTS – constant exchange rates<sup>(2)</sup>

£m	Revenue £m			Adj Operating Profit <sup>(1)</sup> £m			Margin on Sales	
	2014	2013	Change	2014	2013	Change	2014	2013
North America	516.9	486.4	+6.3%	75.8	74.1	+2.3%	14.7%	15.2%
Rest of Europe	96.8	92.0	+5.2%	8.4	8.3	+1.2%	8.7%	9.0%
United Kingdom	130.1	115.4	+12.7%	23.7	20.7	+14.5%	18.2%	17.9%
Rest of World	82.5	48.0	+71.9%	13.5	8.0	+68.8%	16.4%	16.7%
Share of JV	-	-	-	(0.3)	(0.3)	-	-	-
<i>Inter-seg. sales</i>	(5.5)	(3.8)	-	-	-	-	-	-
Central Costs	-	-	-	(9.5)	(8.9)	-	-	-
<b>Continuing Ops.</b>	<b>820.8</b>	<b>738.0</b>	<b>+11.2%</b>	<b>111.6</b>	<b>101.9</b>	<b>+9.5%</b>	<b>13.6%</b>	<b>13.8%</b>
Exchange	-	37.1	-	-	5.7	-	-	-
<b>As Reported</b>	<b>820.8</b>	<b>775.1</b>	<b>+5.9%</b>	<b>111.6</b>	<b>107.6</b>	<b>+3.7%</b>	<b>13.6%</b>	<b>13.9%</b>

(1) Adjusted operating profit is as defined on page 6.

(2) All at 2014 exchange rates – translation effect only.



# ADJUSTED AND REPORTED PROFIT

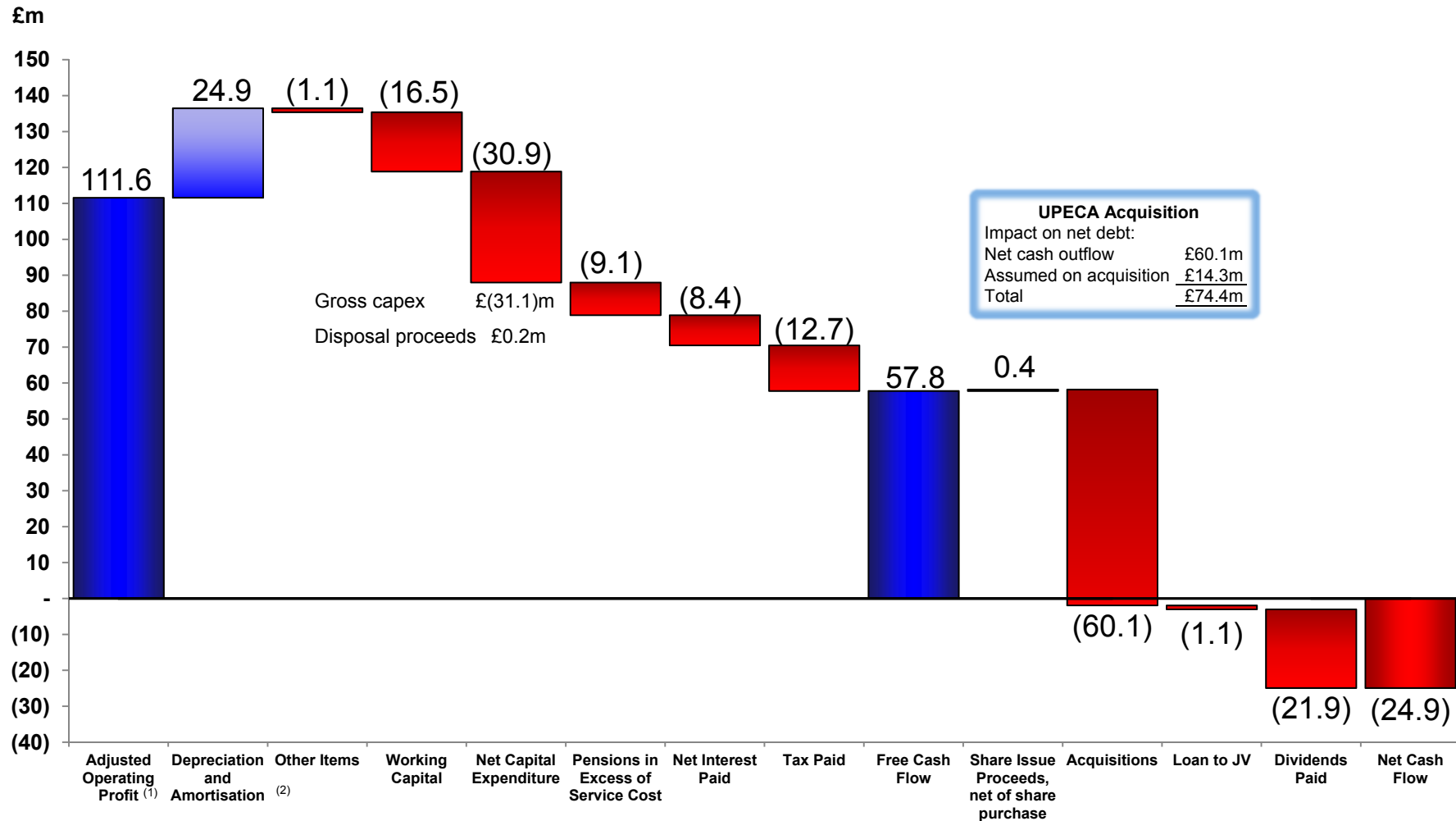
	2014 £m	2013 £m	Change
<b>Adjusted operating profit</b>	<b>111.6</b>	<b>107.6</b>	<b>+4%</b> (+10% on constant currency basis)
Net interest payable - borrowings and cash	(8.1)	(8.1)	
- retirement benefits	(0.9)	(1.4)	
<b>Adjusted profit before tax</b>	<b>102.6</b>	<b>98.1</b>	<b>+5%</b> (+11% on constant currency basis)
Tax (2014: 19.5%; 2013: 19.7%)	(20.0)	(19.3)	
<b>Adjusted profit for the period</b>	<b>82.6</b>	<b>78.8</b>	<b>+5%</b>
Acquisition costs	(0.6)	(0.4)	
Amortisation of intangible assets	(7.2)	(4.2)	
Restructuring costs	(1.5)	(1.9)	
Impairment of L85 inventory	(1.8)	-	
Impairment of goodwill	(9.4)	(12.7)	
Reversal of contingent consideration payable	-	3.8	
Exceptional pension (charge)/ gain	(1.5)	1.1	
Related tax on above items	2.9	6.9	
<b>Reported profit for period</b>	<b>63.5</b>	<b>71.4</b>	

# EARNINGS PER SHARE AND DIVIDENDS

	2014	2013	Change
<b>Average number of shares</b>			
Basic	416.3m	414.7m	+1.6m
Fully diluted	421.6m	420.1m	+1.5m
<b>Adjusted earnings per share<sup>(1)</sup></b>			
Basic	19.84p	19.00p	+4%
Fully diluted	19.59p	18.76p	+4%
<b>Dividends (pence per share)</b>			
Interim	1.67p	1.52p	+10%
Final	<u>3.96p</u>	<u>3.60p</u>	+10%
Total	<u>5.63p</u>	<u>5.12p</u>	+10%
<b>Dividend cost (£m)</b>			
Interim	£6.9m	£6.3m	
Final	<u>£16.6m</u>	<u>£15.0m</u>	
Total	<u>£23.5m</u>	<u>£21.3m</u>	
<b>Dividend cover</b>	3.5x	3.7x	

(1) Based on adjusted profit for the period as defined on page 6.

# CASH FLOW AND USE OF FUNDS



(1) Adjusted operating profit is as defined on page 6.

(2) Before amortisation of intangible assets arising on acquisitions of £7.2m (2013: £4.2m).

# BALANCE SHEET

	2014 £m	2013 £m
Goodwill and other intangible assets	290.8	242.5
Investment in JV	0.7	1.0
Property, plant and equipment	167.6	142.6
Other long-term assets	7.3	7.5
<b>Non current assets</b>	<b>466.4</b>	<b>393.6</b>
Inventories	119.3	99.4
Receivables	137.1	113.7
Payables	(148.8)	(129.0)
<b>Working capital (page 10)</b>	<b>107.6</b>	<b>84.1</b>
Current tax liabilities (net)	(12.7)	(14.5)
Loan to JV	0.7	-
<b>Net current assets</b>	<b>95.6</b>	<b>69.6</b>
Retirement benefit obligations (page 37)	(19.8)	(25.6)
Net borrowings	(105.0)	(59.2)
Other long-term liabilities	(25.6)	(16.9)
<b>Net assets</b>	<b>411.6</b>	<b>361.5</b>
<b>Net debt to EBITDA<sup>(1)</sup> (page 36)</b>	<b>0.8x</b>	<b>0.5x</b>

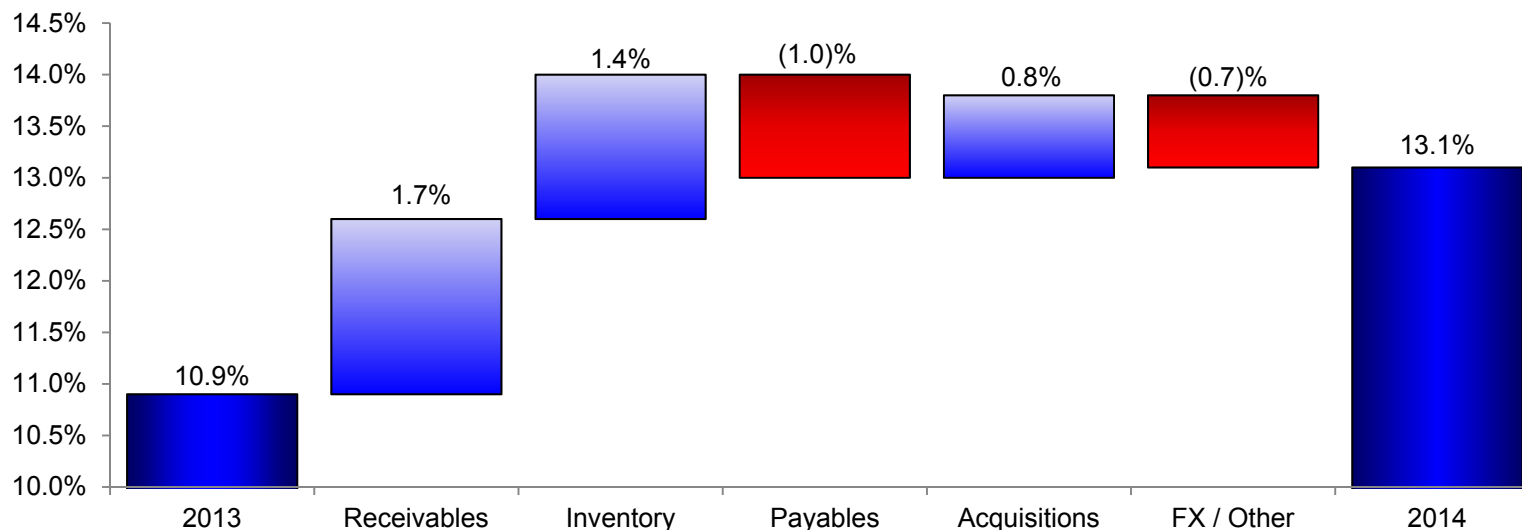
## Retirement Benefit Obligations

	£m
As at December 2013	(25.6)
Cash contributions	10.8
Actuarial gain on assets	29.8
Actuarial loss on liabilities	(30.7)
Other	(4.1)
As at December 2014	(19.8)

(1) Based on rolling 12 month EBITDA

# WORKING CAPITAL

Working capital as a % of revenue



⇒ Trade receivables increased by an average of 3 days (£13.6m) to 60 days as a number of key customers extended payment terms reflecting structural changes in the industry

⇒ Trade payables increased by £8.6m partly matching increased raw material purchases and partly due to the timing of year end payment schedules

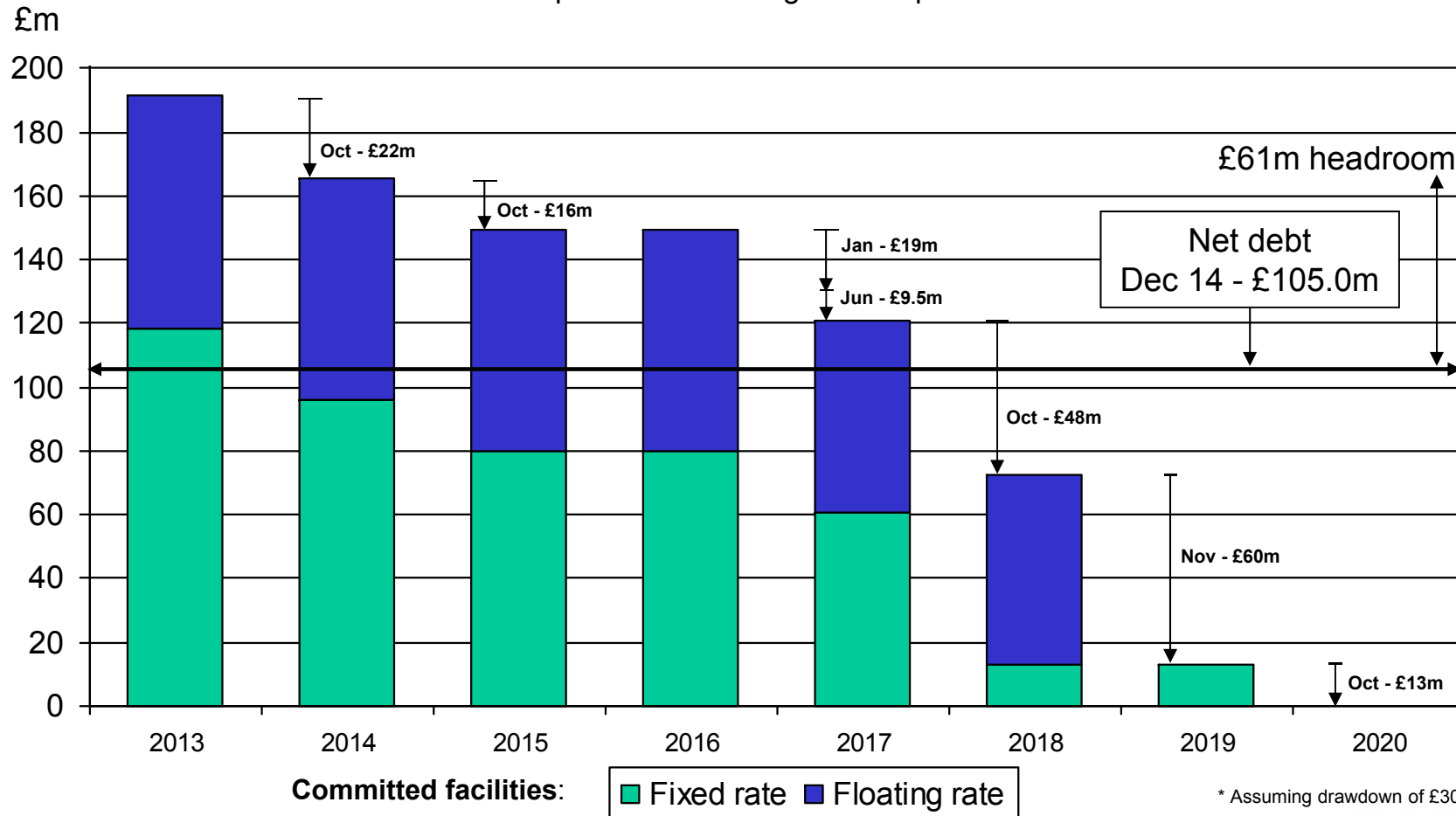
⇒ Inventory increased by £11.5m due to the ongoing industrialisation of new aerospace programmes

⇒ £6.4m of working capital acquired with Upeca

See page 31 for further details and history of working capital

# MATURITY PROFILE OF CREDIT FACILITIES

- ⇒ Repaid £22m of US private placement in October 2014 (5.93% interest)
- ⇒ Refinanced £13m acquired Upeca debt
- ⇒ Completed an “amend & extend” to RCF taking the maturity to 2019 and reducing margin by 0.35bps\*
- ⇒ Net Debt:EBITDA = 0.8x – Well placed for future growth aspirations



\* Assuming drawdown of £30m

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# 2014 FINANCIAL SUMMARY

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- ⇒ A healthy set of results delivering continued growth
- ⇒ Strong organic growth in large commercial aerospace and North American heavy trucks
- ⇒ Adjusted profit before tax of £102.6m, 5% ahead of prior year (11% on a constant currency basis)
- ⇒ Good cash flows resulted in a prudent level of net debt, after funding the Upeca acquisition
- ⇒ Upeca brings new capabilities and geographic exposure to the Group
- ⇒ Full-year dividend proposed to increase by 10%



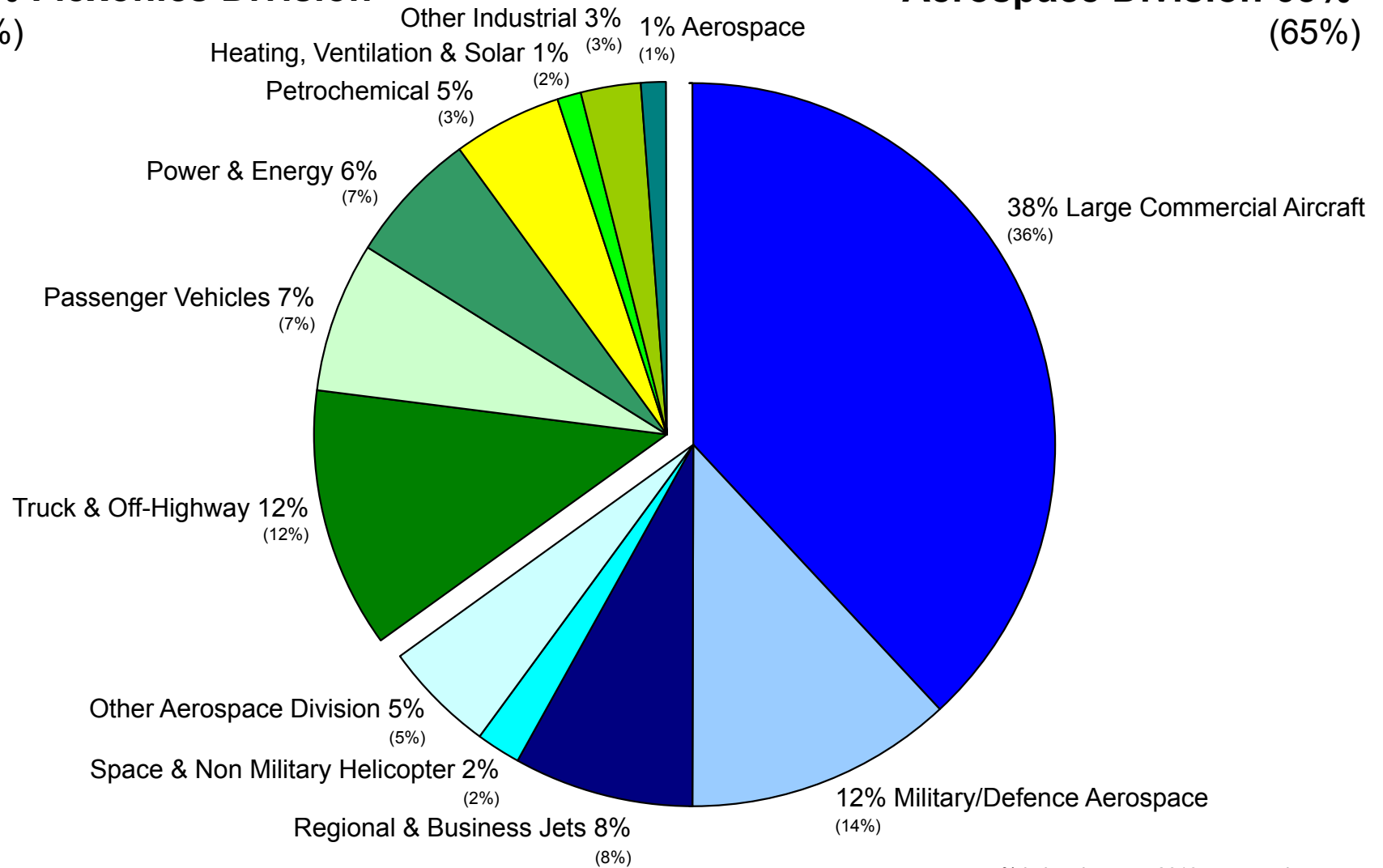
# MARKETS & OUTLOOK



# SENIOR'S MARKETS – 2014

**35% Flexonics Division**  
(35%)

**Aerospace Division 65%**  
(65%)

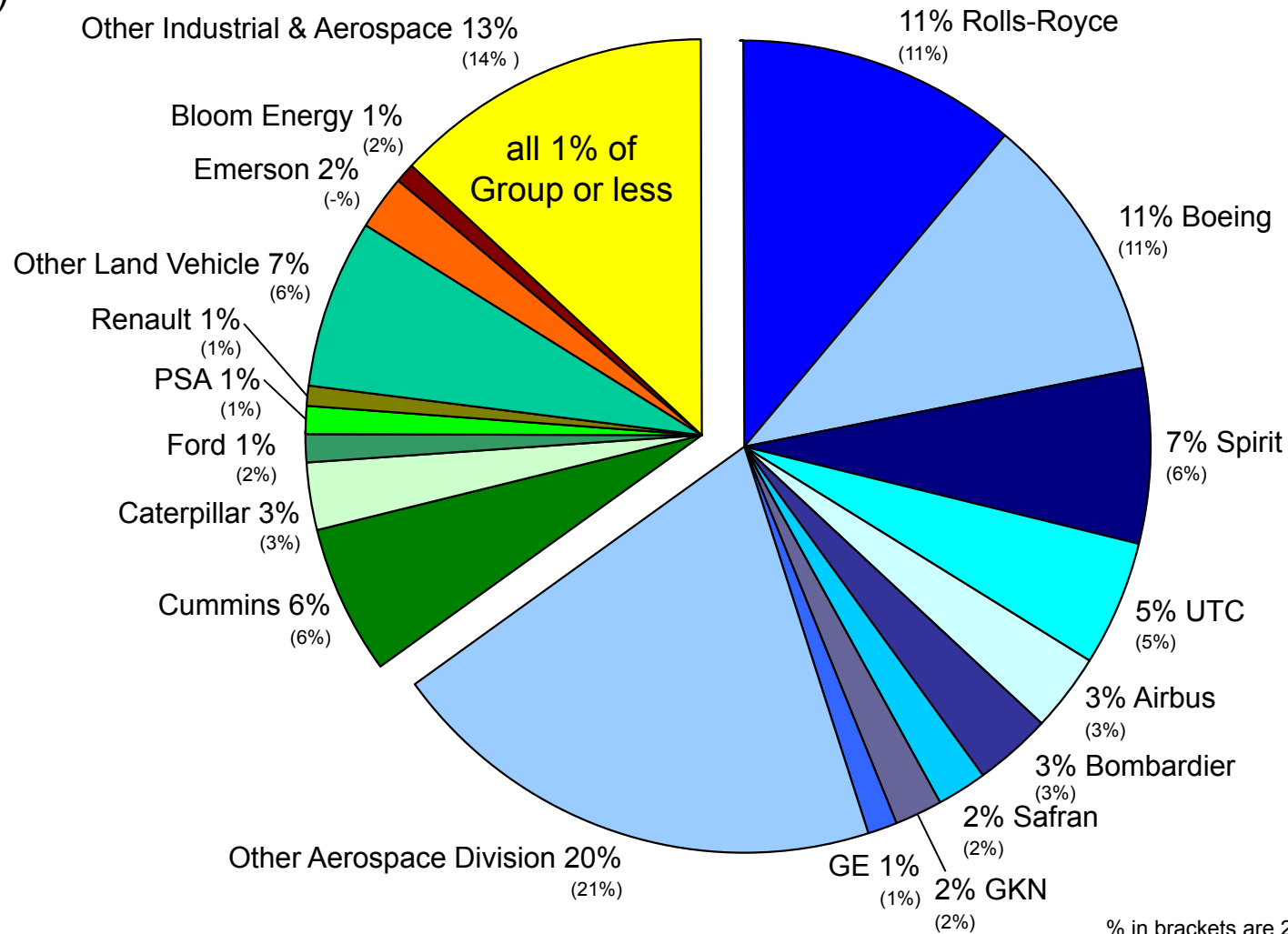


% in brackets are 2013 comparatives

# SENIOR'S CUSTOMERS – 2014

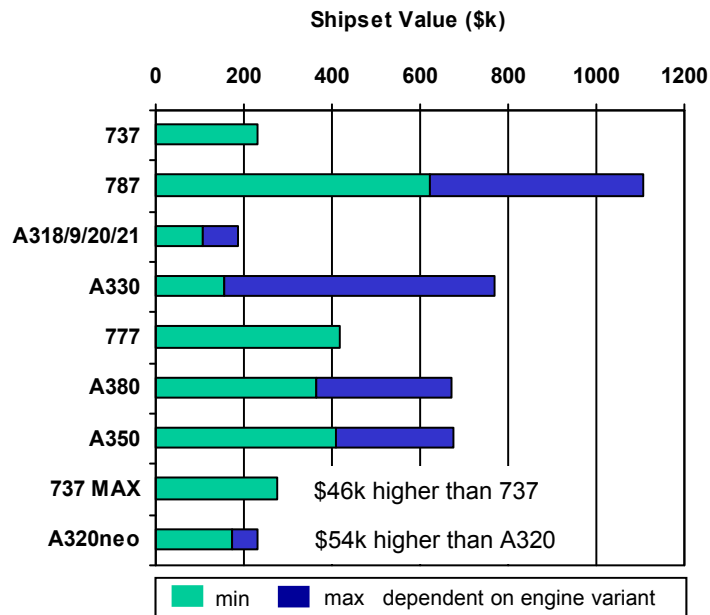
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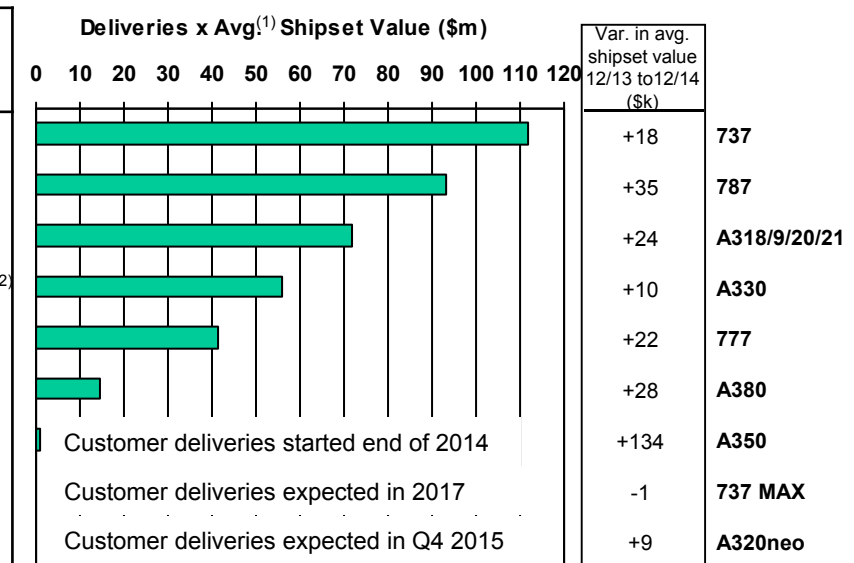


% in brackets are 2013 comparatives

# LARGE COMMERCIAL AIRCRAFT (38% of Group)



Avg <sup>(1)</sup> shipset value (\$k)	2014 deliveries (number)	Order book value (\$k)
231	485	1,636
817	114	843
147	490	1,508
520	108	313 <sup>(2)</sup>
419	99	564
489	30	165
515	1	779
277	Nil	2,663
201	Nil	3,621



(1) Average based on programme share and estimated engine variant  
 (2) Includes 120 A330neo

(3) At constant exchange rates

	Estimated annual deliveries (number)					Growth (%)
	2013	2014	2015	2016	2017	
737 <sup>(4)</sup>	440	485	504	504	534	+10%
787	65	114	120	136	144	+26%
A320 <sup>(4)</sup>	493	490	502	527	570	+16%
A330	108	108	98	69	69	-36%
777	98	99	99	99	99	-%
A380	25	30	30	30	30	-%
A350 <sup>(5)</sup>	-	1	32	69	104	na

(4) Estimated deliveries include A320neo / 737MAX, respectively

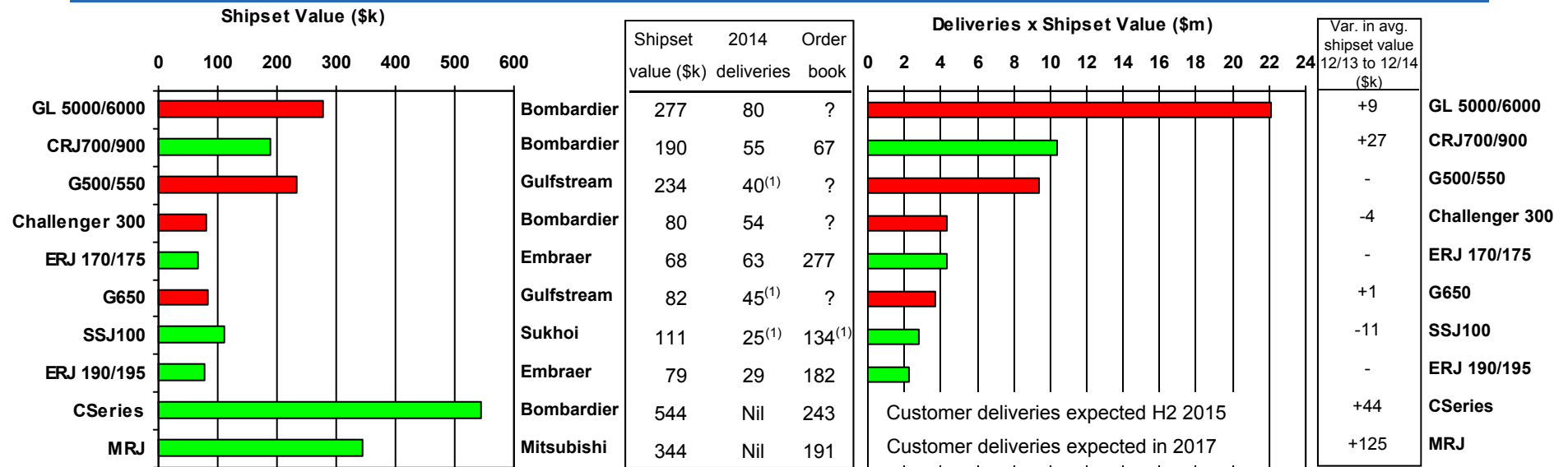
(5) A350 numbers for 2015-2017 are production estimates

Source: Customers, Teal Group & internal estimates

Group sales ↑ 18%<sup>(3)</sup> over 2013; organic basis ↑ 10%<sup>(3)</sup>

- ⇒ Boeing and Airbus 2014 deliveries ↑ 6% to 1,352 aircraft (2013: 1,274)  
Booked record net orders of 2,888 aircraft (2013: 2,858), over 2x deliveries  
Order book grew to 9 years at current production rates
- ⇒ 737: 42pm in '14, 47 in '17, 52 in '18; A320: 42pm in '14, 46 in '16, 50 in '17
- ⇒ Upeca shipset at time of acqn was \$21k on A320 and \$49k on A350. Since then it has added content of \$31k on 787, \$16k on A330 and further \$126k on A350
- ⇒ R-R contract at 50% share for T1000 means 787 avg. shipset of \$762k in 2017
- ⇒ Airbus launched A330neo with T7000 engine and entry into service in Q4 2017 but current A330 to reduce to 6 per month from Q1 2016
- ⇒ Price pressure ongoing but moderating as negotiations conclude as expected

# REGIONAL AND BUSINESS JETS (8% of Group)



<sup>(1)</sup> estimated

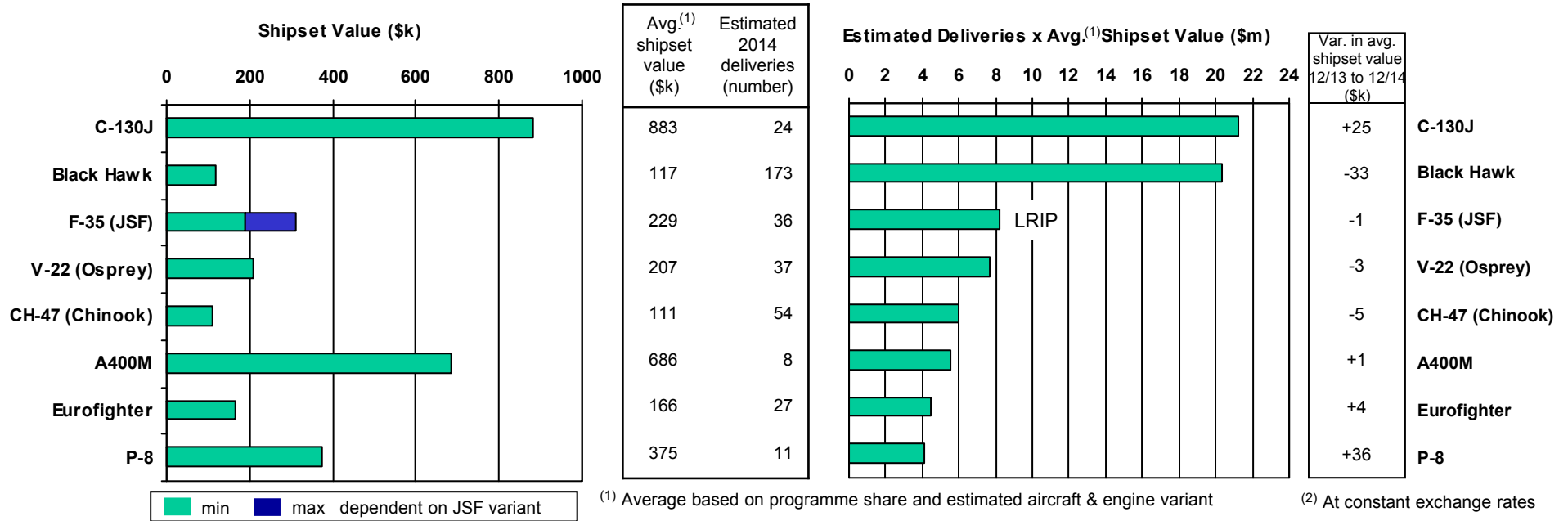
<sup>(2)</sup> At constant exchange rates

	Estimated annual deliveries (number)					Growth % 2014-2017
	2013	2014	2015	2016	2017	
GL 5000/6000	62	80	77	77	77	-4%
CRJ700/900	19	55	40	38	36	-35%
G500/550	48	40	40	40	40	-%
Challenger 300	55	54	60	62	62	+15%
ERJ 170/175	28	63	60	60	60	-5%
G650	42	45	48	50	54	+20%
SSJ100	10	25	25	25	25	-%
ERJ 190/195	62	29	30	30	30	+3%
CSeries	-	-	2	8	24	na

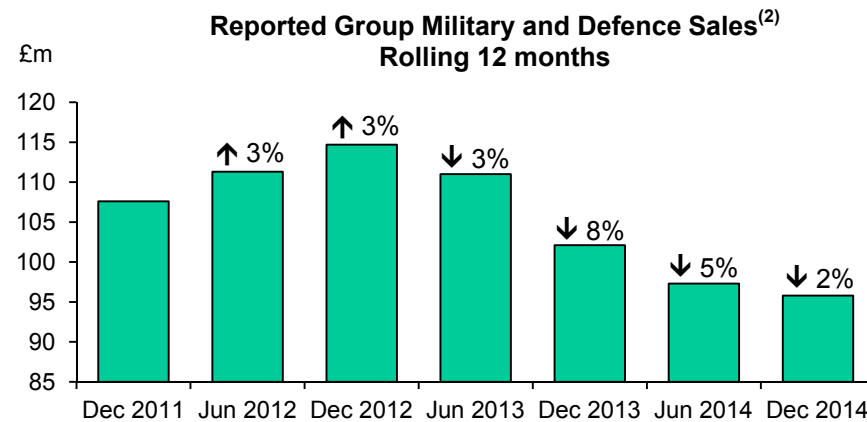
Source: Customers, GAMA, Teal Group & internal estimates

- ⇒ **Business Jets** – Group sales ↓ 1%<sup>(2)</sup> (< £1m) over 2013; organic ↓ 4%<sup>(2)</sup>  
5% of Group – Market 2014 deliveries ↑ 6% to 722 aircraft (2013: 678)  
– Market deliveries: Large jets ↓ 1%; mid jets ↑ 28%; light jets ↑ 6%  
– Sales decrease due to lower large jet market deliveries  
– L85 suspended = lower revenue in 2015 than expected
- ⇒ **Regional Jets** – Group sales ↑ 12%<sup>(2)</sup> (£3m) over 2013; organic ↑ 11%<sup>(2)</sup>  
3% of Group – Bombardier and Embraer combined 2014 deliveries ↑ 21% to 176 aircraft (2013: 145)  
– Sales growth due to increased activity in CRJ series and SSJ100  
– Future healthy growth from CSeries (starting late 2015)  
– \$101k content on Embraer's 2<sup>nd</sup> generation E2 Jet (customer deliveries to commence in 2018).  
– Won additional ducting content on MRJ

# MILITARY AND DEFENCE (12% of Group)



Group sales ↓ 6%<sup>(2)</sup> over 2013; organic basis ↓ 7%<sup>(2)</sup>



<sup>(3)</sup> Lockheed targeting 100+ pa by 2020

Source: Customers, Teal Group & internal estimates

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# LAND VEHICLES (19% of Group)

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## Truck & Off-Highway Vehicles (12% of Group)

**2014 market<sup>(1)</sup>** compared to 2013:

- ⇒ N. American truck sales ↑ 12%; production ↑ 17%
- ⇒ N. American truck production forecast<sup>(1)</sup>:  
2015 ↑ 7%; 2016 Flat; 2017 ↓ 2%
- ⇒ EU truck sales ↓ 7%; production ↓ 4%
- ⇒ EU truck production forecast<sup>(1)</sup>:  
2015 ↑ 4%; 2016 ↑ 7%; 2017 ↑ 7%

**Group sales** ↑ 13%<sup>(2)</sup> from 2013

- ⇒ N. America (10% of Group) Group sales ↑ 11%; higher HP rails, exhaust bellows and OE cooler volumes
- ⇒ Cooler spares volumes lower due to improvement in longevity
- ⇒ Some weakness in off-highway agriculture and mining in Q4
- ⇒ EU (2% of Group) Group sales ↑ 18% (£3m) as new emission led programmes came into production (both on & off highway)
- ⇒ Increase in sales of rails to China from N. America and EU

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## Passenger Vehicles (7% of Group)

**2014 market<sup>(1)</sup>** compared to 2013:

- ⇒ Overall EU car sales ↑ 6%; production ↑ 5%
- ⇒ European sales of PSA, Renault and Ford ↑ 7%
- ⇒ EU car production forecast<sup>(1)</sup>:  
2015 ↑ 2%; 2016 ↑ 2%; 2017 ↑ 3%
- ⇒ N. Am. light vehicle sales ↑ 6%; production ↑ 5%
- ⇒ Brazil car sales ↓ 9%; production ↓ 15%
- ⇒ India car sales ↑ 3%; production ↑ 1%

**Group sales** ↑ 4%<sup>(2)</sup> from 2013

- ⇒ EU (5% of Group) Group sales ↑ 12% (£4m) as European passenger vehicle market recovered slightly from the 17 year low seen in 2013
- ⇒ Elsewhere, outside of EU, Group sales ↓ 10% (£2m) as higher China sales were offset by weaker market led sales in Brazil and weaker sales for our customers in India

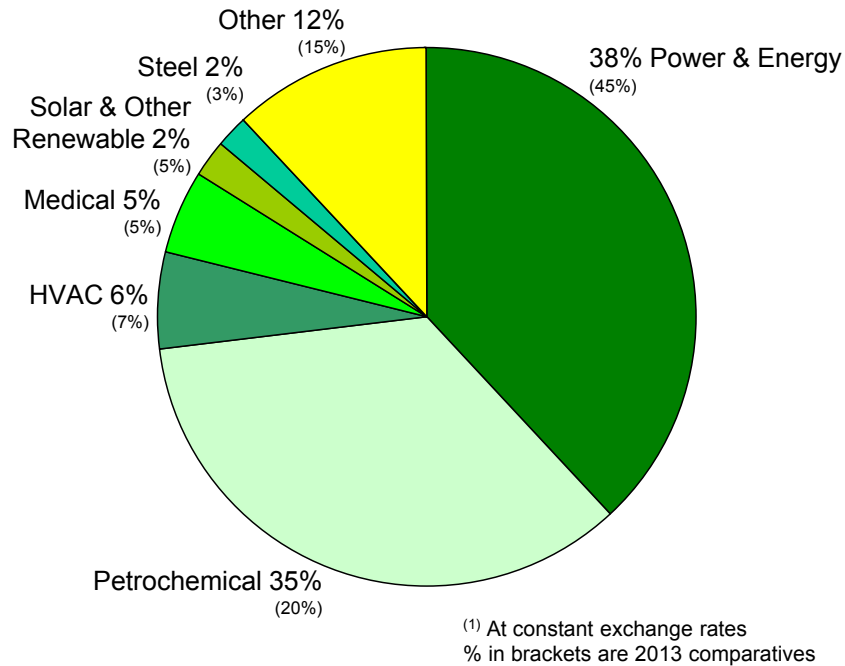
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(1) Industry Data - Source: ACEA, Wards, IHS Automotive, LMC Automotive, ACT Research & internal estimates

(2) At constant exchange rates

# INDUSTRIAL (15% of Group)

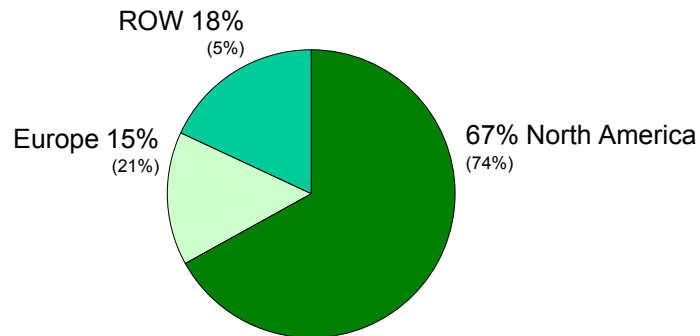
## 2014 Industrial sales split



## Group sales ↑ 17%<sup>(1)</sup> over 2013; ↑ 1%<sup>(1)</sup> on organic basis

Power & Energy:	↓ 2% <sup>(1)</sup>	↓ £1m; lower fuel cell dielectrics, offset partially by higher expansion joint sales to N American market
Petrochemical:	↑ 27% <sup>(1)</sup>	↑ £6m; large N American and Korean petrochemical projects in H2
HVAC:	↓ 13% <sup>(1)</sup>	↓ £1m; weaker European and Canadian markets
Medical:	↑ 18% <sup>(1)</sup>	↑ £1m; customer facility move related inventory build
Solar & Other Renewable:	↓ 50% <sup>(1)</sup>	↓ £3m; non repeat of solar farm projects
Other Markets:	↓ 5% <sup>(1)</sup>	↓ £1m; weaker general industrial markets

## 2014 Sales by Origin



## 2015 Outlook

Some softening anticipated as result of:

- recent decline in the oil price;
- ongoing difficulties at Petrobras; and
- increased uncertainty in the Eurozone

However, given a solid orderbook, H1 2015 should see healthy sales of large expansion joints in North America

# ACQUISITION FRAMEWORK

More Likely → Less Likely

<b>Division</b>	Fluid Systems <input checked="" type="checkbox"/>	Structures <input checked="" type="checkbox"/>	Flexonics <input checked="" type="checkbox"/>	New Markets	
<b>Market</b>	<input checked="" type="checkbox"/> Large Commercial	Biz Jet	Rotorcraft	Reg Jet	VLJ
	<input checked="" type="checkbox"/> Energy	Renewables	Nuclear	Truck	Defence
		General Industrial	Medical		Semi-conductor
<b>Product</b>	Aero Ducting	Structural Composites	Control Bellows	Jet Engine Mach	
	<input checked="" type="checkbox"/> Precision Machining	Emission Control		Auto Piping	
	Heat Exchangers/Coolers	Expansion Joints	Tooling	Industrial Tube	
<b>Nature</b>	Own design	<input checked="" type="checkbox"/> Highly Engineered BTP	Commodity BTP		
	Higher Value Assy.	On-Site	Components		
<b>Geography</b>	North America	UK	Europe	Australasia	Africa
	<input checked="" type="checkbox"/> Asia		South America		
<b>Ownership</b>	<input checked="" type="checkbox"/> Owner managed	Trade	Venture Capital		
<b>Revenue</b>	<input checked="" type="checkbox"/> \$50 to \$100m	\$100m+	\$30 to \$50m	less than \$30m	
		Small add-ons			

Upeca (\$125m including acquired net debt)



# 'BUILDING' FOR THE FUTURE



## South Carolina

Senior's commitment to providing market leading solutions to our customers was the primary objective with the decision by the Group to expand operations to South Carolina. In February 2015, the Group opened a 39,000 sq ft satellite AMT facility adjacent to Boeing's rapidly growing facility in Charleston, to assemble 787 structural parts.

## Thailand

In Thailand, the Group is expanding capacity threefold (+196,000 sq ft) and adding processing capability at a total cost of £10m (for the building & treatment plant), being spent 2014 - 2016. The first phase of building is nearing completion and will allow the introduction of an in-house treatments plant. This facility will significantly raise the profile of Senior Aerospace in Asia, providing low cost reliable solutions in the region for our customers. The new facility is planned to be fully operational during 2015.

## California

An additional 59,000 sq ft leased facility has been constructed near the Group's existing SSP facility to support growth, principally for the A320neo and CSeries. £4m investment in plant and equipment being spent 2014-2016. The new facility is planned to be operational during 2015.

## Mexico - Flexonics

The Flexonics-Mexico plant has undergone significant growth in the its diesel emissions components business and, as a result, the floor space has been doubled to 32,000 sq. ft. This additional space will be filled by mid-year 2015 with multiple new heavy truck programs.



## India

An additional 26,000 sq. ft. leased facility in New Delhi is currently undergoing renovation to support EGR Cooler manufacturing for the domestic and EU construction equipment markets. The total expected investment is £1m, consisting of building improvements and capital equipment, to be spent in 2015, with production expected in early 2016 for an existing customer.

## Mexico - Aerospace

Following a fire in October 2014 which destroyed one of two buildings, 85% of the Group's Mexican Aerospace operation's revenue was back in production within 3 weeks. The remainder is expected to come on stream during H1 2015.



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# GROUP 2015 OUTLOOK

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## Opportunities

- ⇒ Large Commercial Aerospace market strong with A350 ramping up
- ⇒ Higher content A320neo – Q4 2015 delivery?
- ⇒ CSeries entry into service towards end of 2015
- ⇒ Military & Defence stabilising with rate of decline reducing
- ⇒ North American Truck market continues to perform well, albeit at a slower growth rate
- ⇒ Continued recovery in the European passenger vehicle market
- ⇒ Currency: transactional impact of 10 cent movement in \$:£ = £4m PBT; £6m net debt  
Currently assuming \$1.54 : £1

## Challenges

- ⇒ Impact of price pressures as expected
- ⇒ Industrialisation of a number of new programmes. Expense costs as incurred
- ⇒ The impact of L85 programme suspension
- ⇒ Weakness in off-highway markets such as agriculture and mining
- ⇒ Short-term impact of recent decline in oil price on Industrial markets
- ⇒ Ability to ship product to Petrobras with their ongoing difficulties
- ⇒ Uncertainty in the Eurozone. China slowing
- ⇒ Transactional effect of currency movements

Overall, progress is expected to be made across the Group during 2015 and, at current exchange rates, the Board anticipates the Group to perform in line with its expectations.

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# GROUP LONGER-TERM OUTLOOK

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- Large Commercial Aerospace:
- ⇒ 787 (\$817k per s/s): 10 pm (2014), 12 pm (2016), 14 pm (2019).
  - ⇒ A350 (\$515k per s/s): 3 pm (2015), 6 pm (2016), 13 pm (2018).
  - ⇒ A330 (\$520k per s/s): 10 pm (2014), 9 pm (2015), 6 pm (2016).
  - ⇒ A320neo & 737 MAX (higher s/s & rates) launch in 2015 & 2017.
  - ⇒ Growth opportunities: Malaysia; Thailand, South Carolina.
  - ⇒ Customers consolidating supply chains / operational excellence.
- Business and Regional Jets:
- ⇒ CSeries (\$544k per s/s): production ramp up in 2016 and beyond.
  - ⇒ MRJ (\$344k per s/s): deliveries expected from 2017.
  - ⇒ Increased content on E2-Jets; deliveries expected from 2018.
  - ⇒ Gradual recovery in Biz jet market – but mainly in mid/light aircraft.
- Military and Defence:
- ⇒ Overall rate of decline slowing.
  - ⇒ A400M (\$686k per s/s) expected ramp up to 24 p.a. in 2016.
  - ⇒ Rising JSF (\$229k per s/s) build rates from 2016.
- Land Vehicles – Trucks:
- ⇒ Expected ongoing global market recovery.
- Passenger Vehicles:
- ⇒ European market recovery. China exhaust flexes ramping up.
- Industrial:
- ⇒ Global GDP increase and tightening environmental legislation.

The Group remains well positioned to make further progress in 2016 and beyond



**THANK YOU,  
BEST WISHES  
ANY MORE  
QUESTIONS?**

# APPENDICES

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## NEW CEO – DAVID SQUIRES

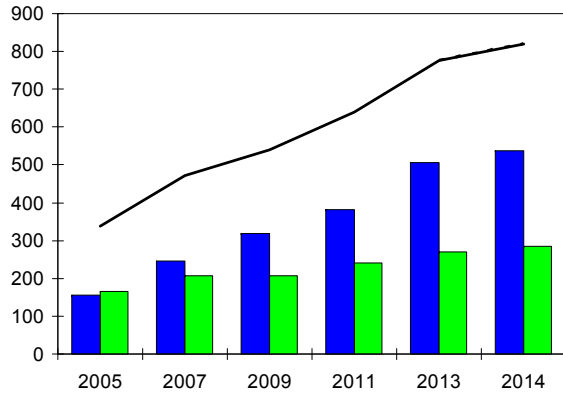
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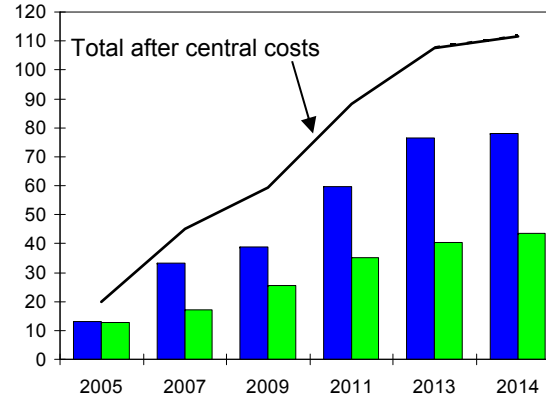
- ⇒ Joins Senior on 1 May 2015 as Group Chief Executive-designate before taking over as Group Chief Executive on 1 June 2015.
- ⇒ Currently the Chief Operating Officer for Cobham plc. Prior to this role David held the position as President of its Mission Systems Division for five years, in which capacity he was responsible for Cobham's Mission Equipment, Life Support and Aviation Services businesses.
- ⇒ Has extensive and varied experience of the global aerospace and defence markets, having been employed in the industry for some 25 years at major global companies such as Eaton Corporation, BAE Systems, GEC-Marconi and the Hughes Aircraft Company as well as at Cobham.
- ⇒ Age 51, born in Scotland, holds a BA in Business Management from Robert Gordon University in Aberdeen, is a Fellow of the Chartered Institute of Purchasing and Supply and a Fellow of the Royal Aeronautical Society

# 10 YEAR EVOLUTION

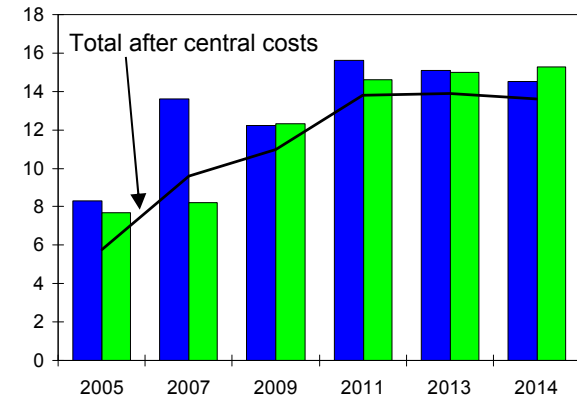
Revenue (£m)



Adjusted Operating Profit (£m)

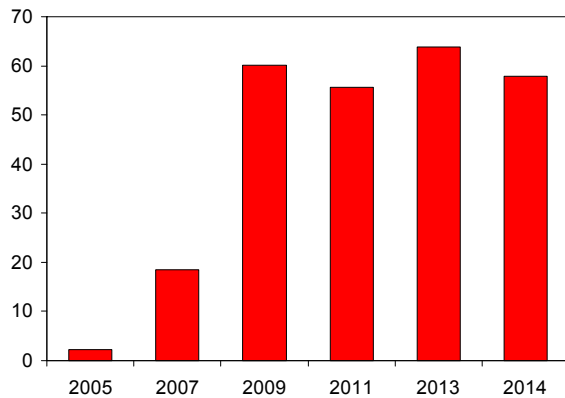


Adjusted Operating Margin (%)

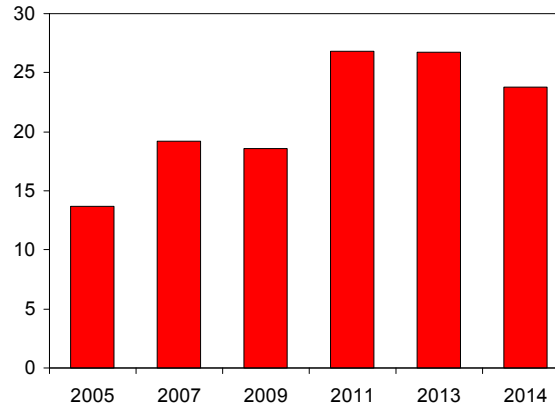


■ Aerospace ■ Flexonics — Group

Free Cash Flow (£m)

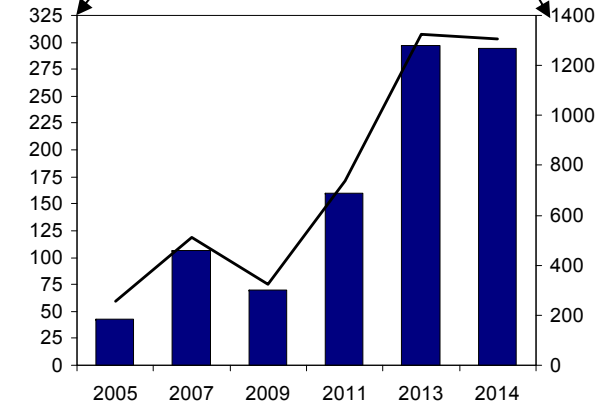


Return on Capital Employed (%)



■ Group

Share Price (p) / Market Capitalisation (£m)



■ Market Capitalisation — Share Price

# EXCHANGE RATES

	Profit and Loss Account			Balance Sheet		
	Average Rates			Period End Rates		
	2014	2013	Change	2014	2013	Change
£ : US Dollar	1.65	1.57	-4.8%	1.56	1.66	+6.4%
£ : Euro	1.24	1.18	-4.8%	1.29	1.20	-7.0%
£ : Rand	17.82	15.14	-15.0%	18.04	17.35	-3.8%
Euro : Rand	14.37	12.83	-10.7%	13.98	14.46	+3.4%

Using 2014 average rates would have decreased 2013 sales by £37.1m  
Using 2014 average rates would have decreased 2013 operating profits by £5.7m  
Period end rates increased reported debt by £4.9m compared to Dec 2013

Estimated that 10 cents movement in £:\$ (£:€) exchange rate affects full year sales by £31m (£7m), operating profit by £4m (£0.4m), profit before tax by £4m (£0.4m) and net debt by £6m (£nil)



## DIVISION RESULTS – AS REPORTED

£m	Revenue £m			Adj Operating Profit <sup>(1)</sup> £m			Margin on Sales	
	2014	2013	Currency Impact <sup>(2)</sup>	2014	2013	Currency Impact <sup>(2)</sup>	2014	2013
Aerospace	536.6	506.6	(20.2)	77.9	76.5	(2.8)	14.5%	15.1%
Flexonics	284.6	269.3	(16.9)	43.5	40.4	(3.0)	15.3%	15.0%
Share of JV	-	-	-	(0.3)	(0.3)	-	-	-
<i>Inter-seg. sales</i>	<i>(0.4)</i>	<i>(0.8)</i>	-	-	-	-	-	-
Central Costs	-	-	-	(9.5)	(9.0)	0.1	-	-
<b>Continuing Ops.</b>	<b>820.8</b>	<b>775.1</b>	<b>(37.1)</b>	<b>111.6</b>	<b>107.6</b>	<b>(5.7)</b>	<b>13.6%</b>	<b>13.9%</b>

(1) Adjusted operating profit is as defined on page 6.

(2) Currency impact is the effect on the 2013 reported figures when retranslated at 2014 average exchange rates.

# GEOGRAPHIC RESULTS – AS REPORTED

£m	Revenue £m			Adj Operating Profit <sup>(1)</sup> £m			Margin on Sales	
	2014	2013	Currency Impact <sup>(2)</sup>	2014	2013	Currency Impact <sup>(2)</sup>	2014	2013
North America	516.9	512.0	(25.6)	75.8	78.0	(3.9)	14.7%	15.2%
Rest of Europe	96.8	97.3	(5.3)	8.4	8.9	(0.6)	8.7%	9.1%
United Kingdom	130.1	115.4	-	23.7	20.7	-	18.2%	17.9%
Rest of World	82.5	54.4	(6.4)	13.5	9.3	(1.3)	16.4%	17.1%
Share of JV	-	-	-	(0.3)	(0.3)	-	-	-
<i>Inter-seg. sales</i>	(5.5)	(4.0)	0.2	-	-	-	-	-
Central Costs	-	-	-	(9.5)	(9.0)	0.1	-	-
<b>Continuing Ops.</b>	<b>820.8</b>	<b>775.1</b>	<b>(37.1)</b>	<b>111.6</b>	<b>107.6</b>	<b>(5.7)</b>	<b>13.6%</b>	<b>13.9%</b>

(1) Adjusted operating profit is as defined on page 6.

(2) Currency impact is the effect on the 2013 reported figures when retranslated at 2014 average exchange rates.

# DIVISION RESULTS – HALF YEARLY

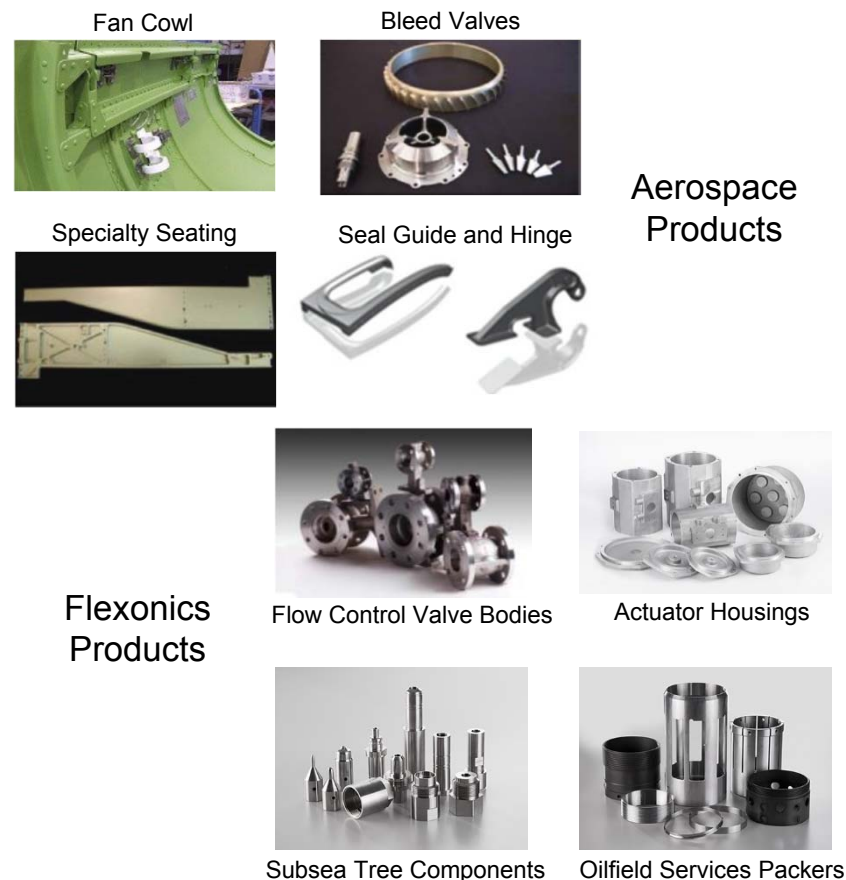
	Revenue				Adjusted Operating Profit			
	H2 2014	H1 2014	H2 2013	H1 2013	H2 2014	H1 2014	H2 2013	H1 2013
Aerospace	272.6	264.0	252.4	254.2	38.5	39.4	39.7	36.8
Flexonics	148.0	136.6	123.7	145.6	23.4	20.1	19.8	20.6
Inter-segment sales	(0.2)	(0.2)	(0.3)	(0.5)	-	-	-	-
Share of JV	-	-	-	-	(0.1)	(0.2)	(0.2)	(0.1)
Central costs	-	-	-	-	(4.8)	(4.7)	(5.0)	(4.0)
<b>Total operations</b>	<b>420.4</b>	<b>400.4</b>	<b>375.8</b>	<b>399.3</b>	<b>57.0</b>	<b>54.6</b>	<b>54.3</b>	<b>53.3</b>
Interest - borrowings and cash					(4.0)	(4.1)	(3.8)	(4.3)
- retirement benefits					(0.5)	(0.4)	(0.7)	(0.7)
Tax					(10.0)	(10.0)	(9.6)	(9.7)
<b>Adjusted profit for the period <sup>(1)</sup></b>					<b>42.5</b>	<b>40.1</b>	<b>40.2</b>	<b>38.6</b>
<b>Adjusted earnings per share <sup>(1)</sup></b>					<b>10.19p</b>	<b>9.65p</b>	<b>9.69p</b>	<b>9.31p</b>

(1) Before acquisition costs (H2 2014 £0.2m; H1 2014 £0.4m; H2 2013 £0.3m; H1 2013 £0.1m), amortisation of intangible assets arising on acquisitions (H2 2014 £4.1m; H1 2014 £3.1m; H2 2013 £2.1m; H1 2013 £2.1m), restructuring costs (H2 2014 £1.5m; H2 2013 £1.9m; Others £nil), impairment of inventory relating to the suspended L85 programme (H2 2014 £1.8m; Others £nil), goodwill impairment charge (H2 2014 £9.4m; H1 2013 £12.9m; Others £nil), reversal of contingent consideration payable (H1 2013 £3.9m; Others £nil), and pension curtailment charge (H1 2014 £1.5m; H2 2013 £1.1m gain; Others £nil). Note that for full year 2013 the goodwill impairment charge was £12.7m and the reversal of contingent consideration payable was £3.8m as a result of translation at 2013 average exchange rates.

# UPECA TECHNOLOGIES ACQUISITION

UPECA Technologies Sdn Bhd (“UPECA”), comprising UPECA Flowtech (“UFT”) and UPECA Aerotech (“UAT”), both based in Malaysia (30 minutes apart) and UPECA Engineering (Tianjin), (“UET”) based in China, is a manufacturer of high-precision engineered components serving the Aerospace and Energy sectors.

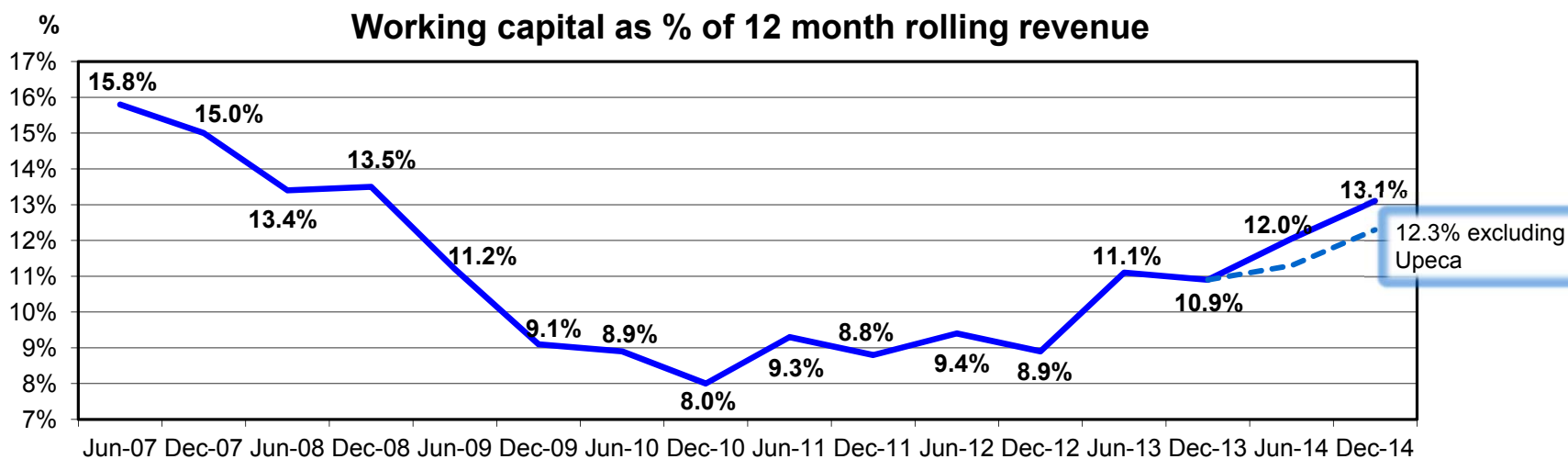
- ⇒ Owner managed business with over 20 years of manufacturing experience
- ⇒ Total 260,000 sq ft of manufacturing and office space with 2 sites in Kuala Lumpur, Malaysia and 1 site in Tianjin, China; 673 employees at the end of 2014
- ⇒ Markets: 1/3 Aerospace (primarily commercial), 2/3 Energy (primarily oil and gas)
- ⇒ Customers include Spirit, Honeywell, UTAS, Emerson, Baker Hughes and Halliburton
- ⇒ Year to 31 March 2014: Revenue £30.8m; OP £4.4m; EBITDA £7.3m. 9 months to 31 December 2014: Revenue £26.8m; OP £4.1m; EBITDA £5.8m
- ⇒ Consideration £74.4m: £59.1m for 100% of business and the assumption of £15.3m of net debt
- ⇒ Experienced existing management team continuing to run the business
- ⇒ Significant growth opportunity as Senior’s customers increasingly seeking local, in region, supply chain support



Excellent strategic addition to Senior’s portfolio, strengthening the Group’s aerospace and energy market presence in the increasingly important South-East Asia region

# WORKING CAPITAL

	Balance Sheet			Cash Flow
	Inventories	Receivables	Payables	Working Capital
	£m	£m	£m	£m
<b>31 December 2013 (page 9)</b>	<b>99.4</b>	<b>113.7</b>	<b>(129.0)</b>	
Movements in period:				
Aerospace	6.2	7.4	0.1	(13.7)
Flexonics	5.3	5.4	(9.8)	(0.9)
Holding companies	-	0.8	1.1	(1.9)
	11.5	13.6	(8.6)	(16.5)
Acquisitions and disposals	4.7	7.5	(5.8)	
Foreign exchange effect	3.7	3.1	(3.8)	
Other non-cash movements	-	(0.8)	(1.6)	
<b>31 December 2014 (page 9)</b>	<b>119.3</b>	<b>137.1</b>	<b>(148.8)</b>	<b>(16.5) (page 32)</b>



# FREE CASH FLOW

	<b>2014</b>	<b>2013</b>
	<b>£m</b>	<b>£m</b>
<b>Operating profit</b>	<b>89.6</b>	<b>93.3</b>
Share of JV loss	0.3	0.3
Depreciation	24.1	21.6
Amortisation of intangible assets	8.0	4.9
Goodwill impairment & reversal of contingent consideration payable	9.4	8.9
Restructuring charge	1.5	1.9
Charge for share-based plans	2.5	3.5
Pension curtailment charge / (gain)	1.5	(1.1)
Pension payments above service cost	(9.1)	(7.7)
Working capital (page 31)	(16.5)	(19.1)
Currency movements	(1.5)	-
<b>Cash generated from operations</b>	<b>109.8</b>	<b>106.5</b>
Interest paid (net)	(8.4)	(7.9)
Tax paid	(12.7)	(6.0)
Capital expenditure (page 34)	(31.1)	(29.7)
Sale of fixed assets	0.2	0.9
<b>Free cash flow</b>	<b>57.8</b>	<b>63.8</b>

# CHANGE IN NET DEBT

UPECA acquisition impact on net debt £74.4m	<b>2014</b> <b>£m</b>	<b>2013</b> <b>£m</b>
<b>Free cash flow (page 32)</b>	<b>57.8</b>	<b>63.8</b>
Dividends	(21.9)	(19.9)
Acquisitions (net of cash & o/d acquired) and JV	(60.1)	(31.0)
Loan to JV	(1.1)	-
Share issues	1.1	0.1
Purchase of shares by employee benefit trust	(0.7)	(0.9)
<b>Net cash (outflow) / inflow</b>	<b>(24.9)</b>	<b>12.1</b>
Exchange variations	(6.6)	(0.2)
Finance leases assumed on acquisition	(1.4)	(0.2)
Bank and other loans assumed on acquisition	(12.9)	-
Net debt – opening	(59.2)	(70.9)
<b>Net debt – closing (page 35)</b>	<b>(105.0)</b>	<b>(59.2)</b>
<b>Net debt to EBITDA (page 36)</b>	<b>0.8x</b>	<b>0.5x</b>

(1) Net of overdraft and final working capital adjustment.

# GROSS CAPITAL EXPENDITURE

	2014		2013	
	Capex	Depn <sup>(1)</sup>	Capex	Depn <sup>(1)</sup>
	£m	£m	£m	£m
Aerospace	22.5	16.1	21.7	14.0
Flexonics	8.3	8.6	7.8	8.1
Holding Companies	0.3	0.2	0.2	0.2
<b>Total</b>	<b>31.1</b>	<b>24.9</b>	<b>29.7</b>	<b>22.3</b>

(1) Depreciation excludes amortisation of intangible assets arising on acquisitions of £7.2m (2013: £4.2m) but includes amortisation of computer software of £0.8m (2013 : £0.7m).



# USAGE OF CREDIT FACILITIES – December 2014

	Year End			Usage by Currency			
	<u>Interest</u> %	<u>Facility</u> £m	<u>Usage</u> £m	<u>£</u>	<u>\$</u>	<u>€</u>	<u>Other</u>
<b>Private placements:</b>							
US \$20.0m (Oct 2020)	6.94%	12.8	12.8	-	12.8	-	-
US \$75.0m (Oct 2018)	6.84%	48.1	48.1	-	48.1	-	-
US \$30.0m (Jan 2017)	5.85%	19.2	19.2	-	19.2	-	-
US \$25.0m (Oct 2015)	6.42%	16.0	16.0	-	16.0	-	-
	<b>6.59%</b>	<b>96.1</b>	<b>96.1</b>	-	<b>96.1</b>	-	-
<b>Bank facilities:</b>							
RCF £60.0m (Nov 2019) <small>Base + 0.65%</small>	1.15%	60.0	8.0	8.0	-	-	-
Harris \$14.7m (Jun 2017) <small>Base + 1.10%</small>	1.20%	9.5	5.3	-	5.3	-	-
<b>Total committed facilities</b>		<b>165.6</b>	<b>109.4</b>	<b>8.0</b>	<b>101.4</b>	-	-
Overdrafts and bank loans		50.4	8.1	6.1	1.3	-	0.7
Finance leases		0.7	0.7	-	0.2	-	0.5
<b>Gross debt</b>		<b>216.7</b>	<b>118.2</b>	<b>14.1</b>	<b>102.9</b>	-	<b>1.2</b>
Cash		-	(13.2)	(1.2)	(3.3)	(3.4)	(5.3)
<b>Net debt</b>		<b>216.7</b>	<b>105.0</b>	<b>12.9</b>	<b>99.6</b>	<b>(3.4)</b>	<b>(4.1)</b>

**Headroom of £61m on committed facilities**

# COVENANTS

	Dec 2014	June 2014	Dec 2013	June 2013
Net Debt	£105.0m	£114.3m	£59.2m	£65.5m
Net interest <sup>(1)</sup> - rolling 12 months	£8.5m	£9.0m	£8.4m	£8.2m
EBITDA <sup>(1)</sup> - rolling 12 months	£137.8m	£137.5m	£129.7m	£124.9m
<b>Interest cover (to exceed 3.5 times)</b>	<b>16.2 x</b>	<b>15.3 x</b>	<b>15.4 x</b>	<b>15.2 x</b>
<b>Net Debt to EBITDA (not to exceed 3 times)</b>	<b>0.8 x</b>	<b>0.8 x</b>	<b>0.5 x</b>	<b>0.5 x</b>

(1) The Group's results only include Upeca, Thermal, Atlas and GA from their date of acquisition (April 2014, Nov 2013, Feb 2013 and Nov 2012, respectively). Consequently, for covenant purposes for 2014, net interest and EBITDA include an additional £0.4m and £2.2m respectively in respect of Upeca's results prior to acquisition. For covenant purposes for rolling 12 months to June 2014, net interest and EBITDA include an additional £1.1m and £6.6m respectively in respect of Upeca and Thermal's combined results prior to acquisition. For covenant purposes for 2013, net interest and EBITDA include an additional £0.3m and £1.2m respectively in respect of Thermal and Atlas' combined results prior to acquisition. For covenant purposes for rolling 12 months to June 2013, net interest and EBITDA include an additional £0.1m and £1.5m respectively in respect of Atlas and GA's combined results prior to acquisition and excludes £0.4m EBITDA to eliminate Hargreaves results prior to disposal in 2012.

# PENSIONS – DEFICIT MOVEMENT

	12 Months 2014				2013
	UK Funded £m	USA Funded £m	Various Unfunded £m	Total £m	Total £m
<b>IAS19 Scheme deficit at 31 Dec 2013</b>	<b>(15.6)</b>	<b>(4.3)</b>	<b>(5.7)</b>	<b>(25.6)</b>	<b>(37.1)</b>
Current service cost	(0.2)	(0.3)	(0.3)	(0.8)	(2.0)
Running costs	(0.9)	-	-	(0.9)	(0.8)
Curtailment (charge)/ gain	(1.5) <sup>(1)</sup>	-	-	(1.5)	1.1
Total employer cash contributions	8.8	1.5	0.5	10.8	10.4
Net interest charge	(0.5)	(0.2)	(0.2)	(0.9)	(1.4)
Actuarial variations - assets	26.5	3.3	-	29.8	6.6
- liabilities	(26.0)	(4.3)	(0.4)	(30.7)	(2.3)
Foreign exchange impact	-	(0.4)	0.4	-	(0.1)
<b>IAS19 Scheme deficit at 31 Dec 2014</b>	<b>(9.4)</b>	<b>(4.7)</b>	<b>(5.7)</b>	<b>(19.8)</b>	<b>(25.6)</b>
Discount rate	3.50%				4.50%
Salary inflation	na <sup>(1)</sup>				2.00% <sup>(2)</sup>
Price inflation	2.90%				3.30%
Life expectancy of male aged 65 in 20 years	23.7yrs				23.6yrs

} UK 2013

(1) UK plan closed to future accrual from April 2014.

(2) Due to introducing a cap on pensionable earnings growth of 2.0% per annum from April 2010 in the UK plan.

# PENSIONS – UK PLAN FUNDING

## Actuarial Valuations

Last valuation	5 April 2013
Scheme assets/(liabilities) at valuation	£226.3m / (£275.3m)
Funding level	82%

UK Plan closed to future accrual  
from April 2014

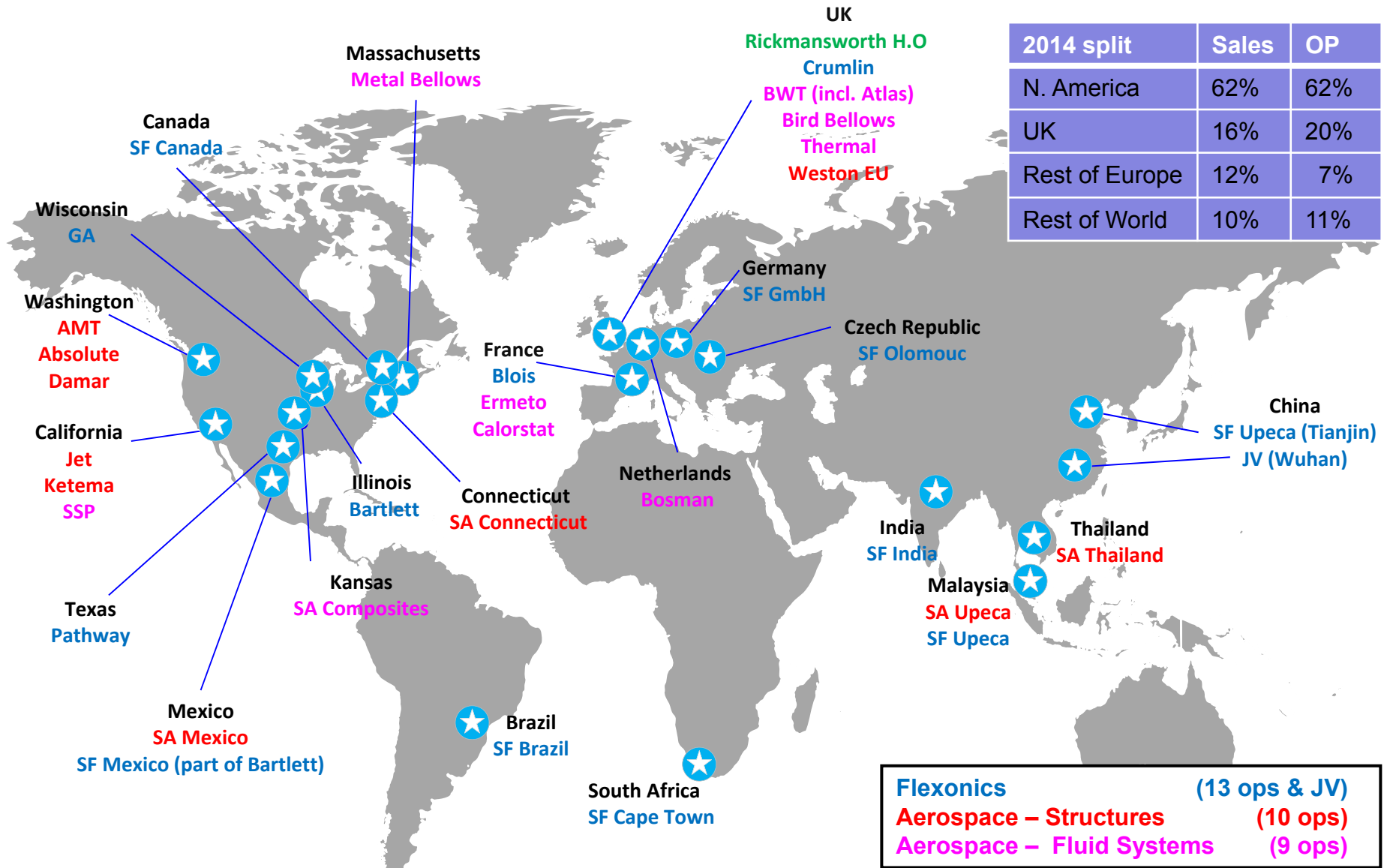
## IAS 19 Valuations

	Dec 2014 £m	Jun 2014 £m	Dec 2013 £m
Scheme Assets			
Equities	74.8	75.2	72.4
Bonds	84.2	85.7	80.9
Gilts	96.9	71.9	68.4
Cash & net current liabilities	2.0	1.2	1.4
<b>Total</b>	<b>257.9</b>	<b>234.0</b>	<b>223.1</b>
Scheme Liabilities	£267.3m	£250.1m	£238.7m
<b>Scheme deficit</b>	<b>£9.4m</b>	<b>£16.1m</b>	<b>£15.6m</b>
Scheme assets / liabilities (IAS19)	96%	94%	93%

## Cash Flows

	£m	£m	£m
DB contributions - Service cost	0.2	0.2	1.0
- Planned deficit funding	7.9	3.9	7.3
- Other	0.7	0.3	0.1
	<u>8.8</u>	<u>4.4</u>	<u>8.4</u>

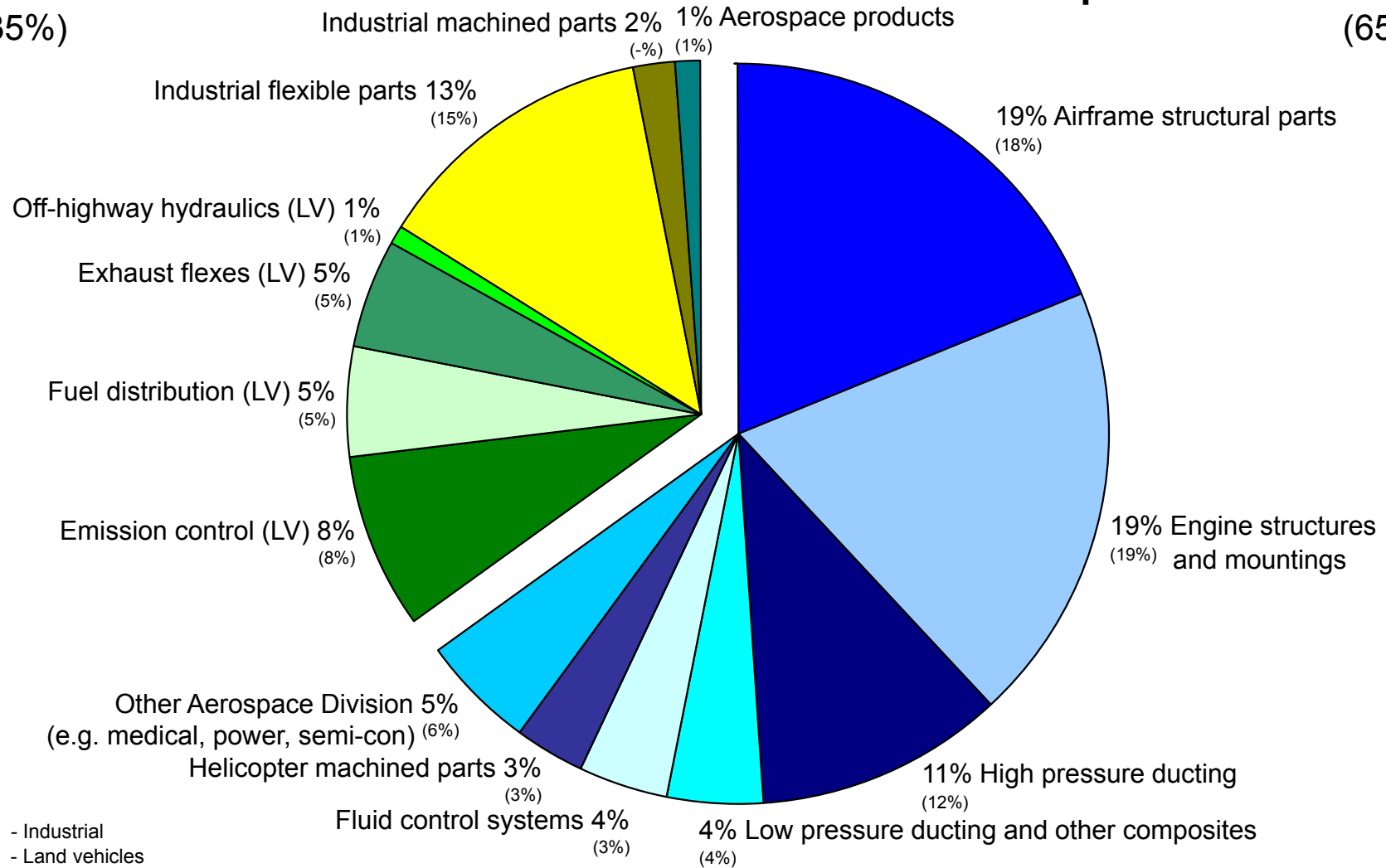
# SENIOR'S LOCATIONS



# SENIOR'S PRODUCTS – 2014

**35% Flexonics Division**  
(35%)

**Aerospace Division 65%**  
(65%)



(Ind) - Industrial  
(LV) - Land vehicles  
% in brackets are 2013 comparatives



# AEROSPACE DIVISION



# AEROSPACE – ORDERS AND DELIVERIES

Large Commercial Aircraft	Deliveries				Net Orders				Order Book			
	2014	2013	2012	2011	2014	2013	2012	2011	Dec 2014	Dec 2013	Dec 2012	Dec 2011
Boeing	723	648	601	477	1,432	1,355	1,203	805	5,789	5,080	4,373	3,771
Airbus	629	626	588	534	1,456	1,503	833	1,419	6,386	5,559	4,682	4,437
<b>Total</b>	<b>1,352</b>	<b>1,274</b>	<b>1,189</b>	<b>1,011</b>	<b>2,888</b>	<b>2,858</b>	<b>2,036</b>	<b>2,224</b>	<b>12,175</b>	<b>10,639</b>	<b>9,055</b>	<b>8,208</b>

Regional Jets	Deliveries				Net Orders				Order Book			
	2014	2013	2012	2011	2014	2013	2012	2011	Dec 2014	Dec 2013	Dec 2012	Dec 2011
Bombardier <sup>(1)</sup>	59	26	14	46	107	64	88	42	341 <sup>(2)</sup>	293	255	181
Embraer	92	90	106	105	122	334	42	104	459 <sup>(3)</sup>	429	185	249
<b>Total</b>	<b>151</b>	<b>116</b>	<b>120</b>	<b>151</b>	<b>229</b>	<b>398</b>	<b>130</b>	<b>146</b>	<b>800</b>	<b>722</b>	<b>440</b>	<b>430</b>

Business Jets	Deliveries			
	2014	2013	2012	2011
<b>Total</b>	<b>722</b>	<b>678</b>	<b>672</b>	<b>696</b>

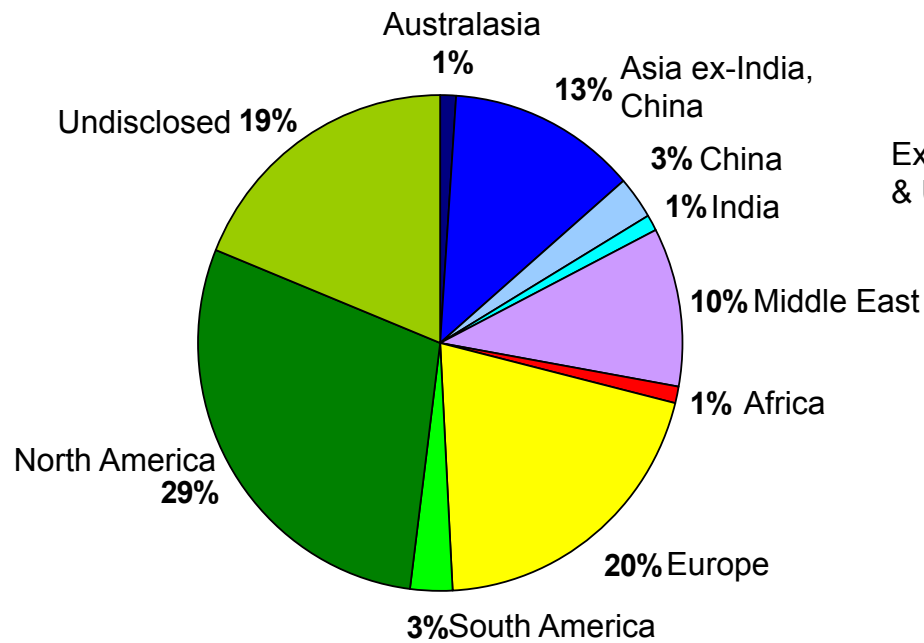
- (1) Bombardier figures exclude Q-Series turboprop Q-Series  
2014 deliveries 25 (2013: 29; 2012: 36);  
2014 net orders 41 (2013: 17; 2012: 50)
- (2) Includes 243 orders for CSeries
- (3) Includes 210 orders for E175/190/195-E2

Source: General Aviation Manufacturers Association and Speednews



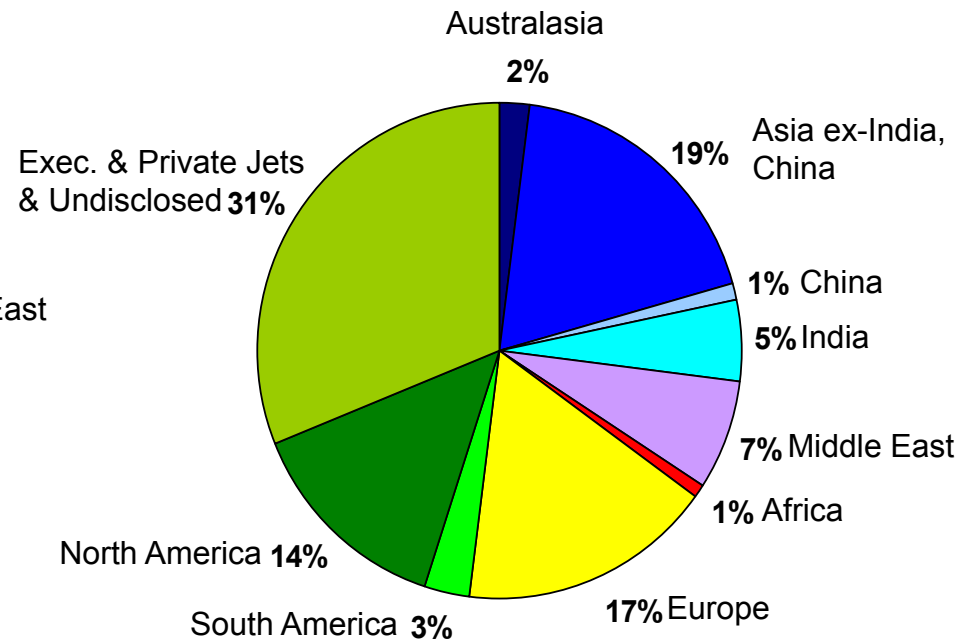
# AEROSPACE – LARGE COMMERCIAL AIRCRAFT BACKLOG

**Boeing backlog by region: Dec 2014**



5,789 aircraft

**Airbus backlog by region: Dec 2014**



6,386 aircraft

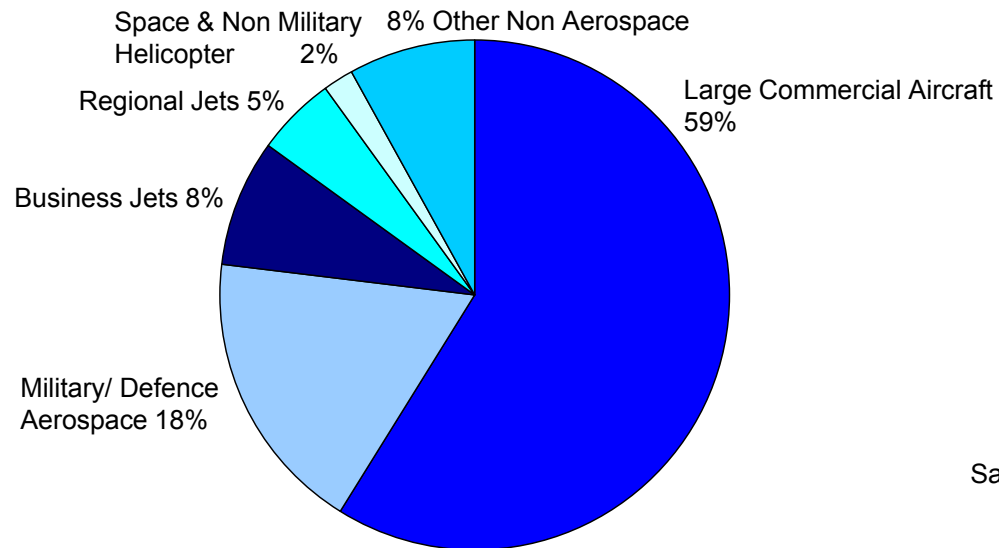
Source: Boeing and Airbus

# AEROSPACE DIVISION: A SUMMARY

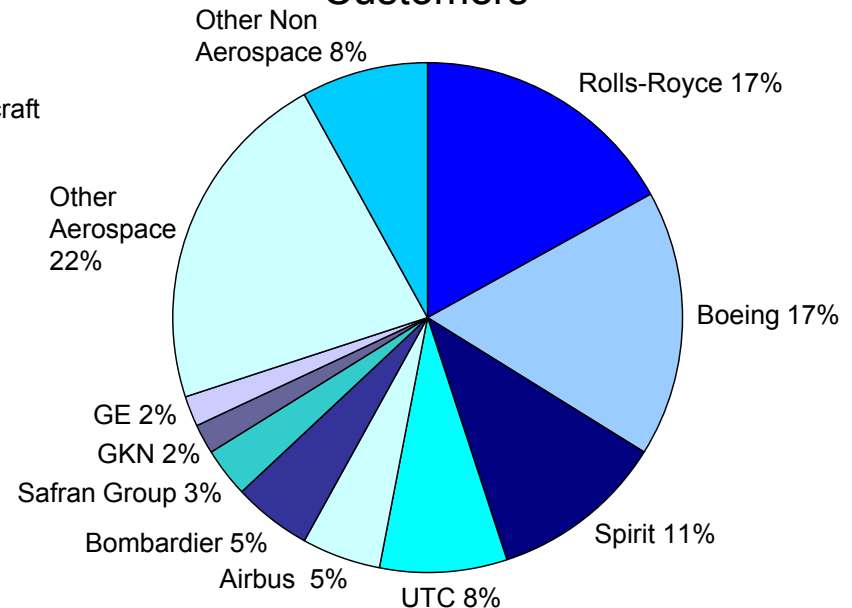
	2014	2013 <sup>(2)</sup>	Change
Revenue	<b>£536.6m</b>	£486.4m	<b>+10.3%</b>
Adjusted Operating Profit <sup>(1)</sup>	<b>£77.9m</b>	£73.7m	<b>+5.7%</b>
Adjusted Operating Margin <sup>(1)</sup>	<b>14.5%</b>	15.2%	<b>-0.7ppts</b>

19 Operations	
NAFTA	10
Europe	3
UK	4
ROW	2

### Markets



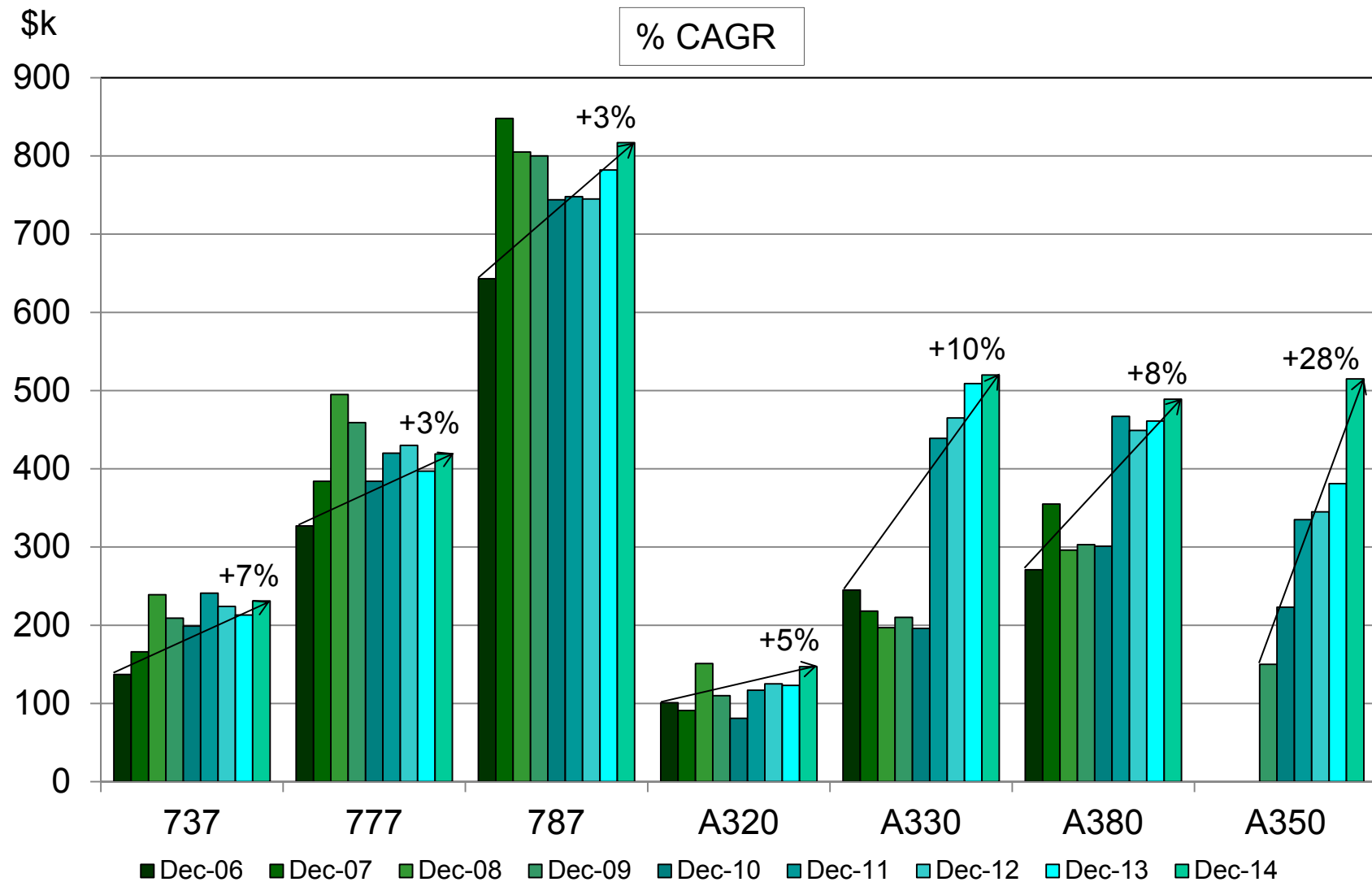
### Customers



(1) Before amortisation of intangible assets arising on acquisitions of £4.8m (2013: £3.0m), acquisition costs of £0.3m (2013: £0.4m), impairment of inventory relating to the suspended L85 programme of £1.8m (2013: £nil), restructuring costs of £1.5m (2013: £1.9m) and goodwill impairment charge of £9.4m (2013: £12.7m).

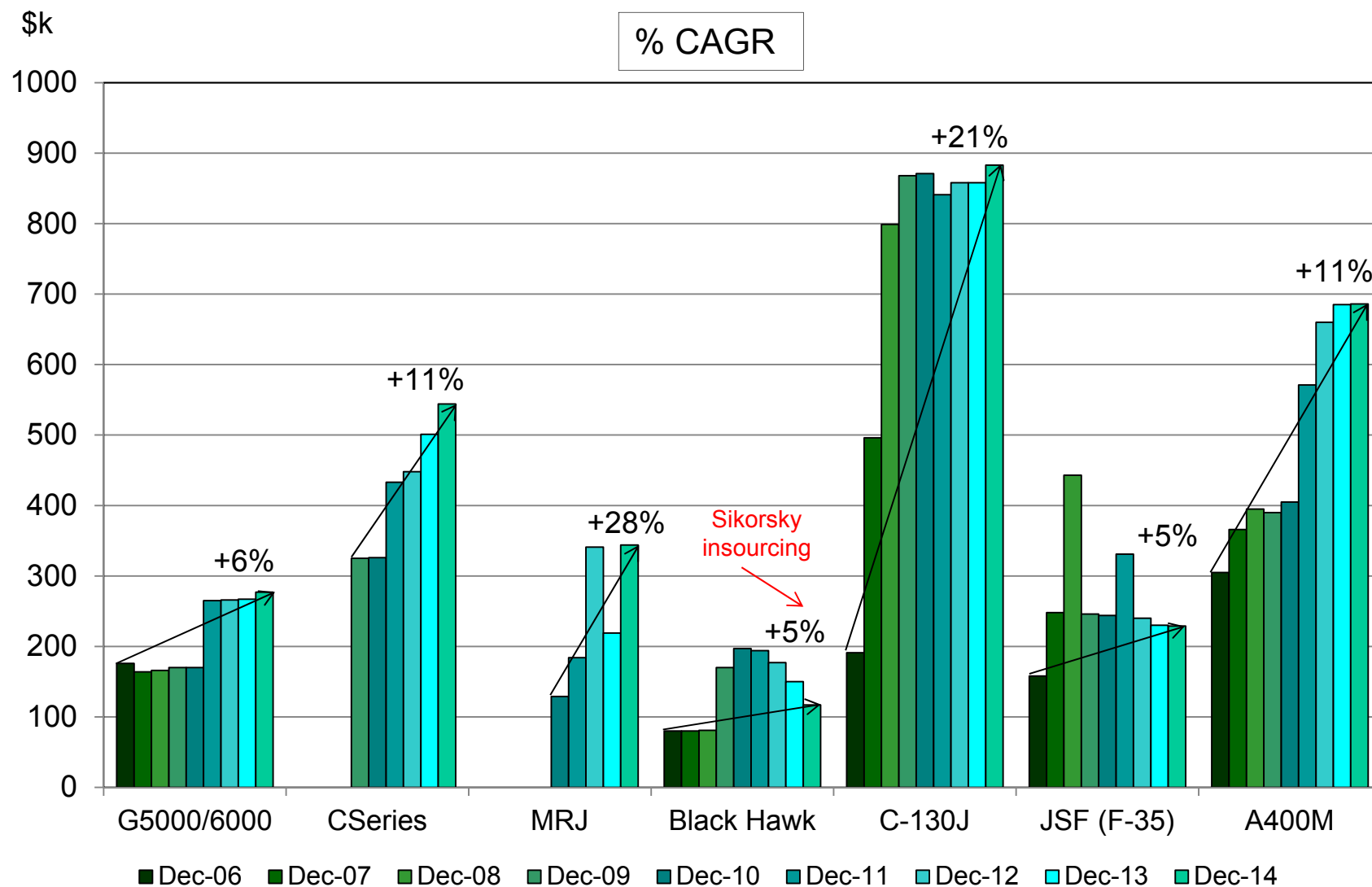
(2) All at 2014 exchange rates – translation effect only.

# SHIPSET VALUE<sup>(1)</sup> PROGRESSION – LARGE COMMERCIAL AIRCRAFT



<sup>(1)</sup> Average based on programme share and estimated engine variant

# SHIPSET VALUE<sup>(1)</sup> PROGRESSION – Regional, Business and Military



<sup>(1)</sup> Average based on programme share and estimated engine variant

# AEROSPACE – OPERATIONS

	Operation	Location
Structures	Senior Aerospace AMT	Seattle, USA
	Senior Aerospace Ketema	San Diego, USA
	Senior Aerospace Weston EU	Colne, UK
	Senior Aerospace Jet Products	San Diego, USA
	Senior Aerospace Thailand	Chonburi, Thailand
	Senior Aerospace Connecticut	Enfield, CT, USA
	Senior Aerospace Damar	Seattle, USA
	Senior Aerospace Absolute Mnfg	Seattle, USA
	Senior Aerospace Upeca	Kuala Lumpur, Malaysia
	Senior Aerospace Mexico	Saltillo, Mexico
Fluid Systems	Senior Aerospace SSP	Los Angeles, USA
	Senior Aerospace Metal Bellows	Boston, USA
	Senior Aerospace BWT (incl. Atlas)	Macclesfield & Ilkeston, UK
	Senior Aerospace Bird Bellows	Congleton, UK
	Senior Aerospace Ermeto	Blois, France
	Senior Aerospace Thermal Engineering	Royston, UK
	Senior Aerospace Composites	Wichita, KS, USA
	Senior Aerospace Calorstat Bellows	Dourdan, France
	Senior Aerospace Bosman	Rotterdam, Holland

**2014 Total Gross Sales were £543.1m (2013 £514.2m)**

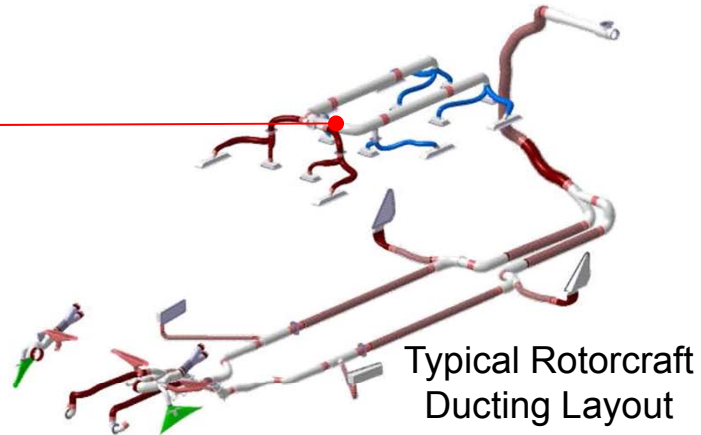
# AEROSPACE – STRATEGY

Sector	Strategic Objectives
<div style="display: flex; flex-direction: column; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-bottom: 10px;">Fluid Systems</div> <div style="text-align: center; width: 100%;"> <p><b><u>Fluid Conveyance Systems</u></b></p> <p>Low Pressure Ducting High Pressure Ducting Aerospace Control Products Non-Aerospace Control Products</p> </div> <div style="text-align: center; width: 100%; margin-top: 10px;"> <p><b><u>Gas Turbine Engines</u></b></p> <p>Fluid Systems Engine Components</p> </div> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-top: 10px;">Aerostructures</div> </div>	<ul style="list-style-type: none"> <li>□ Continue to develop products for new platforms</li> <li>□ Further develop strategic customer relationships</li> <li>□ Successful execution of new development programmes</li> <li>□ Expand engineered product portfolio</li> <li>□ Acquire new or adjacent technologies</li> </ul> <hr/> <ul style="list-style-type: none"> <li>□ Target higher value-add engineered or flight critical parts (e.g. rotating)</li> <li>□ Develop cross-business customer relationships</li> <li>□ Further develop low-cost country footprint</li> <li>□ Secure additional content on engines for next generation narrow-body and wide-body commercial aircraft</li> <li>□ Expand process capabilities via new technology investment</li> </ul> <hr/> <ul style="list-style-type: none"> <li>□ Extend customer value proposition via increased collaboration across the Group</li> <li>□ Place significant internal emphasis upon utilisation of internal low-cost countries such as Malaysia, Thailand and Mexico</li> <li>□ Continue to focus on operational excellence to drive customer satisfaction and increase market share</li> <li>□ Develop capabilities and build a business of increased scale in South East Asia including the expansion of process capabilities to enhance added value for customers</li> <li>□ Invest in new technologies necessary for substantial growth</li> </ul>

# Fluid Conveyance: Low Pressure Ducting

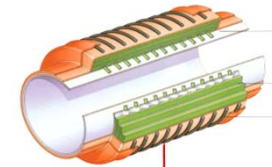


Low Pressure  
Ducting  
Assembly

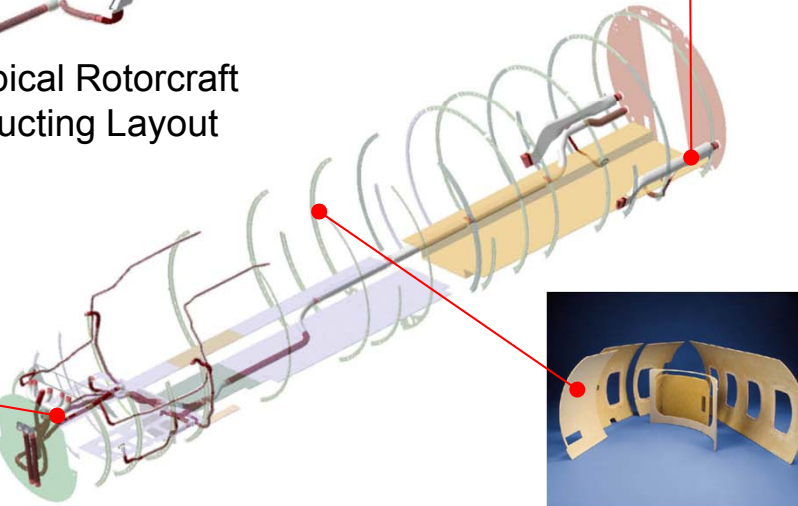


Typical Rotorcraft  
Ducting Layout

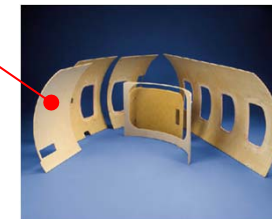
Engineered  
Composite  
Duct  
Assembly



Various  
Composite  
Duct Products



Typical Business Jet  
Ducting Layout



Composite Wall Panels

Main Operations: BWT, Composites, Atlas

Main Customers: Bombardier, Cessna, Hawker, Mitsubishi, Embraer, Agusta Westland

# Fluid Conveyance: High Pressure Ducting

Typical Bizjet Engine Bleed Ducting

HP Bleed Air Duct

Engineered Solutions

HP Bleed Air Duct

Typical Wing Duct Products

Bombardier CSeries High Pressure Ducting Layout

Main Operations: SSP, Bird Bellows, Calorstat

Main Customers: Airbus, Boeing, Bombardier, Lockheed Martin, Gulfstream, GKN



# Fluid Conveyance: Aerospace Control Products



Hydraulic Bellows  
Accumulators



Hydraulic System Couplings



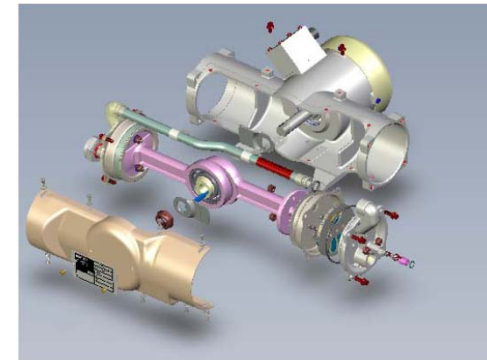
Control Actuators



Pressure/Temp Sensors



Hydraulic Control Manifold



Compressor Assembly

Main Operations: Metal Bellows, Calorstat, Bird Bellows, Ermeto

Main Customers: Airbus, Boeing, Lockheed Martin, Northrop Grumman, Embraer, Eaton, GKN

# Fluid Conveyance: Non-Aerospace Control Products



Pin Lift Actuator  
(Semi-Conductor)



Bellows Assembly  
(Nuclear industry)



Process Control Valves  
(Chemical process)

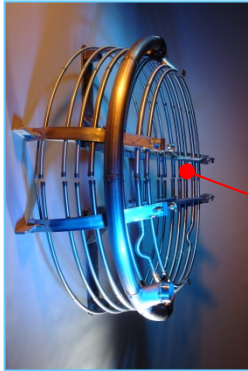


Drug Pump Implant  
(Medical)

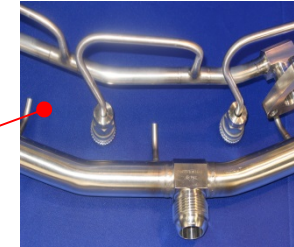
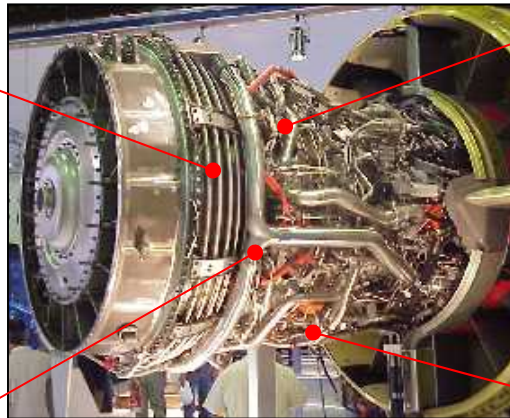
Main Operations: Calorstat, Metal Bellows, Ermeto, Bird Bellows

Main Customers: AECL Nuclear, Volvo, LAM Industries, Medtronics, Carrier, Dresser, Tyco

# Gas Turbine Engines: Fluid Systems



Active Clearance Control System



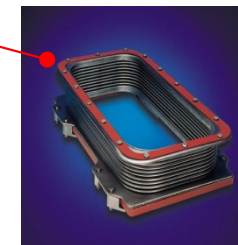
Hydraulic/Fuel Feed Manifolds



Engine Bleed Ducting



Static Seal



Bellows Face Seal

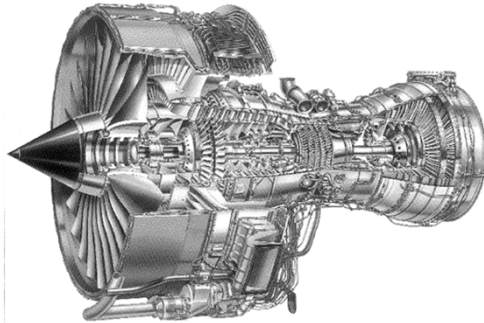
Main Operations: Bosman, Ermeto, Metal Bellows, Bird Bellows, SSP, Thermal

Main Customers: Rolls-Royce, Snecma, MTU, Pratt & Whitney

# Gas Turbine Engine: Engine Components



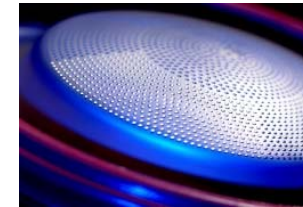
TFE 731 Lear Jet/Hawker Front Frame



Typical Gas Turbine Aero-engine



307 Combustion Case (Dassault 7X)



Silencer



F-35 Front Strutted Case



Trent 1000 Engine Casing (B787)



Trent 1000 Combustor Case (B787)



Aerofoil for gas turbine engine

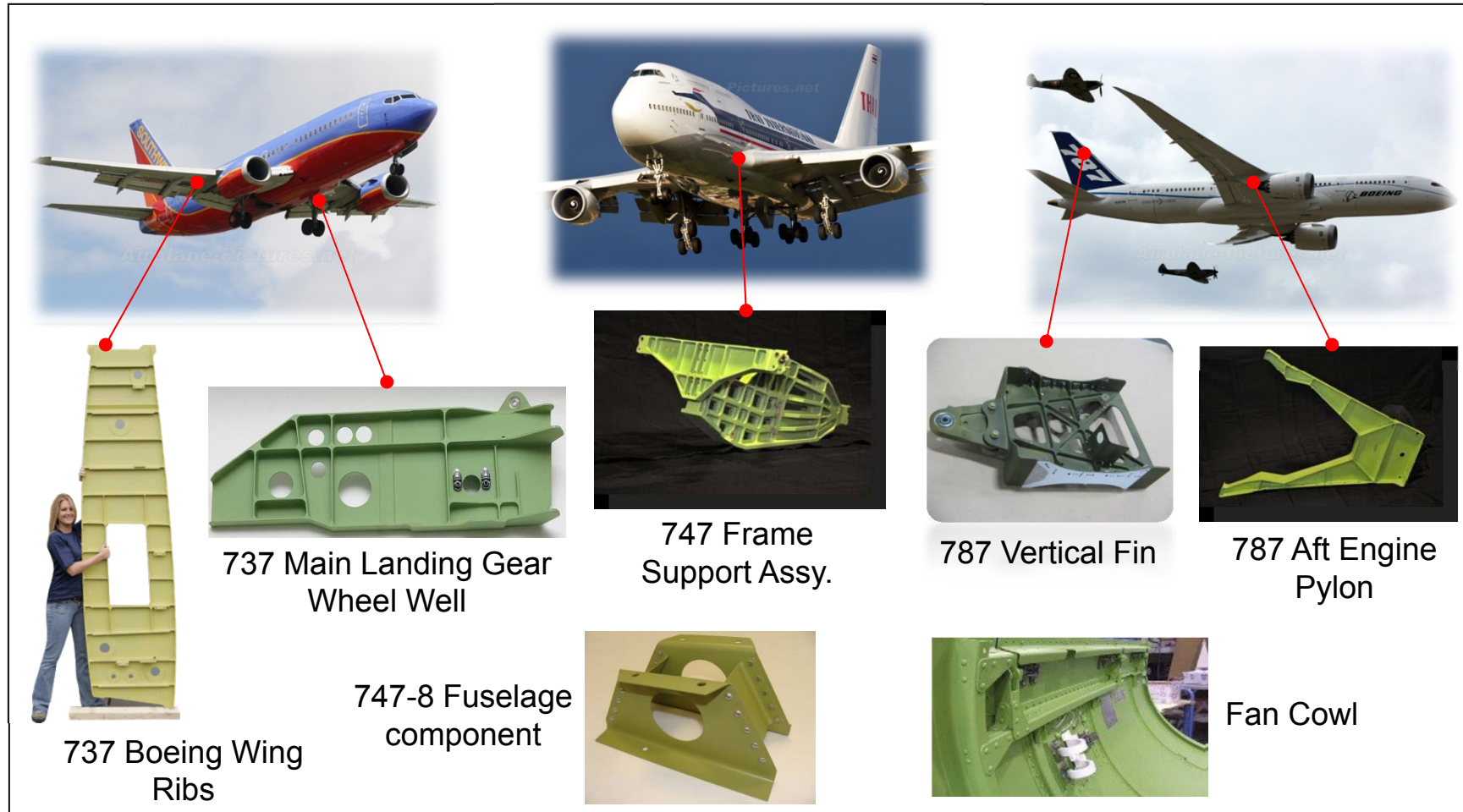


TFE 731 Learjet/Hawker Bearing Support Housing

Main Operations: Ketema, Jet, Weston, S A Thailand, Thermal

Main Customers: GE, Rolls-Royce, Honeywell, UTC (P&W and Goodrich)

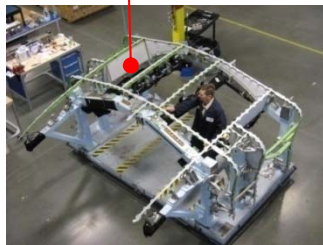
# Structures: Airframe



Main Operations: AMT, Absolute, Damar, Mexico, Weston, S A Thailand, S A Upeca

Main Customers: Boeing, Spirit, Goodrich (UTC)

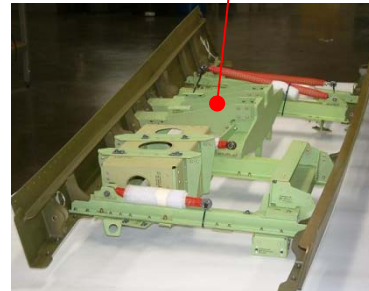
# Structures: Assemblies



737 Wing to Body Frame (Birdcage)



737 Air Inlet (2ea)  
Ram Air



767 Engine Pylon



787 Wing to Body Frame



Premium Seat Chassis

Main Operations: AMT, Weston, S A Thailand

Main Customers: Boeing, Spirit, Contour (Zodiac)

# Structures: Nacelles

**B777 Engine Nacelle Housing**

**777 Load Share Ring**

**GE 90 Inlet Attach Rings (B777)**

**CF34-10 Torque Box Ring, (Embraer 190)**

**737 Cascade Support Ring**

**Thrust Reverser Detail**

Main Operations: Jet, Ketema, Thermal

Main Customers: Boeing, Goodrich, Spirit, Middle River (GE)

# Structures: Helicopter Transmissions



Sikorsky UH60 Blackhawk



Sikorsky S-92 Rotorcraft



Blackhawk Gear Housing Assy.



UH60 Blackhawk Housing Assy.



Blackhawk Spindle



Blackhawk Carrier Assy.



S-92 Carrier Assy.



S-92 Swash Plate Guide

Main Operations: S A Connecticut

Main Customers: Sikorsky, Rolls-Royce





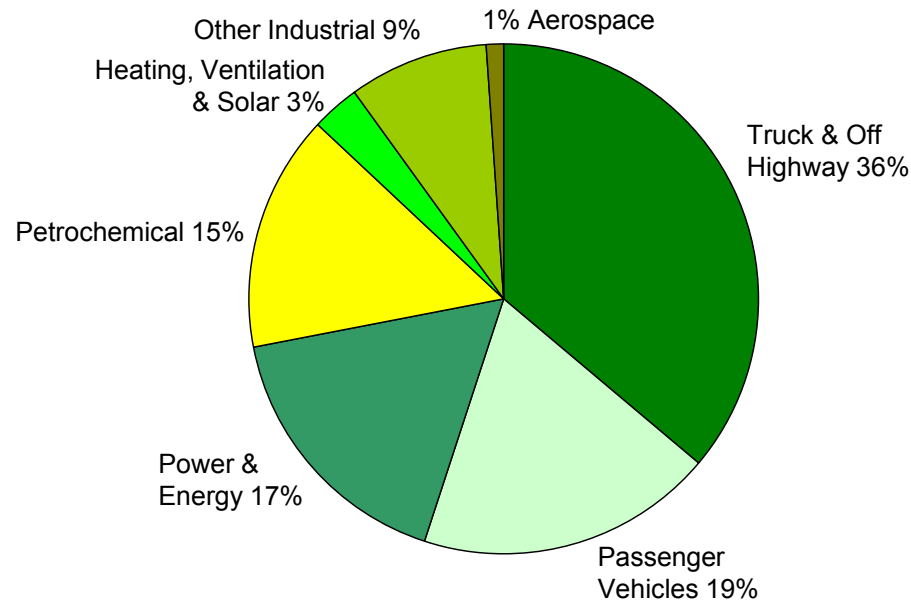
# FLEXONICS DIVISION

# FLEXONICS DIVISION: A SUMMARY

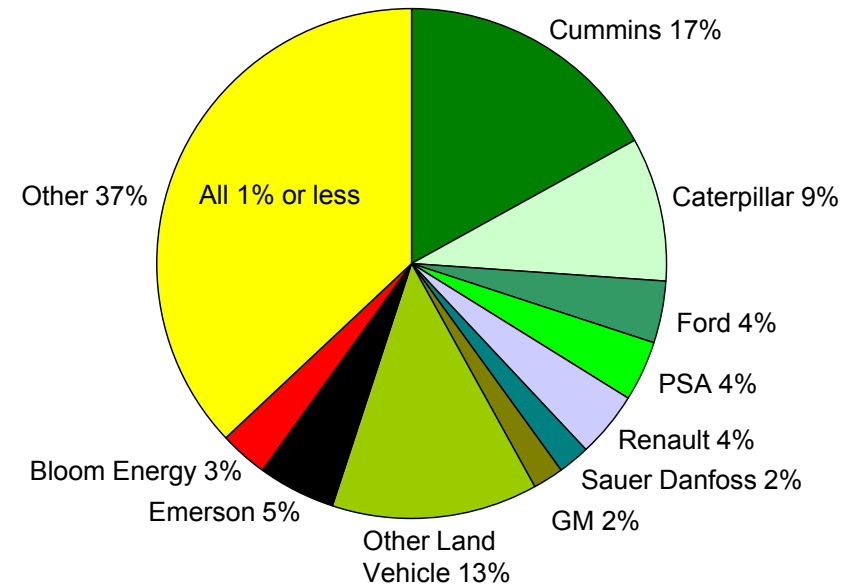
	2014	2013 <sup>(2)</sup>	Change
Revenue	<b>£284.6m</b>	£252.4m	<b>+12.8%</b>
Adjusted Operating Profit <sup>(1)</sup>	<b>£43.5m</b>	£37.4m	<b>+16.3%</b>
Adjusted Operating Margin <sup>(1)</sup>	<b>15.3%</b>	14.8%	<b>+0.5ppts</b>

13 Operations + JV	
NAFTA	4
Europe	3
UK	1
ROW	5
China JV	1

Markets



Customers



(1) Before amortisation of intangible assets arising on acquisitions of £2.4m (2013: £1.2m), acquisition costs of £0.3m (2013: £nil) and reversal of GA contingent consideration payable of £nil (2013: £3.8m).  
 (2) All at 2014 exchange rates – translation effect only.

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# FLEXONICS – OPERATIONS

---

<b>Operation</b>	<b>Location</b>
Senior Flexonics Bartlett	Chicago, USA & Saltillo, Mexico
Senior Flexonics Pathway	San Antonio & Maine, USA
Senior Flexonics GA	Wisconsin, USA
Senior Flexonics Germany	Germany
Senior Flexonics Blois	France
Senior Flexonics Upeca	Malaysia & Tianjin, China
Senior Flexonics Cape Town	South Africa
Senior Flexonics Olomouc	Czech Republic
Senior Flexonics Sao Paulo	Brazil
Senior Flexonics Canada	Toronto, Canada
Senior Flexonics Crumlin	South Wales (R&D centre)
Senior Flexonics New Delhi	India
Senior Flexonics Technologies	Wuhan, China (Joint venture)

**2014 Total Gross Sales (incl. JV share) were £292.7m (2013 £272.4m)**

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# FLEXONICS – STRATEGY

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## Sector

## Strategic Objectives

### Land Vehicle Emission Control

Heat Exchangers

Exhaust Flexes

Common Rail Diesel

### Industrial Process Control

Expansion Joints & Dampers

Hoses, Flexes, Bellows

Machined Components

Fuel Cells, CHP, Solar Power & Heating

- Develop product portfolio as emission regulation thresholds increase globally
  - Build programmes with new truck and off-highway customers
  - Invest further in emerging market footprint, in growth markets
  - Investment in passenger car niches to support development of global platform capabilities
- 
- Expand global presence as emerging markets add local hydrocarbon refining and processing facilities
  - Secure growth from tightening emission standards in developed markets
  - Seek proprietary adjacent products
  - Participate in new technology developments and applications (e.g. combined heat & power fuel cells, concentrated solar power, micro turbines)
  - Secure new major process projects as their capital funding becomes available

# Land Vehicle Emission Control

Tubes

Turbo-oil  
feed and  
drain



Common Rails



High Pressure  
Fuel Lines



Exhaust  
Bellows



Diesel fuel injector components



EGR Coolers/Heat  
Exchangers

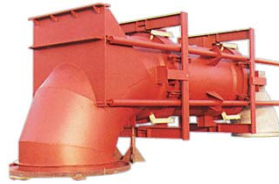
Main Operations: Bartlett, GA, Germany, Blois, Cape Town, Sao Paulo, New Delhi

Main Customers: Cummins, Perkins, CAT, MAN, Scania, JCB, PSA, Ford, Renault, Faurecia

# Industrial Process Control (1)



Metal Expansion Joints



Fabric Expansion Joints

Refineries  
Steel Mills



Power  
Generation



Dampers/Diverters



Metal Expansion Joints



Oilfield Services  
Packers



Flow Control Valve  
Bodies

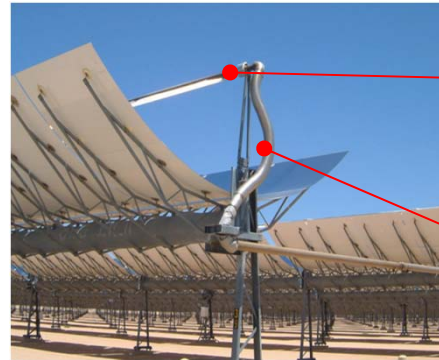
Main Operations: Pathway, WahlcoMetroflex, S F Upeca

Main Customers: US domestic operators (400+), Constructors (Global), Engineering specifiers

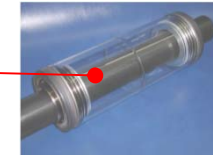
## Industrial Process Control (2)



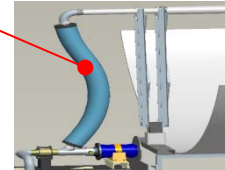
Flexible Tubes & Hoses



CSP - Solar Troughs



Vacuum Seal Bellows



RotationFlex®



Medical Heat Exchangers



Fuel Cells – Dielectric for fuel delivery



Instrument Control Bellows

Main Operations: Bartlett, Canada, Germany, Crumlin

Main Customers: Medtronics, Valliant, Schott, Abengoa, Bloom Energy

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