



2021 FULL YEAR RESULTS

Robust results; recovery underway

AGENDA

Introduction	David Squires	CEO
2021 Full Year Results	Bindi Foyle	FD
Markets, Strategy & Outlook	David Squires	CEO

Cautionary Statement

This document has been prepared solely to provide additional information to enable shareholders to assess the Group's strategy and business objectives and the potential for the strategy and objectives to be fulfilled. It should not be relied upon by any other party or for any other purpose. This document contains certain forward-looking statements. Such statements are made by the Directors in good faith based on the information available to them at the time of their approval of this IMR and they should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

2021 HIGHLIGHTS

- ⇒ Robust financial performance in challenging circumstances
 - Improved profitability, strengthened balance sheet
 - Restructuring delivering ahead of plan
- ⇒ Recent contract wins demonstrate Senior's appeal to customers
 - New Boeing contracts for 737 & 777, 767
 - Flexonics land vehicle wins with Honda and heavy duty electric truck
- ⇒ Portfolio optimisation - more good progress
- ⇒ Extended our sector leading sustainability progress and credentials

Expect good progress in 2022 as we continue our multi-year recovery

EXTENDING OUR SUSTAINABILITY LEADERSHIP IN 2021



E

- ⇒ Scope 1, 2 and 3 emissions targets are now verified SBTi “**Near Term Net-Zero**” Targets
- ⇒ **Maintained CDP leadership** rating of **A-** for our climate disclosure
- ⇒ Achieved the **highest CDP Supplier Engagement Rating of A**
- ⇒ **Reduced Scope 1 and 2** emissions by **18.9%** compared to 2018 base year
- ⇒ **36% of our electricity** sourced from **renewable energy** (2020: 25%)
- ⇒ **Recycled 93%** of waste produced



S

- ⇒ Achieved **81% response rate** on **global employee engagement survey**
- ⇒ **Reduced** lost time injuries from 21 in 2020 to **18 in 2021**. On track to meet 2025 LTIR target
- ⇒ The percentage of women on the Board **increased to 50% in 2021** from 43% in 2020
- ⇒ **Donated £200,000 to UNICEF** to support its Covid-19 Vaccines appeal



G

- ⇒ **Updated Group’s Code of Conduct** with training provided to all employees
- ⇒ All staff **received training and regular reminders** about the risks related to **information/cyber security**
- ⇒ **Training on Anti-Money Laundering** and the **Corporate Criminal Offence Act** was rolled out to all relevant staff
- ⇒ In line with **TCFD** recommendations, assessed Senior’s **resilience** at different climate-related scenarios



Industry leading ESG disclosures and rating are evidence of our longstanding approach to sustainability

FUTURE PROOFING OUR GROWTH FOR A LOW CARBON WORLD

Using our Thermal Management & Fluid Conveyance expertise across multiple technological applications



Power

The Challenge

Countries need to use a mix of energy sources to achieve net zero targets

Current technologies



Solar farm bellows and hoses



Bellows & expansion joints for nuclear reactors



Hydrogen fuel cell cooling & conveyance

Future technologies



Hydrogen infrastructure applications for cooling & conveyance

Our expertise in action

Senior is supporting engineering specifications for expansion joints for piping systems of 2 North American mobile small modular reactors that are in planning and development phase.



Vehicles

The Challenge

A COP26 declaration calls for all new car sales to be zero emission by 2035 in leading markets

Current technologies



Electric vehicle (EV) battery cooling modules



Exhaust gas recirculation



EV electronics cooling & fluid handling

Future technologies



Commercial vehicle hydrogen fuel cell cooling & conveyance

Our expertise in action

Innovative design developed and patented for "Omega Fin" EV inverter heat sink with the product significantly outperforming the competition in enabling shorter EV charging times.



Aerospace

The Challenge

Global aerospace industry aims to achieve net zero carbon emissions by 2050

Current technologies



Additive manufacturing for complex products



Fluid conveyance products for sustainable fuels



Electric / hybrid air cooling & conveyance

Future technologies



On-aircraft hydrogen fluid handling and distribution

Our expertise in action

Senior Aerospace and Flexonics are collaborating on development of cryogenic thermal management equipment for the ground demonstrator for the first zero-emission commercial aircraft relying on hydrogen propulsion.

= fluid conveyance only



= thermal management only



= thermal management & fluid conveyance



2021 FULL YEAR RESULTS

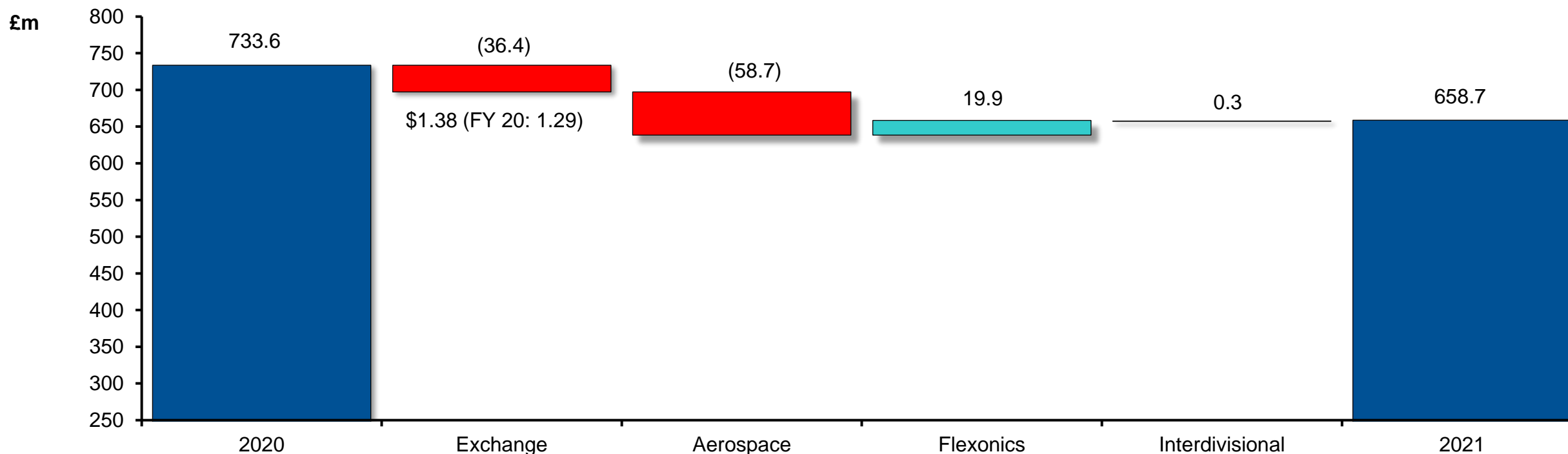


FINANCIAL HEADLINES

	2021	2020	Change	constant currency
Book to bill ratio	1.16	0.64		
Revenue	£658.7m	£733.6m	-10.2%	-5.5%
Adjusted Operating Profit	£6.1m	£3.7m	+64.9%	+110.3%
Adjusted Operating Margin	0.9%	0.5%	+40bps	+50bps
Adjusted Loss before Tax	(£1.9m)	(£6.2m)	+69.4%	+70.8%
Adjusted Earnings/ (Loss) per Share	0.17p	(0.84p)		
Free Cash Flow	£14.0m	£46.5m		
Net Debt (excluding capitalised leases)	£79.9m	£129.4m	£50m decrease	Net Debt:EBITDA 1.9x⁽¹⁾
ROCE	1.0%	0.5%	+50bps	

Robust financial performance

2021 REVENUE BRIDGE



Aerospace ⁽¹⁾



Revenue Reconciliation

	£m
2020 revenue	498.0
Civil aerospace	(43.8)
Defence	1.0
Other markets	9.8
Disposal of business	(25.7)
2021 revenue	<u>439.3</u>

Flexonics ⁽¹⁾

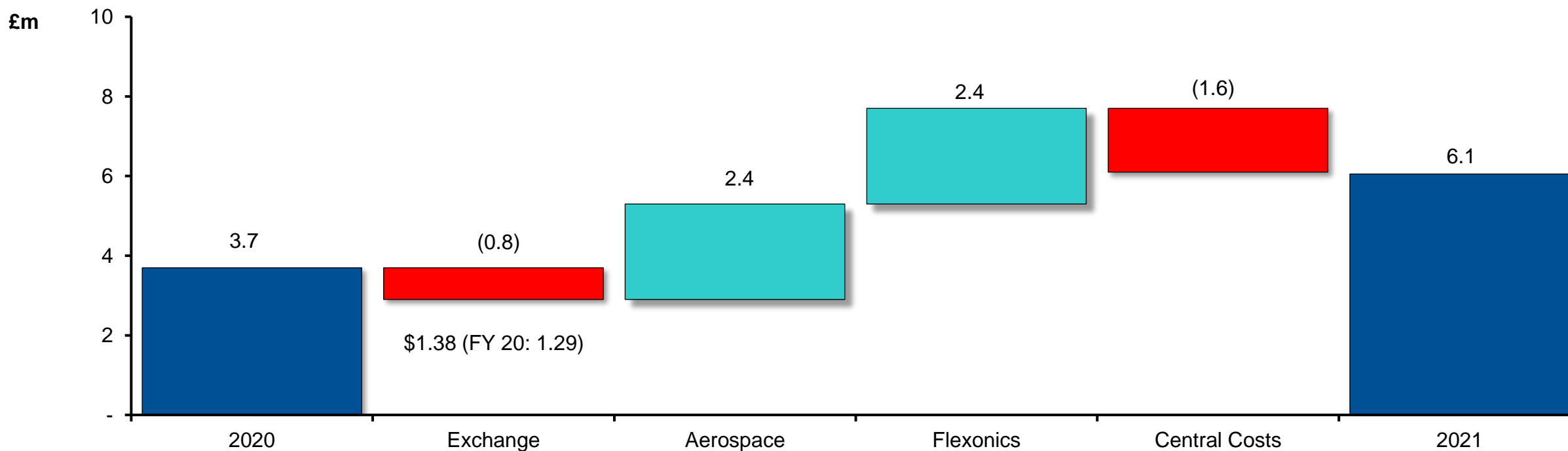


Revenue Reconciliation

	£m
2020 revenue	200.0
Land vehicles	33.5
Power & energy	(13.6)
2021 revenue	<u>219.9</u>

(1) The Divisional review is on a constant currency basis, whereby 2020 results have been translated using 2021 average exchange rates

2021 ADJUSTED OPERATING PROFIT⁽²⁾ BRIDGE



Aerospace (1)



	2021 £m	2020 £m	Change
Revenue	439.3	498.0	-11.8%
Adj OP ⁽²⁾	7.9	5.5	+43.6%
Margin	1.8%	1.1%	+70bps

Increase in adj OP reflected savings from restructuring which more than offset drop through impact of the reduction in revenue. Excluding disposal, organic OP margin increased by 140bps to 1.6%.

Flexonics (1)



	2021 £m	2020 £m	Change
Revenue	219.9	200.0	+9.9%
Adj OP ⁽²⁾	12.9	10.5	+22.9%
Margin	5.9%	5.3%	+60bps

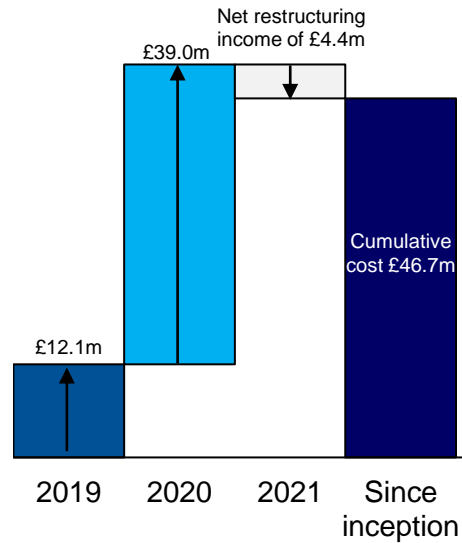
Increase in adj OP reflected the drop through impact of growth in revenue coupled with savings from restructuring and benefits from pricing which more than offset the inflationary impact of freight and commodity costs.

(1) The Divisional review is on a constant currency basis, whereby 2020 results have been translated using 2021 average exchange rates.

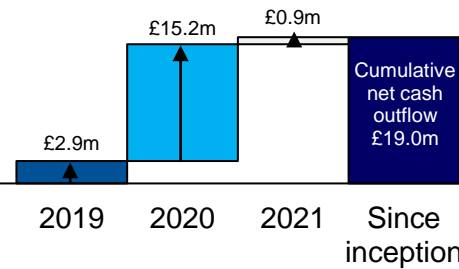
(2) Adjusted operating profit is as defined on page 11.

RESTRUCTURING

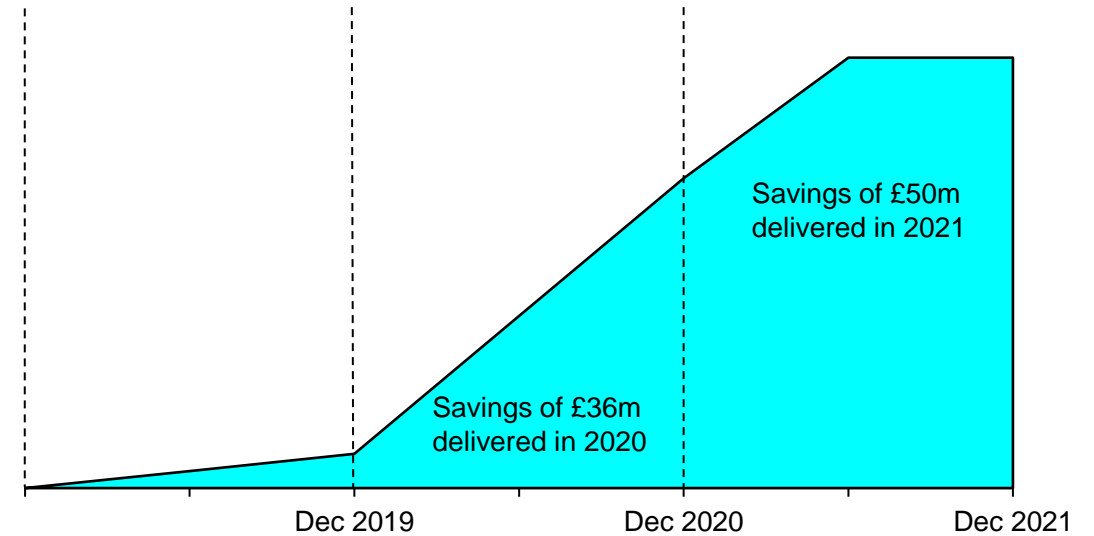
Net income/cost



Cash Cost



Savings benefits



Since its inception in 2019:

- ⇒ the cumulative cost of the programme has been £46.7m (£6m lower than expected);
- ⇒ with total cash outflow of £19.0m (£10m lower than expected); and
- ⇒ savings delivered of £4m in 2019, £36m in 2020 and £50m in 2021 (a year earlier than expected).

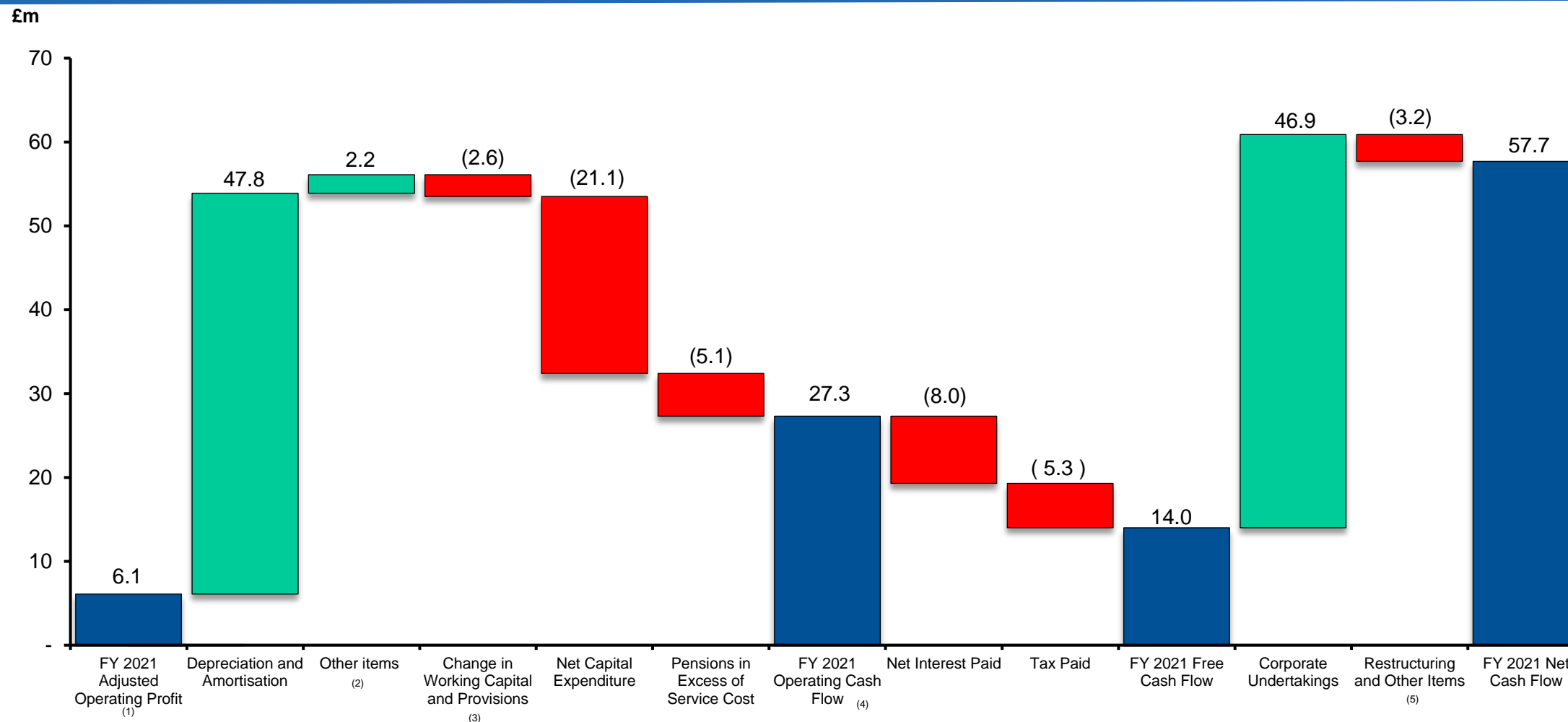
Restructuring programme has delivered the expected benefits early and at a lower cost

ADJUSTED AND REPORTED PROFIT

	2021 £m	2020 £m
Adjusted operating profit	6.1	3.7
Net finance costs – borrowings, cash	(5.8)	(7.8)
– lease liabilities (IFRS 16)	(2.6)	(3.0)
– retirement benefits	0.4	0.9
Adjusted loss before tax	(1.9)	(6.2)
Tax	2.6	2.7
Adjusted profit/(loss) for the period	0.7	(3.5)
Amortisation of intangible assets from acquisitions	-	(7.7)
Goodwill impairment and write-off	-	(134.3)
Net restructuring income/(cost)	4.4	(39.0)
Corporate undertakings ⁽¹⁾	21.2	(4.6)
Related tax on above items	(2.1)	30.6
Reported profit / (loss) for the period	24.2	(158.5)

(1) Corporate undertakings net income of £21.2m in 2021 comprises £24.2m gain on disposal of Senior Aerospace Connecticut, partly offset by £3.0m bid defence and costs relating to other corporate activities. Net cost of £4.6m in 2020 relates to employee costs and external professional fees for the potential divestment of the Aerostructures business.

ROBUST CASH FLOW GENERATION



(1) Adjusted operating profit is as defined on page 11.

(2) Other Items comprises of £3.5m share-based payment charges, (£0.2m) share of joint venture, and FX impact on working capital (£1.1m).

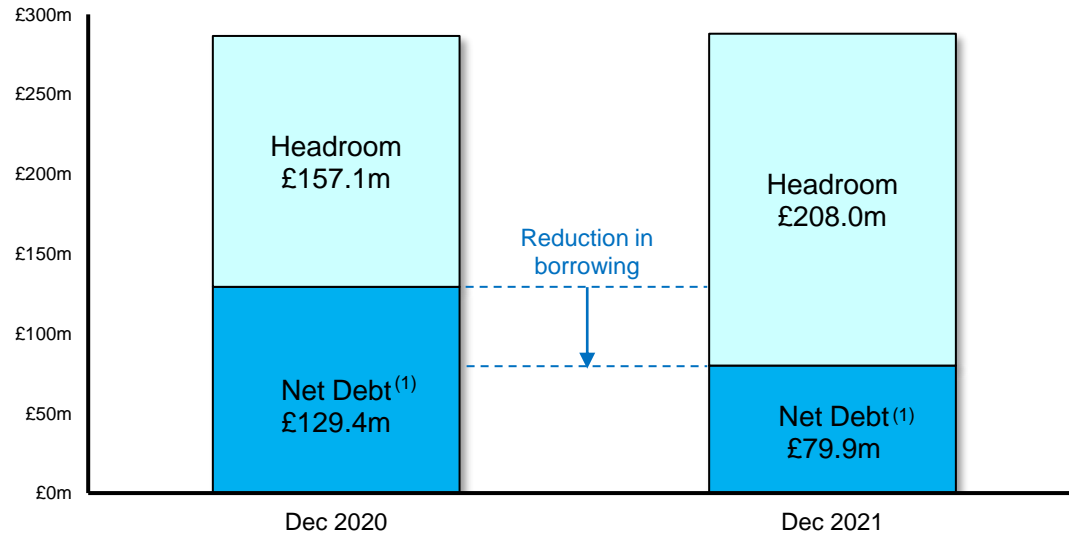
(3) Change in Working Capital and Provisions excludes change in restructuring items of (£7.6m) provisions and other receivables and (£1.5m) inventory.

(4) Operating cash flow is defined as cash generated by operations after investment in net capital expenditure, before corporate undertakings net proceeds, payments related to US class action lawsuits and net restructuring cash paid.

(5) Restructuring and Other Items includes (£0.9m) net restructuring cash outflows and (£2.3m) payments related to US class action lawsuits.

BALANCE SHEET STRENGTH

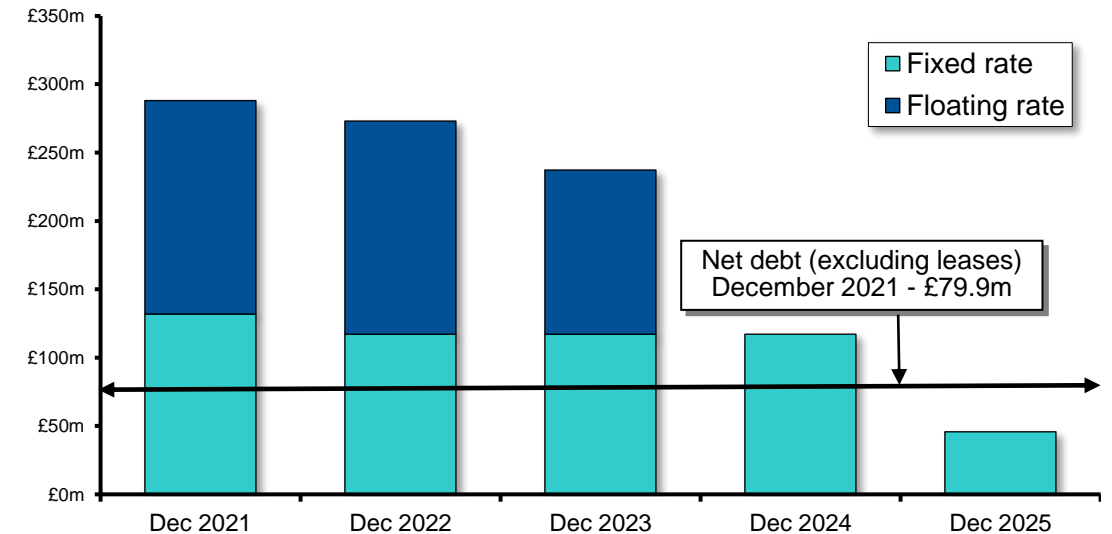
Credit facilities and headroom



(1) Excluding capitalised leases.

- ⇒ Group balance sheet **strengthened** with **strong liquidity** and **stable** finance arrangements
- ⇒ Advanced our prune to grow strategy, divesting, closing or combining non-core or performance-challenged assets
- ⇒ **Net Debt:EBITDA = 1.9x at Dec 2021**

Profile of committed credit facilities



- ⇒ In April 2021, the \$50m US RCF agreement was further extended to 30 June 2023
- ⇒ Next committed facility due for repayment October 2022 (\$20m)
- ⇒ **Intrinsically strong cash generation** with operating businesses already well capitalised and prepared for **growth**

Strengthened balance sheet, strong liquidity, stable financing

FINANCIAL SUMMARY

- ⇒ Robust cash performance with £14.0m free cash inflow
- ⇒ Restructuring programme has delivered the expected benefits early and at a lower cost
- ⇒ Improved profitability in both Divisions (Aerospace and Flexonics)
- ⇒ Strengthened balance sheet; £208m liquidity headroom; Net debt/EBITDA of 1.9x
- ⇒ On track to delivering minimum of 13.5% ROCE over the medium term

Intrinsically strong cash generation and prepared for growth



MARKETS

ATTRACTIVE END MARKET EXPOSURE

34% Flexonics Division
(30%)



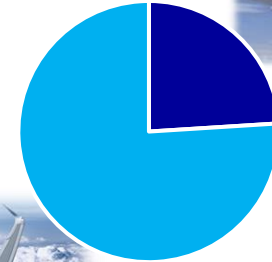
Power & Energy 16%
(17%)

Aerospace Division 66%
(70%)

37% Civil Aerospace
(44%)



24% *Wide body*



76% *Single aisle, regional and business jets*



Land Vehicles 18%
(13%)

Other Aerospace* 11%
(8%)

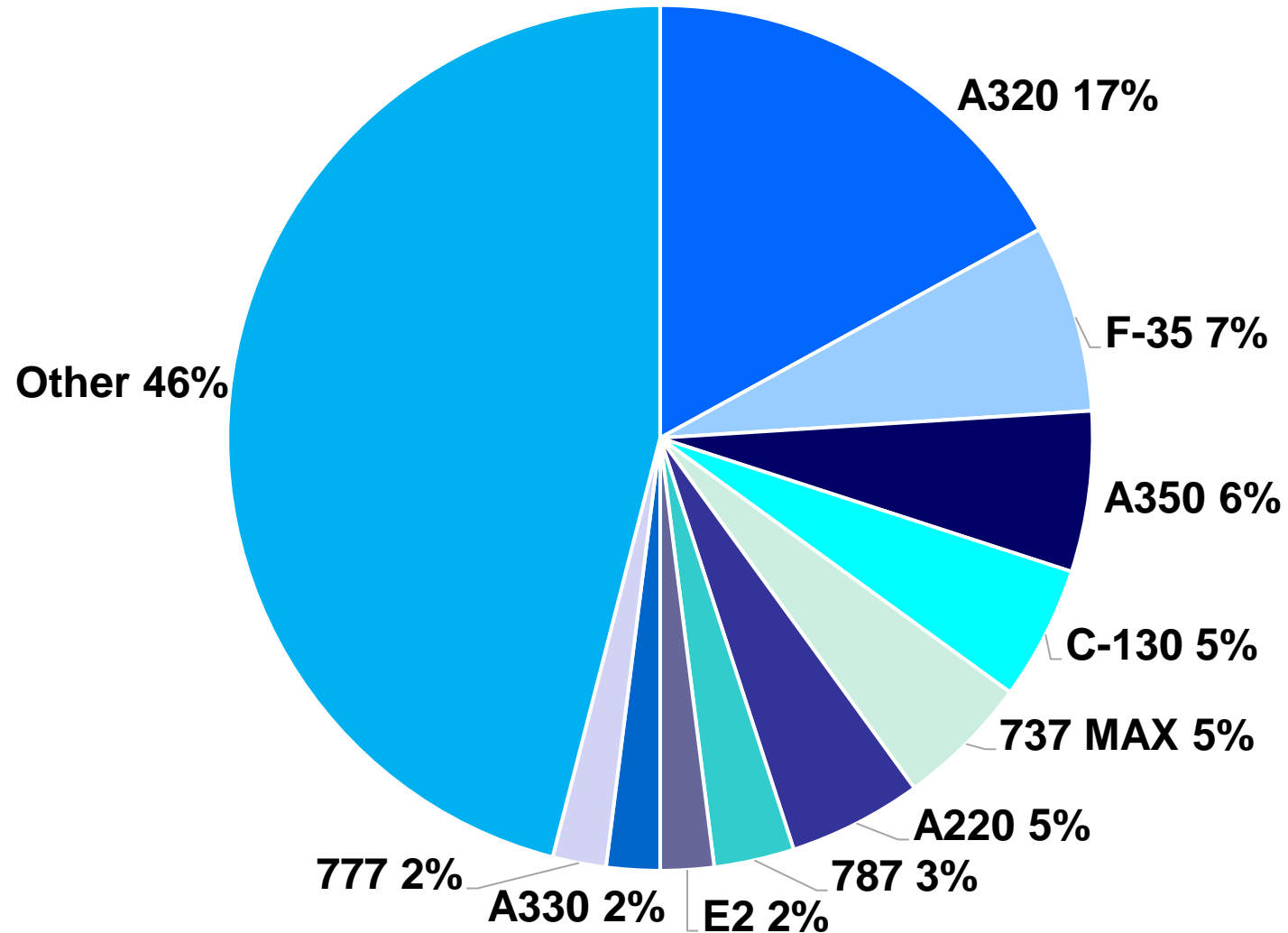
Defence 18%
(18%)



End markets composition based on 2021 revenue. % in brackets are 2020 comparatives. Revenues of both years are stated pro forma for disposal of Senior Aerospace Connecticut.

* "Other Aerospace" includes space, semi-conductor and medical.

OUR DIVERSIFIED AEROSPACE & DEFENCE PLATFORMS



Based on 2021 Aerospace revenue, pro forma for sale of Senior Aerospace Connecticut.

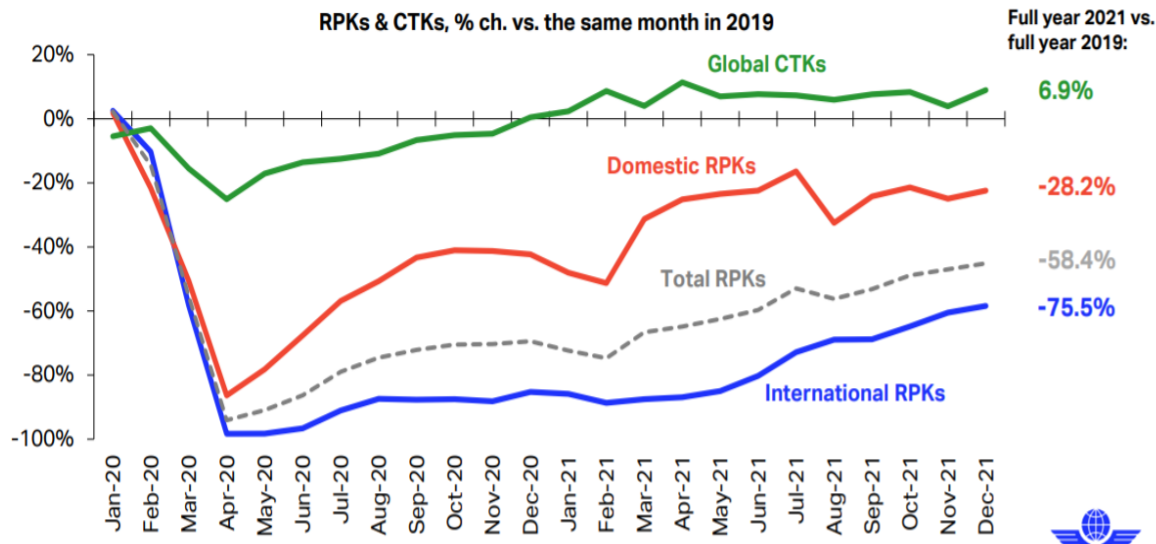
Full Year Results 2021

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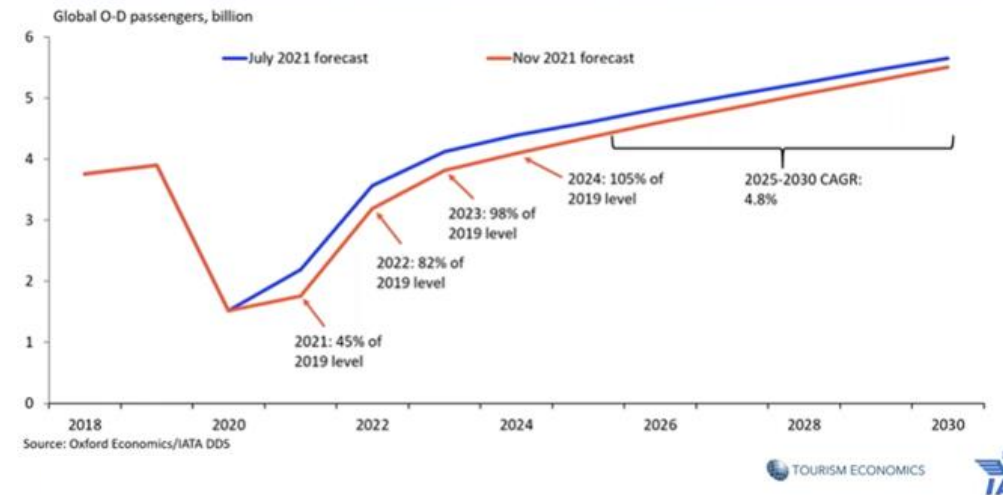
CIVIL AEROSPACE SHAPE OF MARKET RECOVERY (37% of Group)

- ⇒ Global air traffic recovery in 2021 showed overall progress as the COVID-19 vaccine delivery gathered pace and travel restrictions eased globally
- ⇒ IATA forecasts world passenger flows will return to 2019 levels by end of 2023;
 - Domestic traffic to reach 2019 levels by 2022
 - International traffic to reach 2019 levels by 2025

Recovery continues despite Omicron disruptions



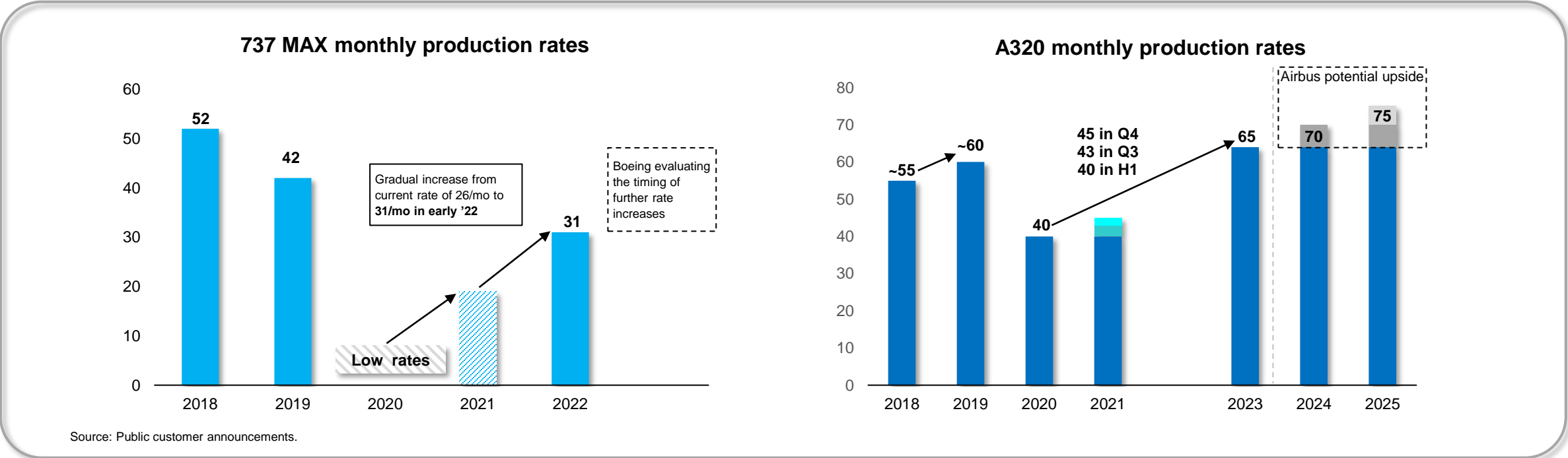
World Passengers Flows Long-run Outlook



Source: IATA, "Overview of air transport in 2021 and recent developments", Jan 2022 (left); IATA, "Air Passenger Forecasts: Air passenger recovery to begin in earnest in 2022", November 2021 (right).

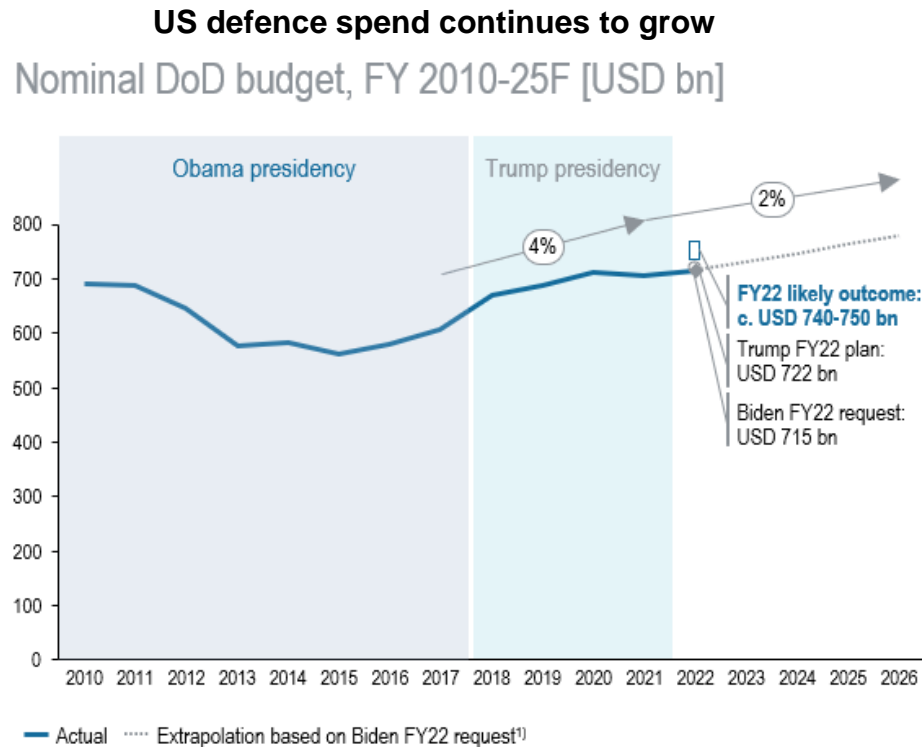
CIVIL AEROSPACE SINGLE AISLE GROWTH

- ⇒ The lower operating cost and better sustainability of new aircraft will continue to be a necessity for the airline industry
- ⇒ Airbus and Boeing have confirmed plans to ramp up single aisle production

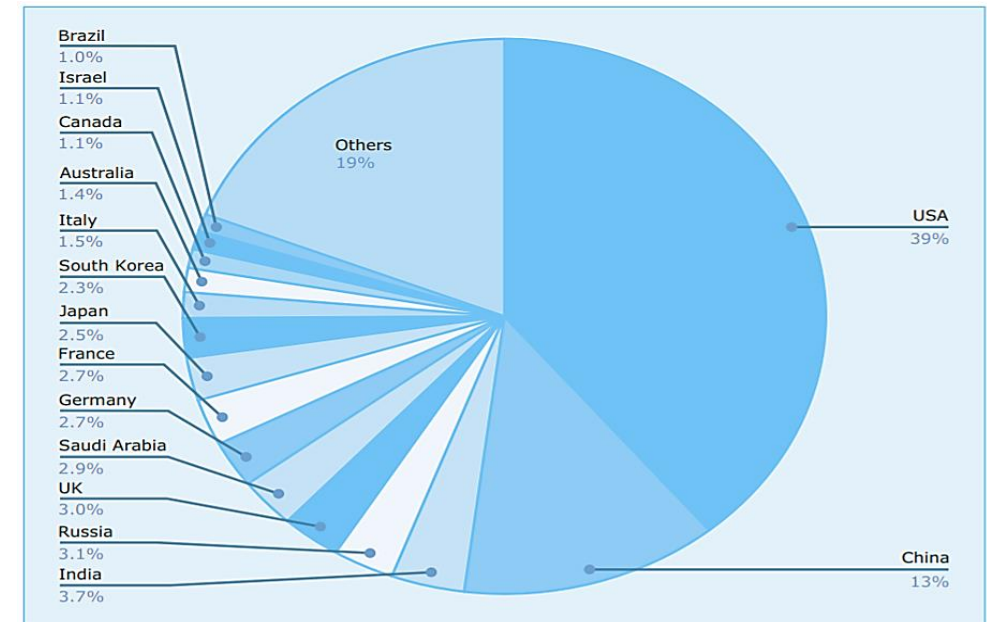


DEFENCE (18% of Group)

- ⇒ Senior focuses on the US as the largest defence market in the world
- ⇒ Following bipartisan US Senate support, the National Defence budget is likely to be in the region of \$770 billion for fiscal year 2022



The US spends almost as much on defence as the next 12 countries combined

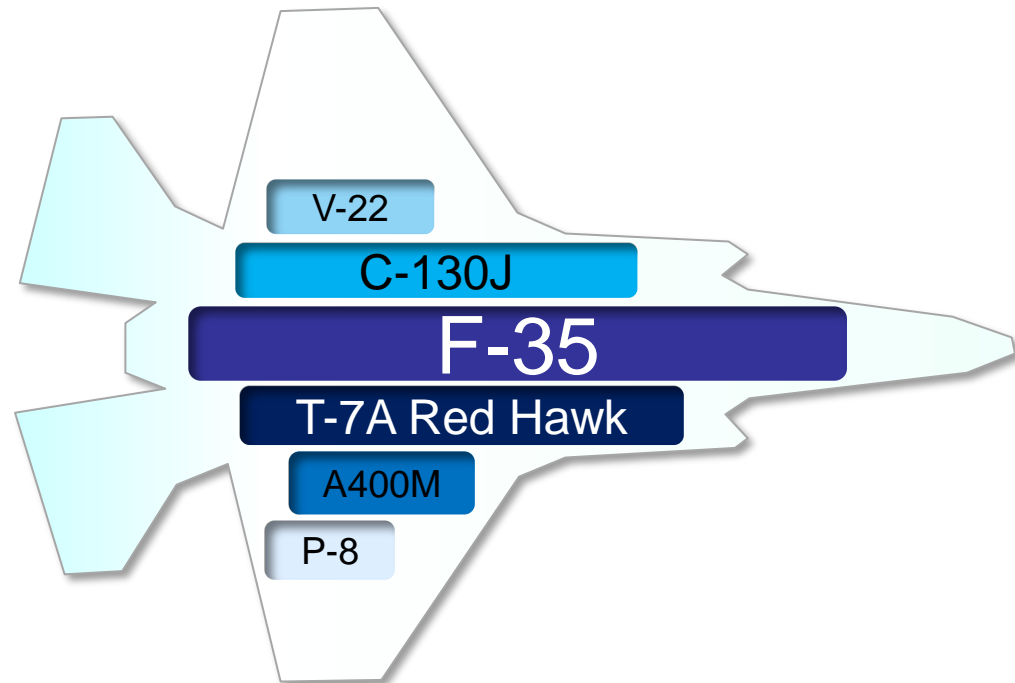


Source: US Department of Defense, FY22 Budget Request, FY21 Green Book, Biden April 2021 budget request, Federal Government Budget, Roland Berger (left); Stockholm International Peace Research Institute, "Trends in World Military Expenditure in 2020", Apr 2021 (right).

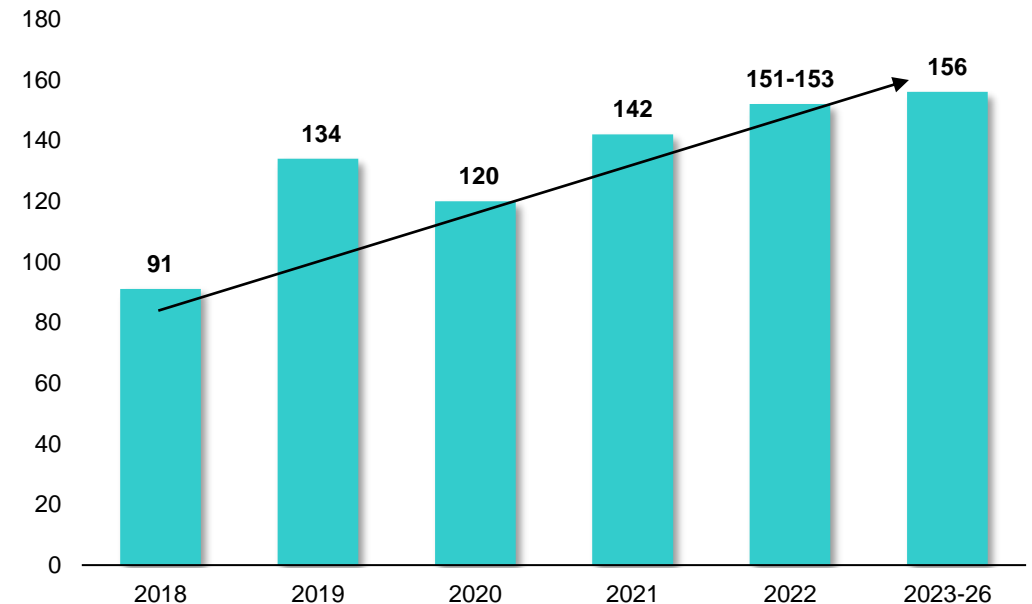
DEFENCE PLATFORMS

- ⇒ Senior is well placed with good content on key growth programmes such as F-35 and T-7A Red Hawk
- ⇒ Mature programmes such as the C-130 transport aircraft continue in series production

Senior benefits from positions on important defence programmes



F-35 annual production rates increasing

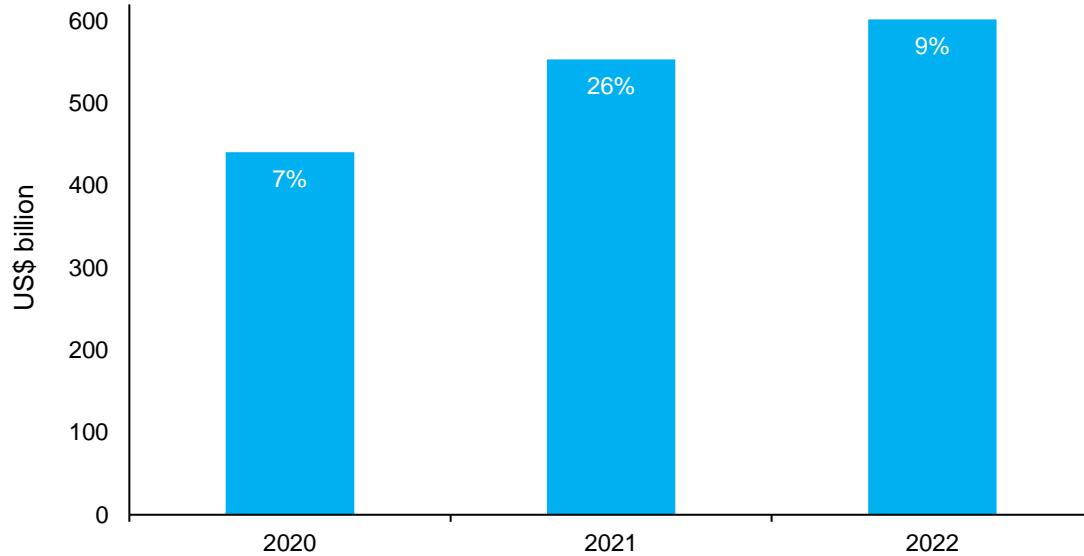


Source: Senior company information (left); public customer announcements (right).

OTHER MARKETS (11% of Group)

- ⇒ Senior's aerospace businesses supply to other markets e.g. space, semi-conductor equipment and medical
 - Good growth in space and semi-conductor equipment market; medical stable

Global semi-conductor market growth



Our highly engineered proprietary products use our world class bellows technology to provide excellent solutions for applications into the semi-conductor equipment end-market

Source: Data sourced from World Semiconductor Trade Statistics, Nov 2021.

Our diversification into other attractive end-markets



Space



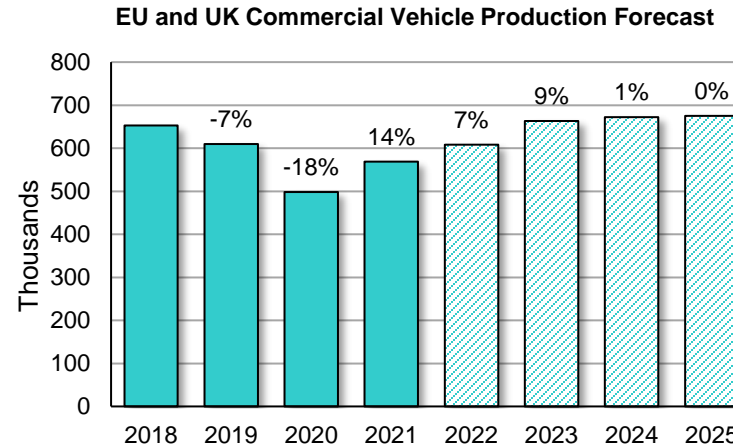
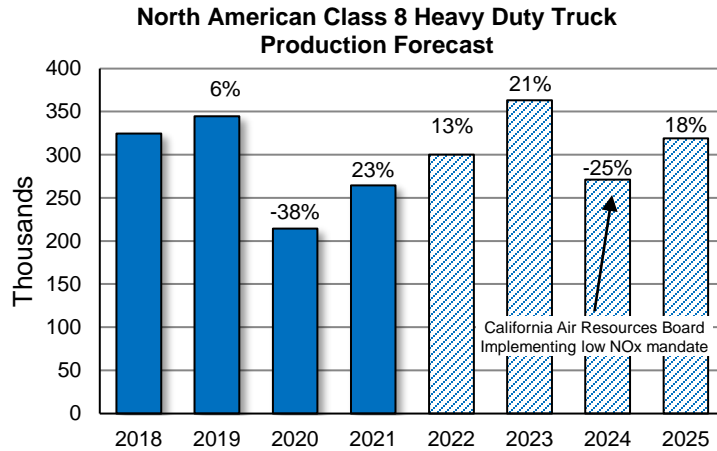
Semi-conductor equipment



Medical

LAND VEHICLES (18% of Group)

Truck & Off-Highway (14%)

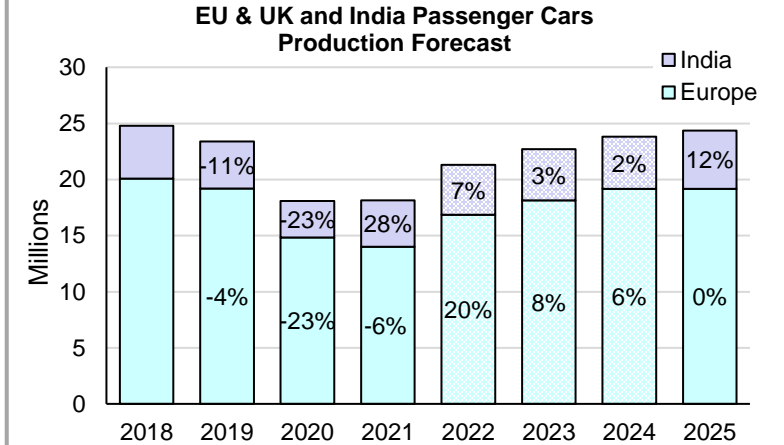


Land Vehicle markets are continuing to recover

Strong growth forecast in NA and EU truck production during '22 to '23

- ACT:
 - 13% increase in NA heavy-duty truck production in 2022, 21% in 2023
 - 11% increase in NA medium-duty diesel truck market in 2022
- IHS Markit: EU truck and bus production will grow by 7% in 2022

Passenger Vehicles (4%)



Recovery in market demand in Europe and India

IHS forecasts:

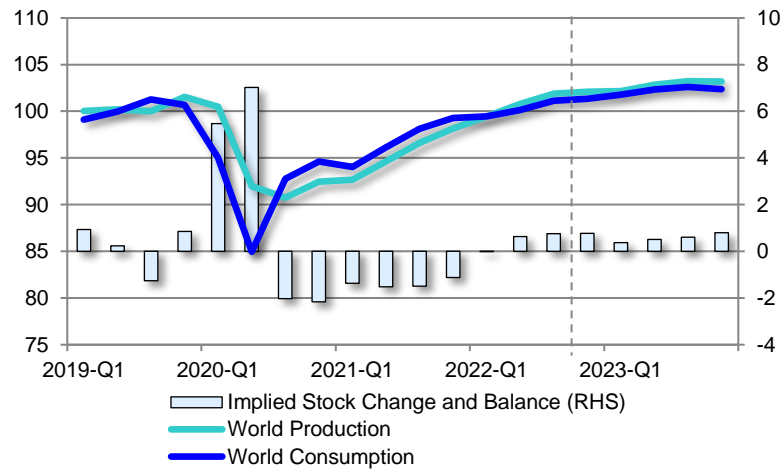
- EU (including the UK) PV production will grow by 20% in 2022
- Indian PV production will grow by 7% in 2022

Source: ACT Research, Feb 2022 (left); IHS Markit, Feb 2022 (middle and right).

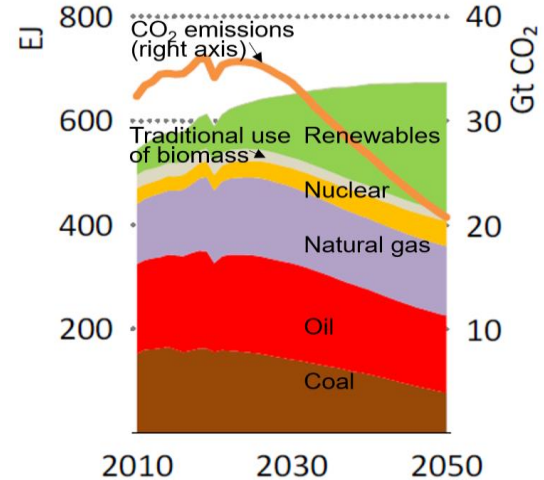
POWER & ENERGY (16% of Group)

- ⇒ Recovery in the upstream oil & gas sector is underway
- ⇒ Longer term, share of renewables in power generation expected to increase
- ⇒ Senior's product portfolio supports solutions for solar, wind, nuclear and oil & gas

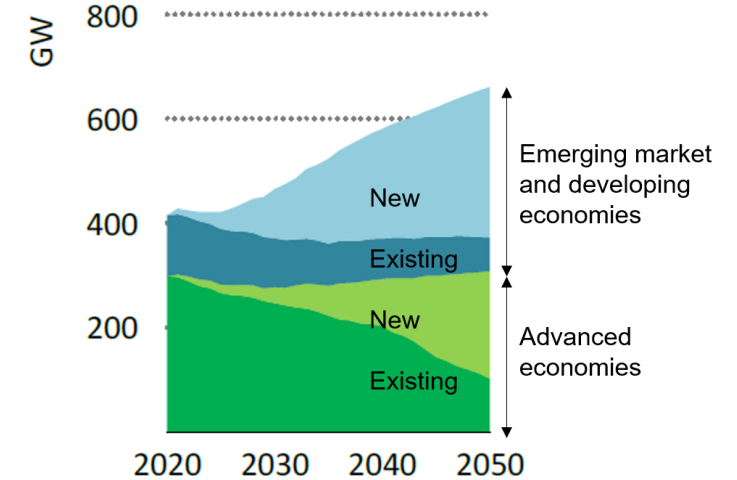
World Liquid Fuels Production and Consumption Balance
(million barrels per day)



Clean energy to take a greater share of total primary energy supply



Nuclear power capacity expected to increase

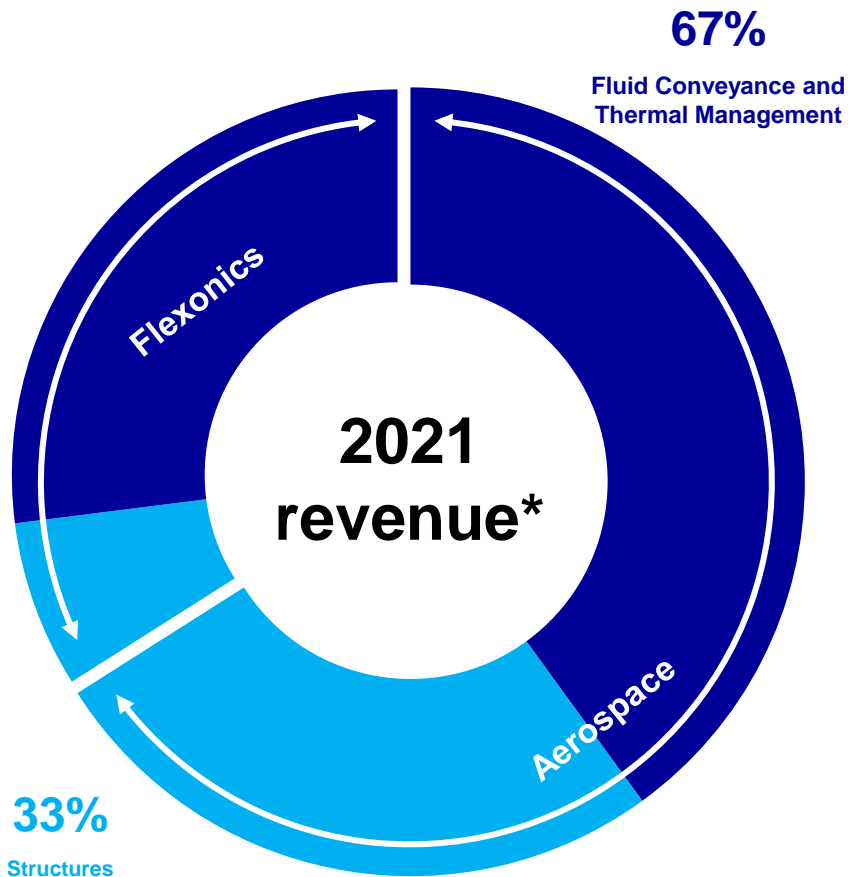


Source: Left: EIA, short-term energy outlook, Jan 2022; Middle & right: IEA, "World Energy Outlook", Oct 2021 – Describes the Announced Pledges Scenario, which assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions and longer term net zero targets, will be met in full and on time.



STRATEGY & OUTLOOK

FOCUS ON IP-RICH TECHNOLOGY AND MANUFACTURING



*The chart shows 2021 revenue, pro forma for the sale of Senior Aerospace Connecticut.

Fluid Conveyance and Thermal Management

Product and System Design & Manufacturing IP

- ✓ This remains the key strategic focus
- ✓ Significant current and future opportunities identified within this technology domain

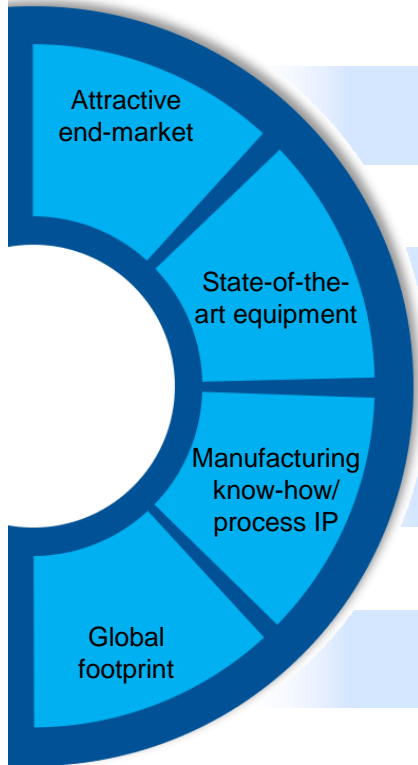
Structures

Complex Machining and Manufacturing Know-How/ Process IP

- ✓ Fill our existing capacity
- ✓ Pursue further diversification into Space and Defence
- ✓ Grow market share profitably in Civil Aero as customers look for high performing reliable suppliers

Core capabilities underpin shareholder value growth

AEROSTRUCTURES: MOMENTUM BUILDING



Civil Aerospace – Awarded new multi-year contracts from Boeing

- Major floor beam structural assemblies on the Boeing 767
 - Deliveries started January 2022
- Quadrant Assemblies for flight control systems on the Boeing 737 and Boeing 777 platforms
 - In development with first delivery in March 2022

Space – Awarded production and new development

- Significant production work with existing large Space customer - Low Orbit Satellites
- In Development with new Large Space customer – Low Orbit Satellites

Defence – New contract award from Northrop Grumman

- New customer with potential for additional future opportunities
 - First deliveries in April 2022

Development and Manufacturing being undertaken at Senior Aerospace facilities in Arlington and Monroe, Washington (WA), USA



Our structures capabilities have secured substantial content on key aerospace platforms

HIGHLY ENGINEERED PRODUCTS IN ATTRACTIVE END-MARKETS



Fluid conveyance and thermal management technology embedded in our IP-rich products

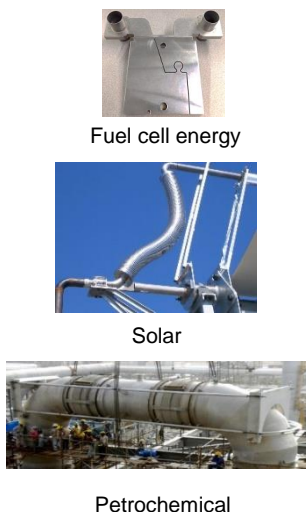
Semiconductor Equipment



Medical



Power & Energy



Land vehicles



Defence



Aerospace



This core capability continues to be highly relevant as we transition towards a Low Carbon Economy

OUR TECHNOLOGY ROADMAPS REFLECT MARKET TRENDS

Aerospace

2010s

Launch of more efficient aero engines



Engineering parts for more efficient engines

2020s

Application of more advanced production methods



New additive manufacturing capability to provide options for more demanding applications

2030s

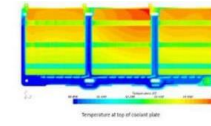
More widespread use of SAFs in commercial aircraft*



Our existing fluid conveyance products are compatible with sustainable fuels

2040s

Production ramp-up of hydrogen-powered aircraft



Our thermal management and fluid conveyance IP covers next-generation electric/ hydrogen aircraft

Land Vehicles

2010s

Increasingly stringent emission regulations



Senior has a long history of world class exhaust gas recirculation cooler design

2020s

OEMs ramp up electric passenger cars production



We have products for battery and electronics cooling and EV fluid handling

2030s

More efficient heavy duty diesel engines



Our next generation products further reduce emissions

2040s

Adoption of more electrification in larger vehicles



Our thermal management IP continues to help customers transition to greener technologies

Power & Energy

2010s

Rise of renewable energy



Senior has been involved with US solar powerplants since 1980s

2020s

Net Zero pledges set to increase renewables demand



Our vast experience in nuclear helps customers accelerate the energy transition

2030s

Use of hydrogen in the power sector to increase significantly



Senior has existing hydrogen fuel cell products in the energy sector

2040s

Renewables on path to hit 35% of total energy supply in 2050**



Senior will continue to expand on our existing product range to deliver Net Zero for our customers

ACTIVE PORTFOLIO OPTIMISATION

⇒ We continue our prune to grow strategy: divesting, closing or combining non-core or performance-challenged assets

⇒ We remain confident that Aerostructures core market will recover, driving performance improvement and providing the Group with strategic optionality

⇒ Expanding Senior's high quality fluid conveyance and thermal management businesses remains an ongoing priority

We will continue to actively manage the portfolio to create long-term shareholder value

ACQUISITION FRAMEWORK

More Likely → Less Likely

Market	Aerospace & Defence Power & Energy (clean energy) Land Vehicles (electrification)	Semi-conductor Equipment Medical	Volume Automotive
Product	Fluid Conveyance Products Thermal Management Products	Structures / Machining	
Nature	Own design / IP products & higher-level sub-systems	Highly engineered Build to Print	Commodity Build to Print
Geography	North America Asia	UK Europe	Africa South America Australasia
Ownership	Owner managed	Trade	Private Equity
Revenue	\$50m to \$100m \$100m+	\$15m to \$50m	less than \$15m

2022 PRIORITIES

- ⇒ Return to growth
 - Ramp up production to meet customer needs
- ⇒ Diligent management of supply chain constraints and inflationary pressures
- ⇒ Active portfolio management
- ⇒ Currently expect to resume dividend payments in 2022
- ⇒ Maintain sector leading sustainability performance

GROUP OUTLOOK

- ⇒ **Recovery underway** in our core markets including civil aerospace and anticipate that continuing in 2022 and beyond.
- ⇒ The Board **anticipates good progress in 2022**, in line with previous expectations, as we continue the **multi-year recovery back to pre-COVID levels of performance**.
- ⇒ Over the medium term we remain committed to delivering a strong recovery across our two Divisions, driving the **Group ROCE to a minimum of 13.5%** in line with our previously stated ambition.

Looking ahead, our differentiated offering in fluid conveyance and thermal management products coupled with our global footprint and positioning in attractive and diverse end markets, gives the Board confidence that Senior is well positioned to build on our strong capabilities and to capture growth opportunities. Our continued investment in low carbon technology and advanced manufacturing combined with our commitment to the highest sustainability standards provide additional foundations for continued success.

Multi-year recovery underway; on track to delivering min. ROCE of 13.5%

Currently assuming exchange rate for the US Dollar to Pound Sterling of \$1.34: £1 average for 2022.
10 cents movement in \$:£ exchange rate is estimated to affect full-year revenue by £33m, adjusted operating profit by £2m, and net debt by £6m.



ANY QUESTIONS?

APPENDICES

INVESTMENT CASE: POSITIONED FOR GROWTH

Our purpose to provide safe and innovative products for demanding thermal management and fluid conveyance applications



Trusted and collaborative high value-added engineering and manufacturing company delivering sustainable growth

Delivering minimum 13.5% ROCE* over medium-term

STRONG CORE END-MARKETS

-  **Civil Aerospace**
-  **Defence**
-  **Land Vehicle**
-  **Power & Energy**

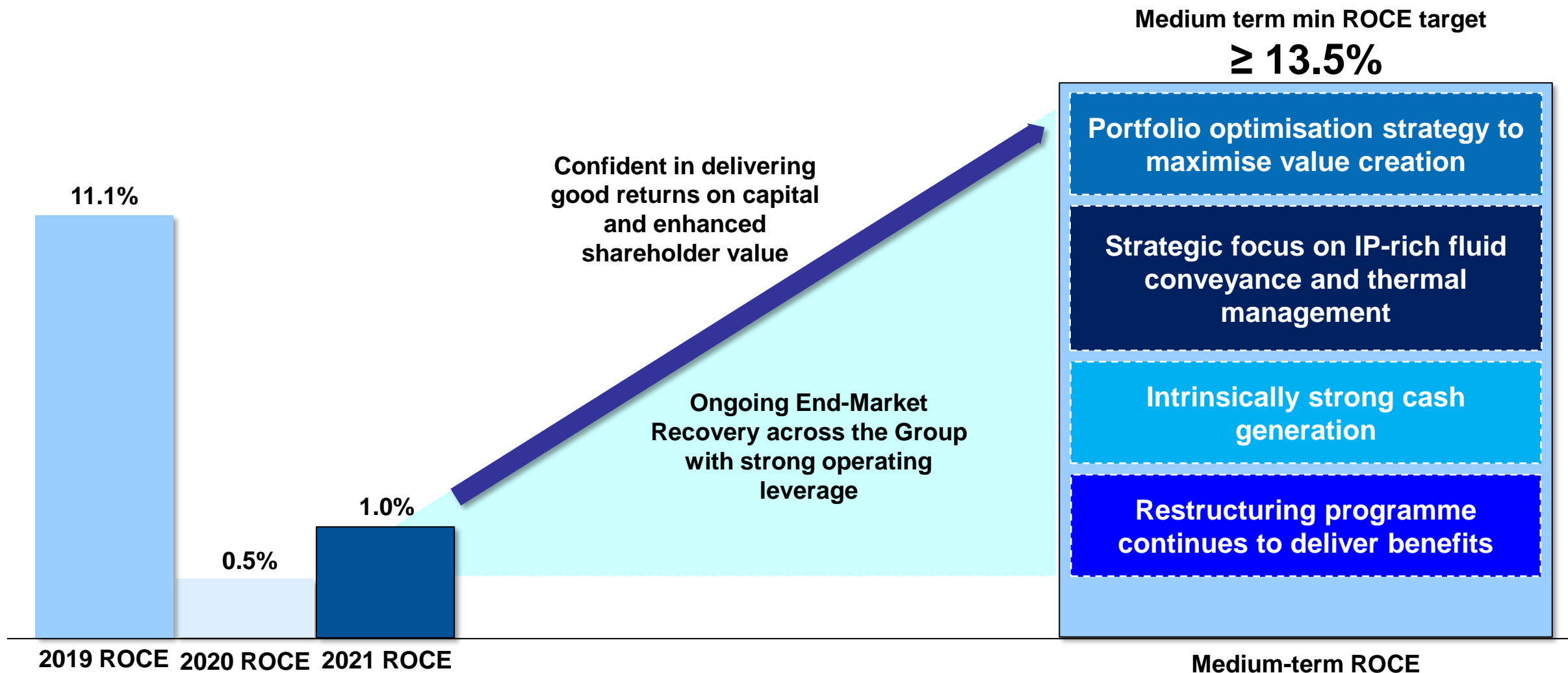
OUR DIFFERENTIATORS

- Safety & ethics are always our highest priorities**
- High performance operating system**
- Intrinsically strong cash generation**
- Autonomous and collaborative business model with a robust control framework**
- Strong balance sheet**
- Technology, product and process innovation supporting transition to clean energy**
- Considered and effective capital deployment**
- Global footprint**

ESG LEADERSHIP

- First worldwide in A&D sector** to have greenhouse gas reduction targets verified and approved by the Science Based Targets initiative
- CDP “Leadership” rating of A-** on climate disclosure
- Highest CDP “Leadership” rating** on supplier engagement
- Continuously improving** Lost Time Injury Illness Rate; reduced to 18 in 2021 from 21 in 2020
- Early adopters** of Hampton Alexander and Parker Reviews on gender and ethnic diversity targets

MEDIUM TERM MINIMUM ROCE TARGET



OUR BUSINESS MODEL

Our vision is to be a trusted and collaborative high value-added engineering and manufacturing company delivering sustainable growth in operating profit, cash flow and shareholder value

Our purpose is to provide safe and innovative products for demanding thermal management and fluid conveyance applications

What We Do	How We Do It		Long-Term Sustainable Value
<p>Design and manufacture of highly engineered, technology rich products and systems for OEMs in the following markets:</p> <p>Aerospace & Defence</p>  <p>Land Vehicle</p>  <p>Power & Energy</p> 	<p>Our Strengths</p> <p>Organisation</p> <p>Financial</p> <p>Global Footprint</p> <p>People & Culture</p> <p>Innovation</p>	<p>Strategic Priorities</p> <p>Autonomous and Collaborative Business Model</p> <p>Focus on Growth</p> <p>High Performance Operating System</p> <p>Competitive Cost Country Strategy</p> <p>Considered and Effective Capital Deployment</p> <p>Talent Development</p>	<p>Create value for all our stakeholders through our business model</p>  <p>Employees</p>  <p>Customers</p>  <p>Suppliers</p>  <p>Our Communities</p>  <p>Shareholders</p>

Our cores values – The “Senior Way”

Safety

Integrity

Customer Focus

Respect & Trust

Accountability

Excellence

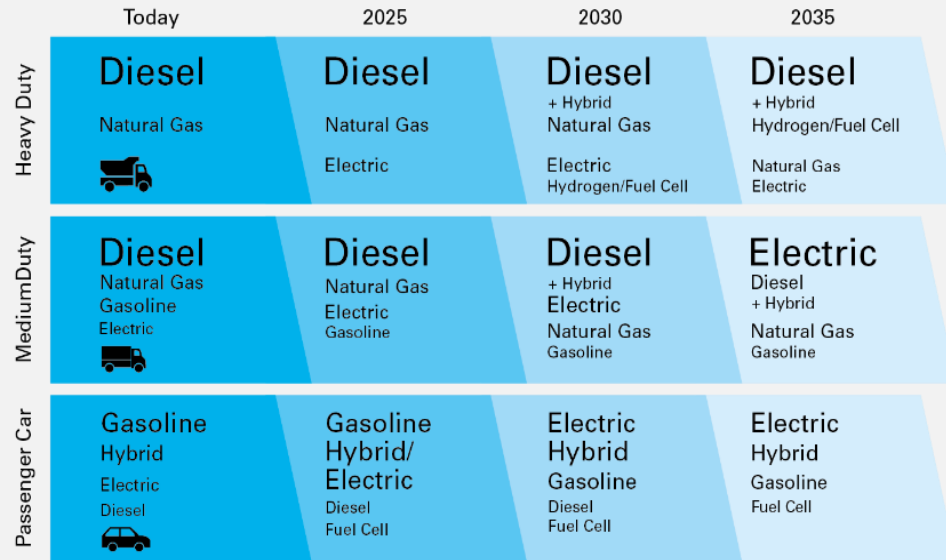
STRATEGIC PRIORITIES

Autonomous and Collaborative Business Model	Focus on Growth	High Performance Operating System	Competitive Cost Country Strategy	Considered and Effective Capital Deployment	Talent Development
<ul style="list-style-type: none"> ⇒ Empowerment and accountability ⇒ Retain entrepreneurial spirit whilst growing ⇒ Strong control framework and disciplined governance ⇒ Economies of scale whilst maintaining autonomous business structure 	<p>Outgrow our end markets by:</p> <ul style="list-style-type: none"> ⇒ Growing market share, particularly with key customers ⇒ Focusing on innovation ⇒ Geographical expansion ⇒ Seeking out and exploiting adjacent opportunities <ul style="list-style-type: none"> • organically and through acquisition 	<p>Key elements include:</p> <ul style="list-style-type: none"> ⇒ The Senior Operating System - an operational toolkit incorporating best practice processes: <ul style="list-style-type: none"> • Lean and continuous improvement techniques • Supplier management and development processes • Engineering, new product introduction (NPI) and project management processes • 5/6S methodology • Factory visual management systems • Risk and financial management ⇒ A strengthened business review process <ul style="list-style-type: none"> • KPI focus on performance, growth, operational excellence and talent development 	<p>Enhance global footprint to ensure businesses stay competitive at a capability and cost level</p> <ul style="list-style-type: none"> ⇒ Meet customers' cost and price challenges ⇒ Enhance returns on investment ⇒ Key investments: <ul style="list-style-type: none"> - Thailand - Mexico - Malaysia - South Africa - China - Czech Rep. - India ⇒ Increasingly sophisticated capabilities in competitive cost countries to align with demand 	<p>The executive team continually reviews investment priorities across the Group to ensure that the best choices are made for the allocation of capital</p> <ul style="list-style-type: none"> ⇒ Rigorous investment appraisal process ⇒ Group objective to maintain an overall return on capital employed in excess of the Group's cost of capital. Medium term ROCE target min 13.5% 	<p>Skilled workforce and highly experienced entrepreneurial business leaders</p> <ul style="list-style-type: none"> ⇒ Further develop and attract new talent ⇒ A strong focus on diversity and inclusion across the business including on our Board and Executive Team ⇒ Achieved targets set out for gender diversity in the Hampton-Alexander Review and met the Parker Review recommendations for Board gender and ethnic diversity.

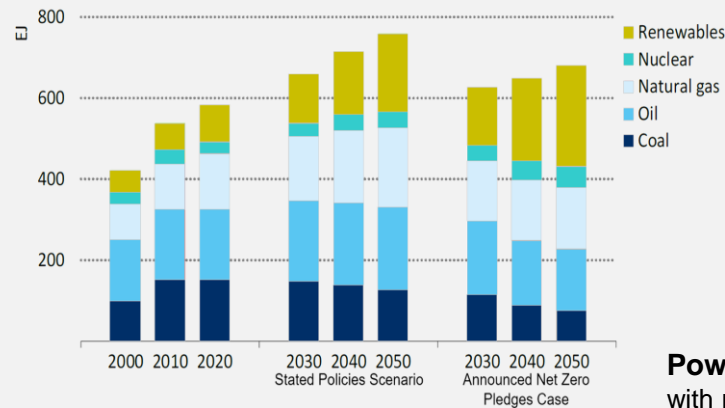
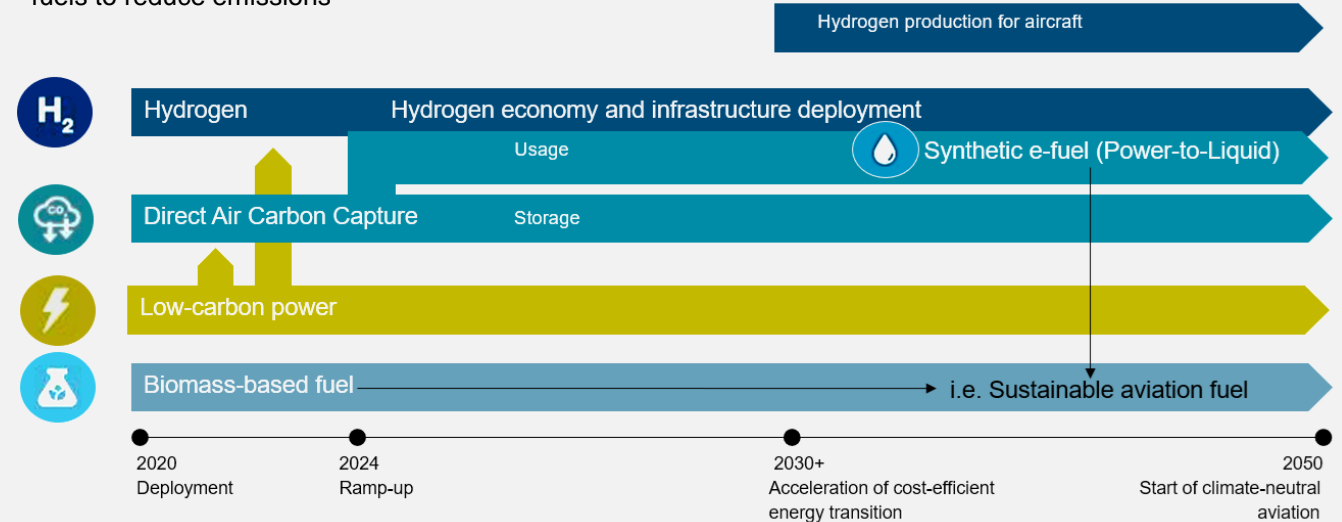
PRODUCT DEVELOPMENT STRATEGY COMPATIBLE WITH OUR FOCUS ON ESG

End-market evolution to achieve net zero

Land vehicles - More efficient diesel engines and accelerating hydrogen/ electrification



Aerospace - Airbus envisions using multiple pathways including use of hydrogen and sustainable aviation fuels to reduce emissions



Power & Energy - Growing total energy supply with renewables taking a greater share

Source: Airbus, Jun 2021 (top); company estimates, Jul 2021 (middle); IEA, May 2021 (bottom).

OUR LOCATIONS



2021 split	Sales	Employees
N. America	60%	2,431
UK	15%	1,126
Rest of Europe	13%	808
Rest of World	12%	1,299

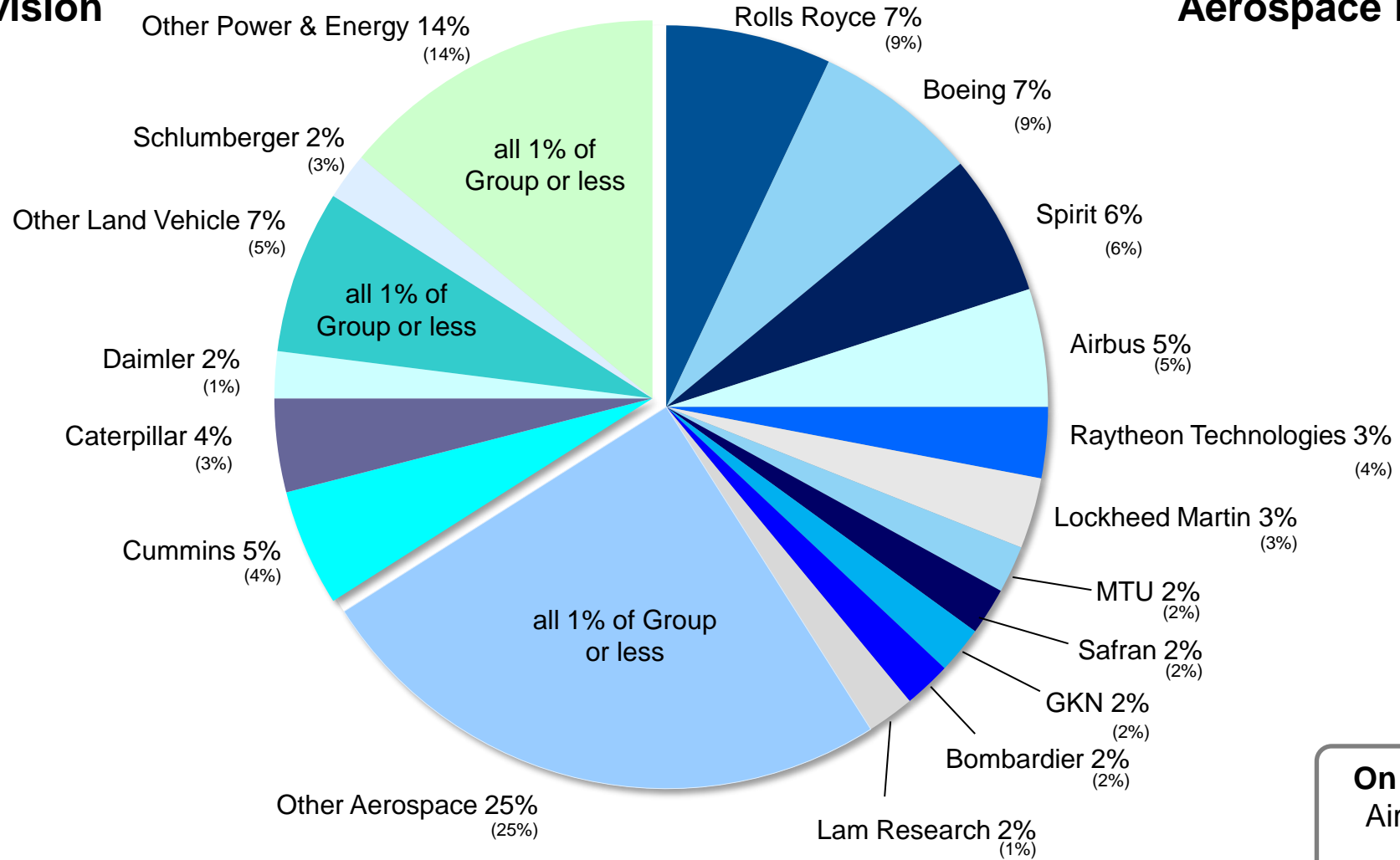
Flexonics (11 operating businesses & JV)
Aerospace – Structures (5 operating businesses)
Aerospace – Fluid Systems (9 operating businesses)

Note: Bosman in the Netherlands (not displayed on the map) has been closed in 2021 following transfer of production our French Aerospace sites.

OUR CUSTOMERS

34% Flexonics Division
(30%)

Aerospace Division 66%
(70%)



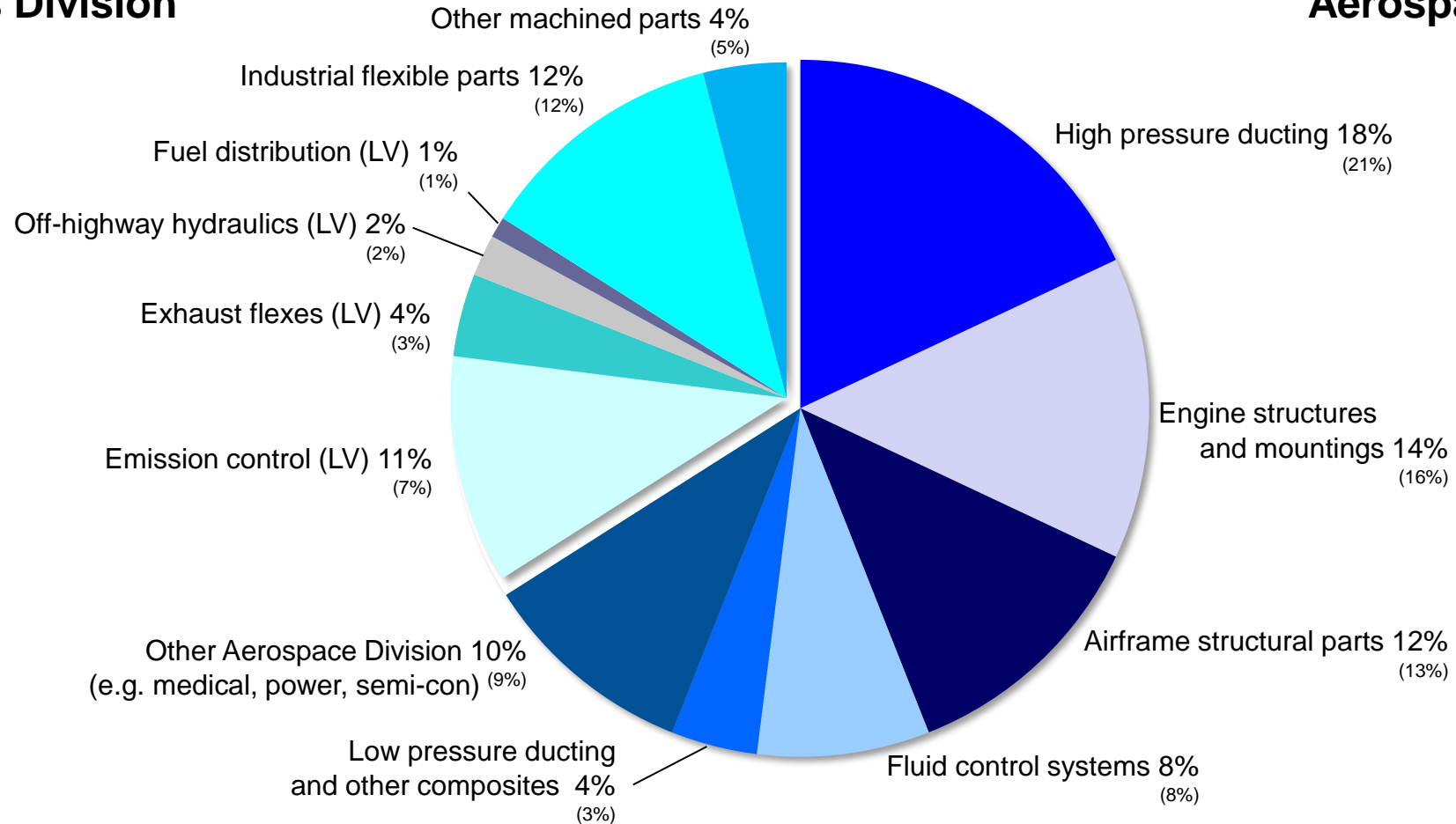
On a derived basis:
Airbus:Boeing ratio
72:28

End markets composition based on 2021 revenue. % in brackets are 2020 comparatives. Revenues of both years are stated pro forma for disposal of Senior Aerospace Connecticut.

OUR PRODUCTS

34% Flexionics Division
(30%)

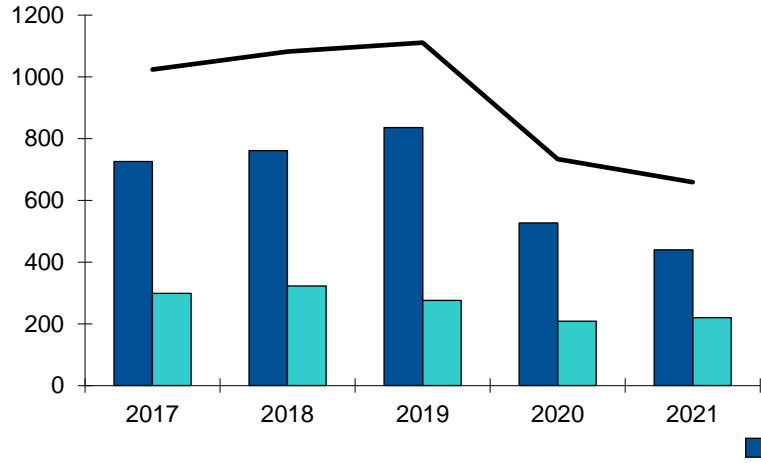
Aerospace Division 66%
(70%)



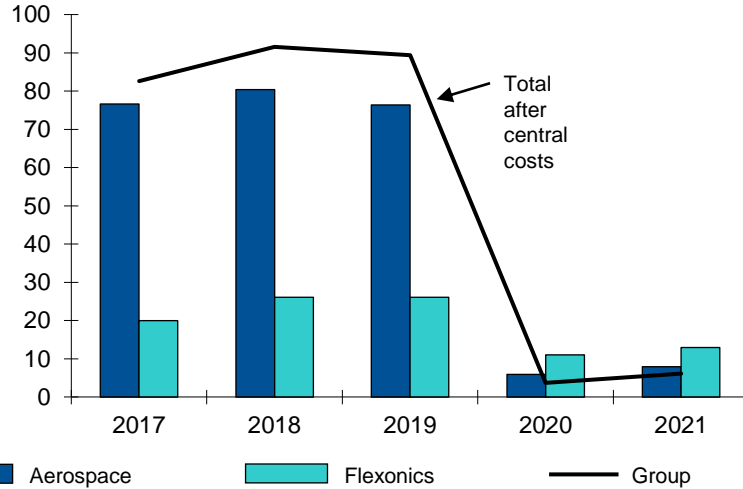
End markets composition based on 2021 revenue. % in brackets are 2020 comparatives. Revenues of both years are stated pro forma for disposal of Senior Aerospace Connecticut. LV = Land vehicles

GROUP EVOLUTION

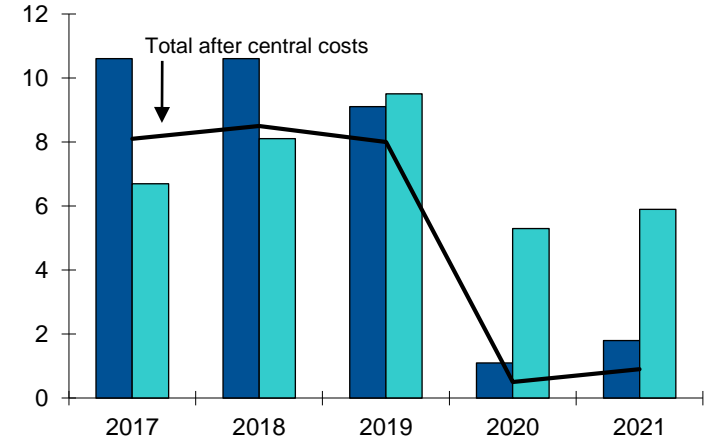
Revenue (£m)



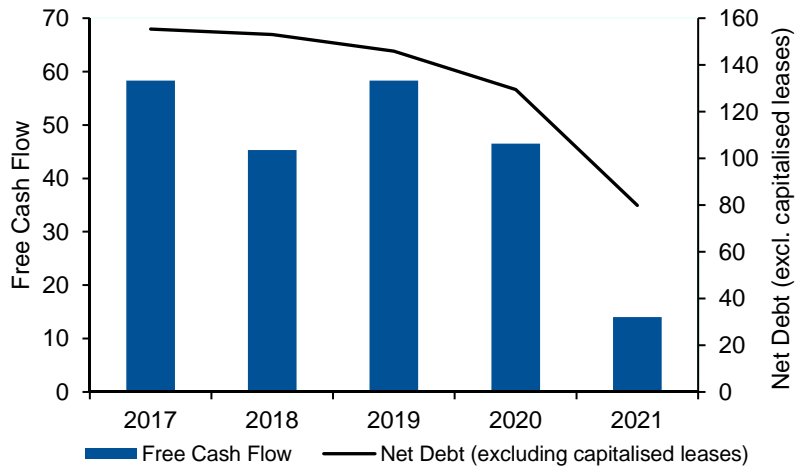
Adjusted Operating Profit (£m)



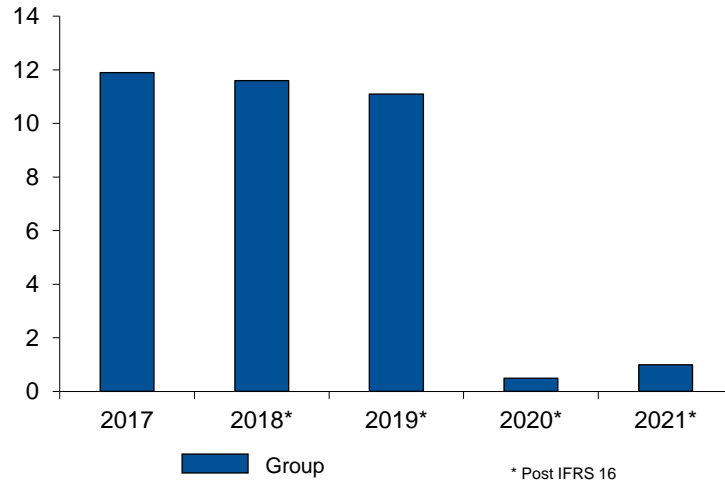
Adjusted Operating Margin (%)



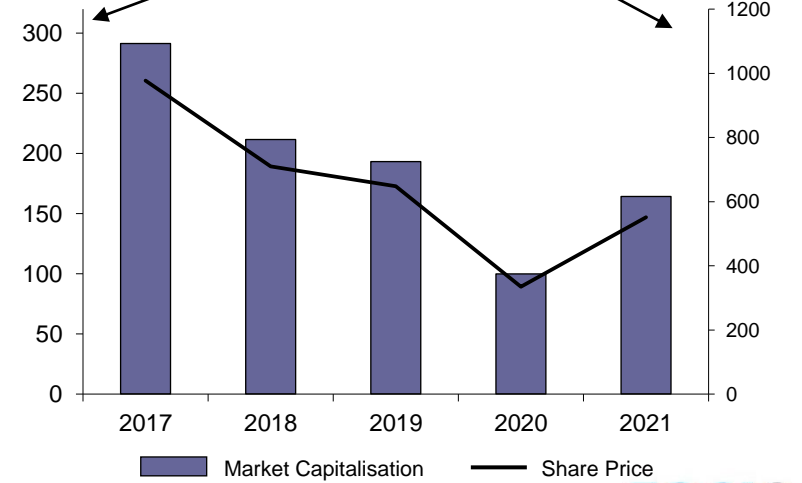
Free Cash Flow and Net Debt (£m)



Return on Capital Employed (%)



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



EARNINGS PER SHARE

	2021	2020
Average number of shares		
Basic	415.7m	414.9m
Fully diluted	422.5m	414.9m
Adjusted earnings per share ⁽¹⁾		
Basic	0.17p	(0.84)p
Fully diluted	0.17p	(0.84)p

(1) Based on adjusted profit for the period as defined on page 11.

BALANCE SHEET

£m	Dec 2021	Dec 2020
Goodwill and other intangible assets	154.4	169.8
Investment in JV	3.9	3.6
Property, plant and equipment	294.6	330.5
Other long-term assets	5.8	4.8
Non current assets, before retirement benefits	458.7	508.7
Inventories	145.2	147.6
Receivables, excl. hedging and earnout	97.2	82.1
Payables, excl. hedging	(139.4)	(123.7)
Working capital	103.0	106.0
Current tax liabilities, net	(12.0)	(16.8)
Provisions	(13.8)	(23.5)
Other current (liabilities)/assets, net	(2.8)	0.8
Net current assets, before cash/borrowings	74.4	66.5
Net borrowings	(79.9)	(129.4)
Lease liabilities	(73.2)	(76.5)
Net debt	(153.1)	(205.9)
Retirement benefits, net	61.2	35.6
Other long-term liabilities	(16.1)	(11.6)
Other items, net	(108.0)	(181.9)
Net assets	425.1	393.3

FX Impact from Dec 2020

	£m
Non current assets	(3.7)
Working capital	(1.1)
Net debt	0.7

Retirement Benefits (net)

	£m
As at December 2020, net	35.6
Cash contributions	6.0
Actuarial gain on liabilities	17.7
Actuarial gain on assets	4.5
Other	2.6
As at December 2021, net	<u>61.2</u>

UK Scheme Actuarial Valuation

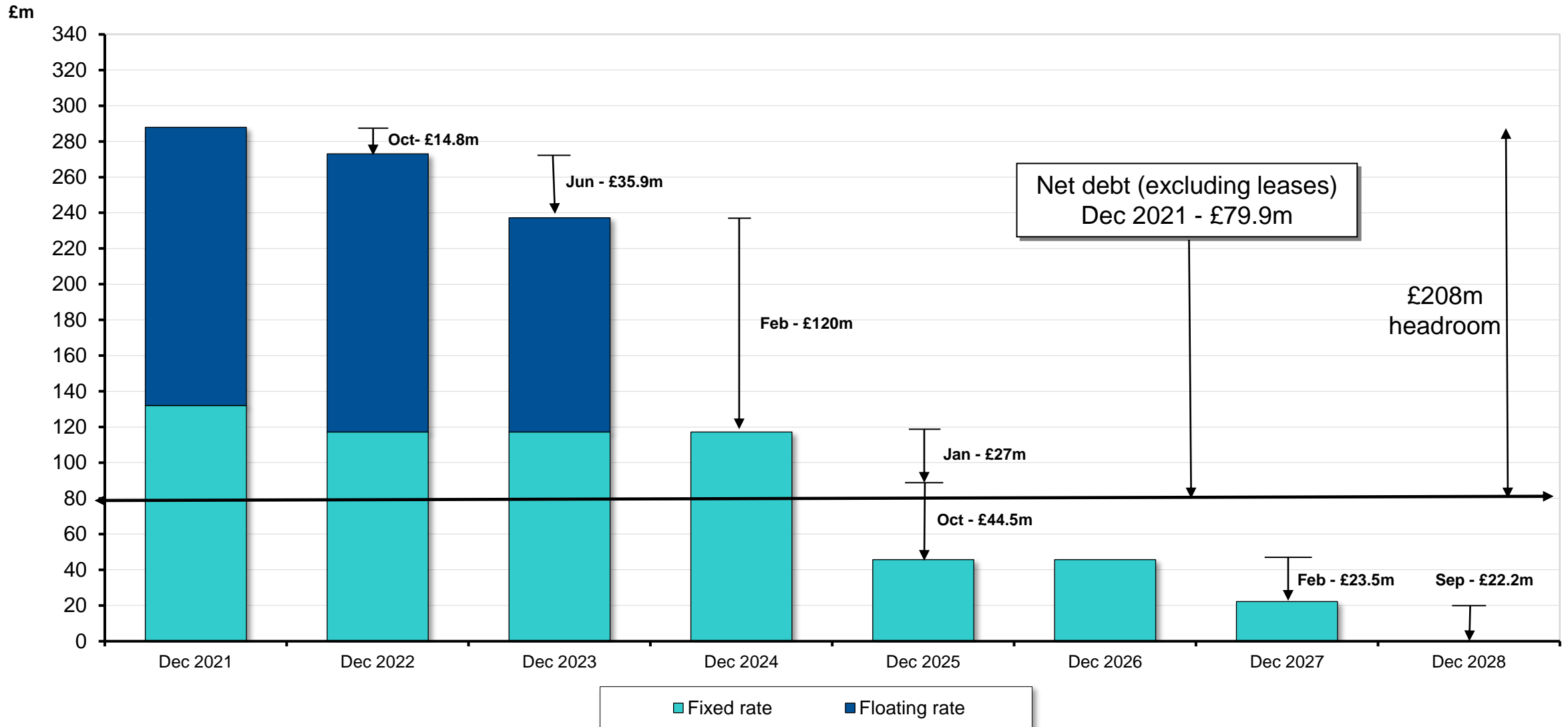
Last valuation:	5 April 2019
Scheme assets at valuation:	£325.6m
Scheme liabilities at valuation:	(£335.8m)
Funding level:	97%
UK Scheme is closed to future accrual	

CHANGE IN NET DEBT

	2021 £m	2020 £m
Free cash flow (page 12)	14.0	46.5
Net cash inflow/(outflow) from corporate undertakings	46.9	(4.2)
Net restructuring cash outflows	(0.9)	(15.2)
US class action lawsuits	(2.3)	(3.9)
Net cash inflow	57.7	23.2
Exchange variations	0.7	2.4
Lease liabilities – additions, modifications and disposals	(5.6)	(1.9)
Net debt - opening	(205.9)	(229.6)
Net debt – closing (page 49)	(153.1)	(205.9)
Net debt to EBITDA ⁽¹⁾ (page 50)	1.9x	2.8x

(1) Based on rolling 12 month EBITDA; Covenants definition of net debt and EBITDA

MATURITY PROFILE OF COMMITTED CREDIT FACILITIES



USAGE OF CREDIT FACILITIES – December 2021

	<u>Interest</u> %	<u>Facility</u> £m	<u>Usage</u> £m
<u>US Private placements:</u>			
\$30.0m (Sep 2028)	4.18%	22.2	22.2
€28.0m (Feb 2027)	1.51%	23.5	23.5
\$60.0m (Oct 2025)	3.75%	44.5	44.5
£27.0m (Jan 2025)	2.35%	27.0	27.0
\$20.0m (Oct 2022)	3.42%	14.8	14.8
	3.10%	132.0	132.0
<u>Bank facilities:</u>			
RCF £120.0m (Feb 2024) Libor + 85bps ⁽¹⁾	1.11%	120.0	-
US RCF \$48.5m (Jun 2023) Libor + 150bps	2.25%	35.9	-
Total committed facilities		287.9	132.0
Overdrafts and bank loans		16.8	-
Cash and cash pooling			(51.1)
Debt transaction costs			(1.0)
Net debt (excluding lease liabilities)			79.9
IFRS 16 lease liabilities			73.2
Net debt			153.1

Usage by Currency			
<u>£</u>	<u>\$</u>	<u>€</u>	<u>Other</u>
-	22.2	-	-
-	-	23.5	-
-	44.5	-	-
27.0	-	-	-
-	14.8	-	-
27.0	81.5	23.5	-
-	-	-	-
-	-	-	-
27.0	81.5	23.5	-
-	-	-	-
(16.6)	(19.7)	(6.5)	(8.3)
(0.9)	(0.1)	-	-
9.5	61.7	17.0	(8.3)
10.8	31.6	1.6	29.2
20.3	93.3	18.6	20.9

Headroom of £208m on committed facilities

(1) From 1 January 2022 drawings in GBP will switch to a SONIA reference rate.

COVENANTS at FROZEN GAAP⁽¹⁾

	Dec 2021
Net debt - restated at average exchange rates ⁽²⁾	£78.9m
Net interest payable	£5.8m
EBITDA	£42.1m
Interest cover (EBITDA / Net Interest payable)	7.3 x
Net debt to EBITDA	1.9 x

(1) The adoption of IFRS 16 does not impact the Group's lending covenants as these are based on frozen GAAP, hence the elimination of IFRS16 depreciation and the add back of cash outflows for leases in the reconciliation.

(2) As required by covenant definition: net debt excludes IFRS16 lease liabilities and is restated using 12-month average exchange rates (the same exchange rates used in consolidation of EBITDA).

Covenant reconciliation (as defined in Group debt agreements, EBITDA and Net interest based on last twelve month figures):

	£m
Adjusted Operating Profit (last 12 months)	6.1
Add:	
Depreciation of property, plant & equipment	46.3
Amortisation of software	1.5
Cash outflow for leases	(11.0)
Net finance income on retirement benefits	0.4
Less:	
EBITDA of disposed business	(1.2)
	<hr/>
EBITDA	<u>42.1</u>
	<hr/>
	£m
Finance costs and inv. Income	8.0
Less:	
Interest on lease liabilities	(2.6)
Net finance income on retirement benefits	<u>0.4</u>
Net interest payable	<u>5.8</u>
	<hr/>
	£m
Net debt	153.1
Less:	
Lease liabilities	<u>(73.2)</u>
Net external borrowings (at year end exchange rates)	79.9
Adjustment for average exchange rates	<u>(1.0)</u>
Net debt – restated at average exchange rates	<u>78.9</u>

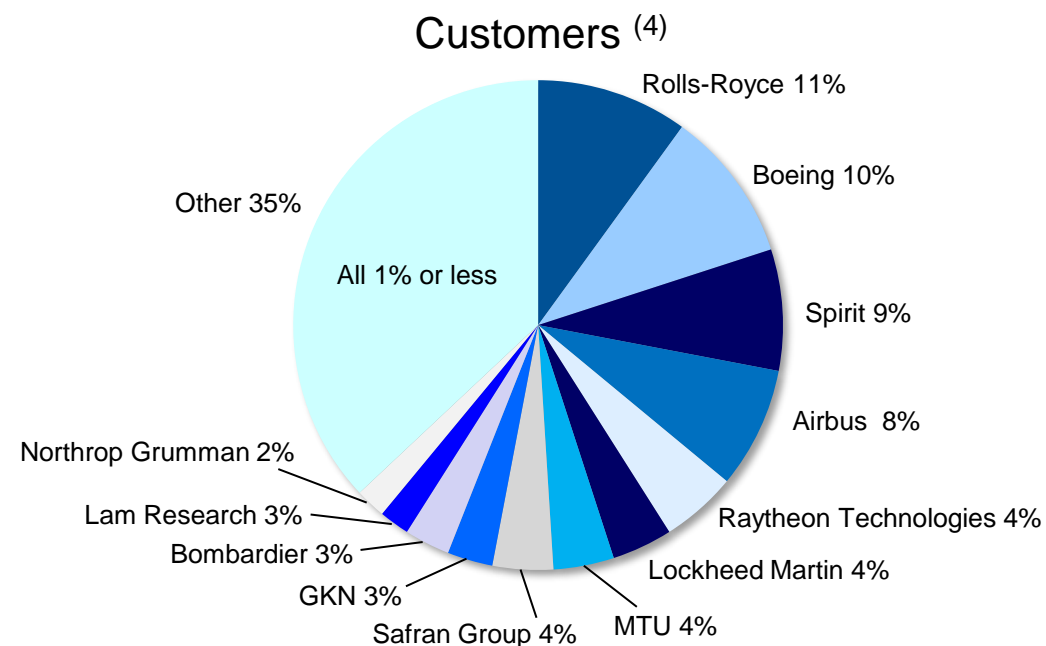
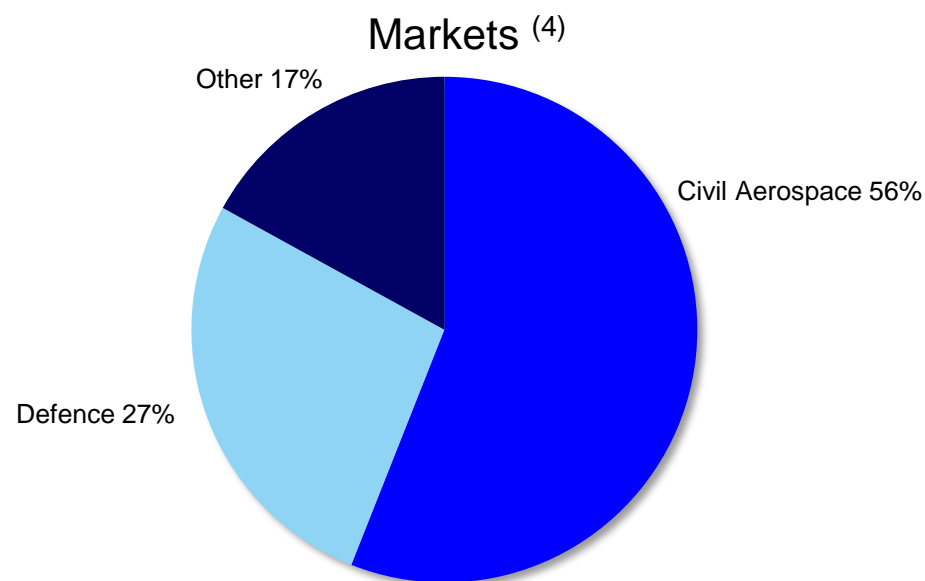


AEROSPACE DIVISION



AEROSPACE DIVISION: A SUMMARY

	2021	2020 ⁽¹⁾	Change	14 ⁽³⁾ Operations	
Revenue	£439.3m	£498.0m	-11.8%	NAFTA	6
Adjusted Operating Profit ⁽²⁾	£7.9m	£5.5m	+43.6%	Europe	2
Adjusted Operating Margin ⁽²⁾	1.8%	1.1%	+70bps	UK	4
				ROW	2



(1) All at 2021 exchange rates – translation effect only.

(2) Before restructuring income £2.2m (2020: £32.5m cost), amortisation of intangible assets from acquisitions £nil (2020: £6.3m), and goodwill impairment and write-off £nil (2020: £112.1m)

(3) Excludes Senior Aerospace Connecticut and Senior Aerospace Bosman in the Netherlands which has been closed in 2021 following transfer of production our French Aerospace sites.

(4) Stated pro forma for disposal of Senior Aerospace Connecticut.



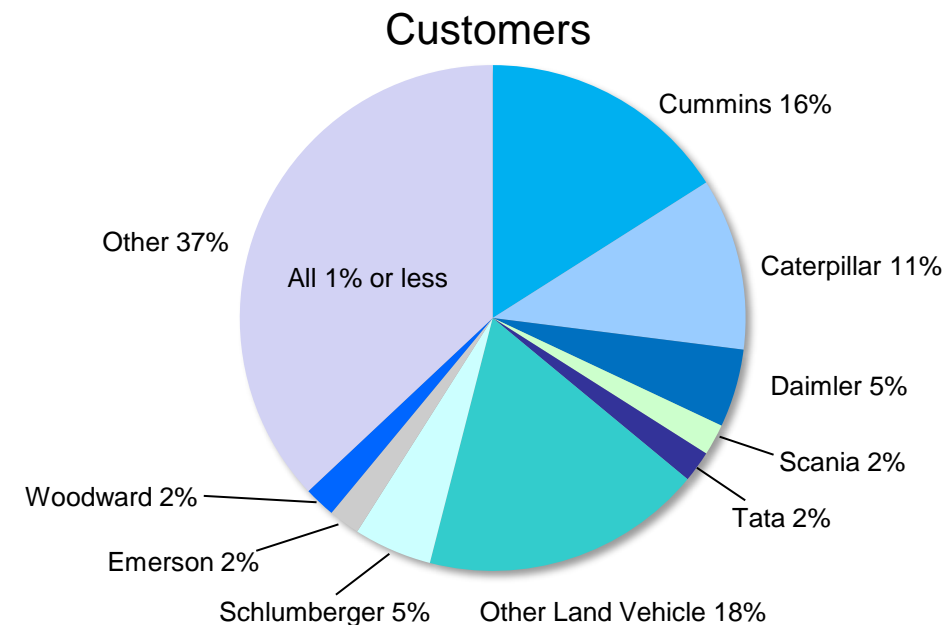
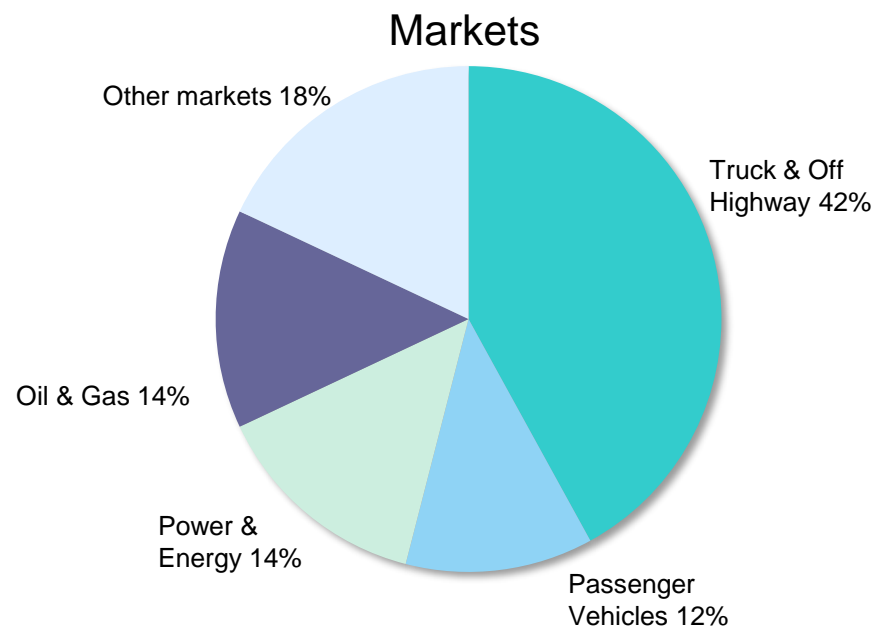
FLEXONICS DIVISION



FLEXONICS DIVISION: A SUMMARY

	2021	2020 ⁽¹⁾	Change
Revenue	£219.9m	£200.0m	+9.9%
Adjusted Operating Profit ⁽²⁾	£12.9m	£10.5m	+22.9%
Adjusted Operating Margin ⁽²⁾	5.9%	5.3%	+60bps

11 ⁽³⁾ Operations & JV	
NAFTA	4
Europe	2
UK	2
ROW	3
China JV	1



(1) All at 2021 exchange rates – translation effect only.

(2) Before net restructuring income £2.2m (2020: £6.5m cost), amortisation of intangible assets from acquisitions £nil (2020: £1.4m) and goodwill write-off £nil (2020: £22.2m).

(3) Excludes Senior Flexonics Upeca Malaysia following its closure.

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