victrex

ENABLING ENVIRONMENTAL & SOCIETAL BENEFITS

VICTREX PLC
INTERIM RESULTS
13 MAY 2024

BRINGING TRANSFORMATIONAL & SUSTAINABLE SOLUTIONS THAT ADDRESS WORLD MATERIAL CHALLENGES EVERY DAY

INTRODUCTIONS

Jakob Sigurdsson
Chief Executive Officer

Ian Melling
Chief Financial Officer

KEY MESSAGES

SOME SIGNS OF END-MARKET IMPROVEMENT

FOCUSED ON A BETTER H2 & PROSPECTS INTO FY 2025

MEGA-PROGRAMMES COMMERCIALISING

MILESTONES & RAMP-UP ON PLAN

ROBUST BALANCE SHEET
(& INVESTMENT PHASE CONCLUDED)

FOCUSED ON CASHFLOW, REDUCING CAPEX & INVENTORY

STRONG MEDIUM-TERM OPPORTUNITIES

FOCUSED ON EXECUTION

THE SUNDAY TIMES
Best Places to Work 2024
POWERED BY
WorkL

SOME SIGNS OF END MARKET IMPROVEMENT....CONFIDENT IN MID-TERM GROWTH TARGETS

H1 2024 SUMMARY

H1 IN LINE WITH GUIDANCE

- H1 volumes down 11% vs solid H1 23
- Sequential improvement in Q2 (vols +31%)
- Strong performance in Aero & Auto
- Medical down 19% on industry destock

PBT LOWER ON MEDICAL, HIGHER COST INVENTORY & ASSET UTILISATION

- Underlying PBT [1] £28.0m
- Bond 3D non-cash impairment (£20.1m exceptionals)
- Gross margin 48.0% (mix & asset utilisation)
- Strong cost discipline; further opportunities (operating overheads [1] down 13% vs H1 2023)

MEGA-PROGRAMMES COMMERCIALISING

- Aero Composites: on track for growth
- E-mobility: broader collaborations
- Knee: regulatory submission in 2024
- Trauma: commercial ramp-up
- Magma: commercial negotiation

FOCUSED ON IMPROVEMENT IN H2 2024 & GROWTH PROSPECTS INTO FY 2025

[1] Alternative performance measures are defined in the Appendix on slide 32

FINANCIAL UPDATE

Ian Melling
Chief Financial Officer

INCOME STATEMENT

H1 IN LINE WITH GUIDANCE

- *H1 2024 revenue down 14%*
- *Strong cost discipline: overheads** down 13%*
- *Underlying PBT £28.0m*
- *Reported PBT £3.3m (exceptional items of £24.7m from Bond 3D impairment and ERP investment)*
- *Bond 3D impairment of £20.1m (non-cash)*
- *Interim dividend 13.42p*

[1] Alternative performance measures are defined in the Appendix on slide 32

Half year (6 months) ended 31 March

	H1 2024	H1 2023	Change	Change (constant currency)[1]
	£m	£m	%	%
Revenue	**139.3**	162.2	**-14%**	**-10%**
Gains/(losses) on foreign currency net hedging*	2.5	(6.2)	-140%	
Gross profit	**66.8**	86.7	**-23%**	**-23%**
Gross margin %	***48.0%***	*53.5%*	*-550bps*	
FX hedge-adjusted gross margin % [1]	***47.1%***	*55.6%*	*-840bps*	
Overheads**	**(38.4)**	(44.1)	**-13%**	**-8%**
Interest	**(0.4)**	0.5		
Share of loss of associate	**-**	(0.6)		
Underlying profit before tax[1]	**28.0**	42.5	**-34%**	**-40%**
Exceptional items	**(24.7)**	(3.4)		
Profit before tax	**3.3**	39.1	**-92%**	**-98%**
Underlying earnings per share (pence)[1]	**27.0**	41.9	**-36%**	NA
Earnings per share (pence)	**3.1**	38.8	**-92%**	NA
Dividend per share	**13.42p**	13.42p	**0%**	NA

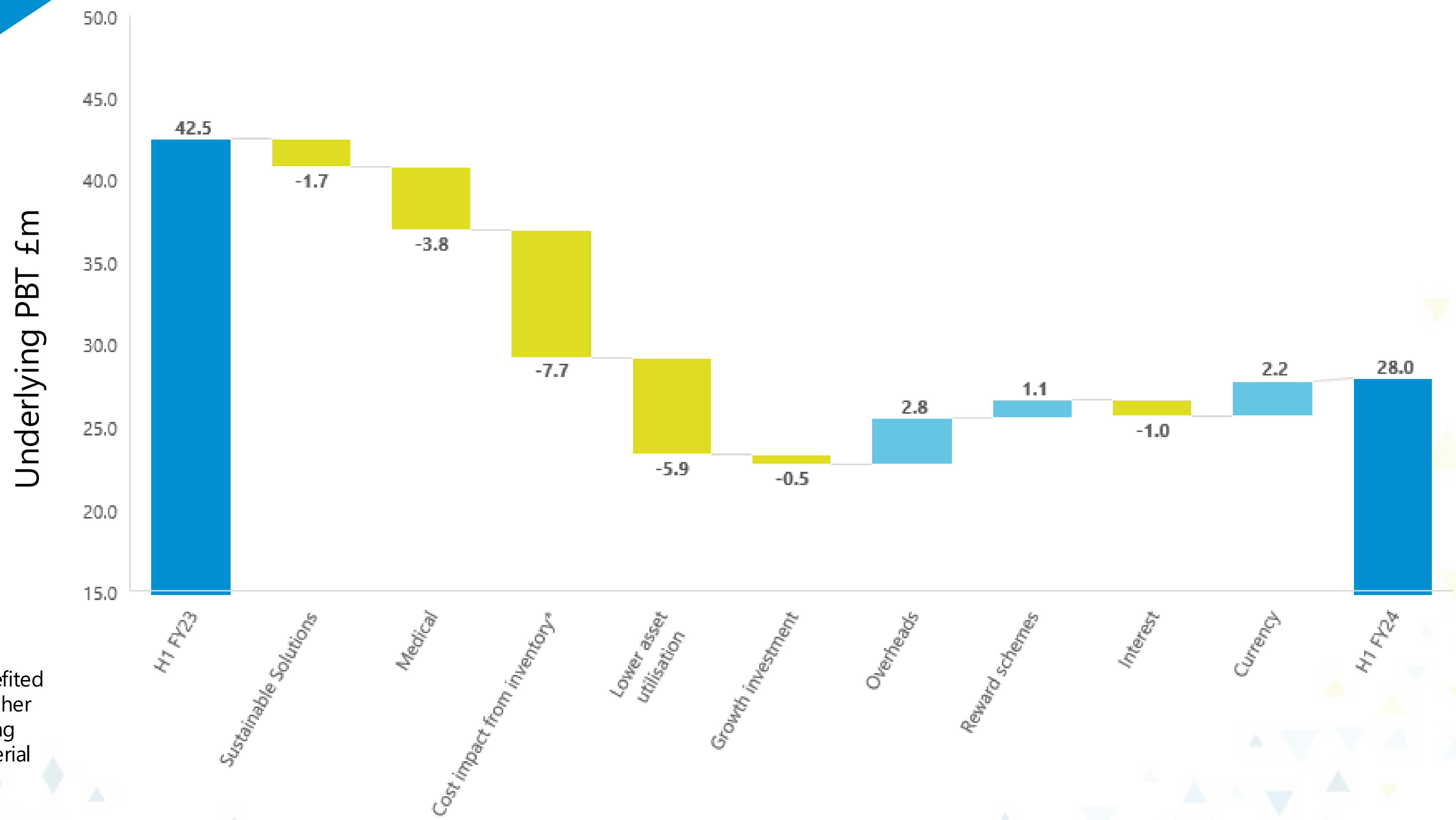
** Gains/(losses) on foreign currency contracts, when net hedging is applied on cash flow hedges, are disclosed separately within gross margin on adoption of IFRS 9.*

*** Excluding exceptional items of £24.7m (H1 23: charge of £3.4m)*

PBT IMPACTED BY TRADING & LOWER ASSET UTILISATION – DESPITE REDUCED OPEX

UNDERLYING PBT BRIDGE

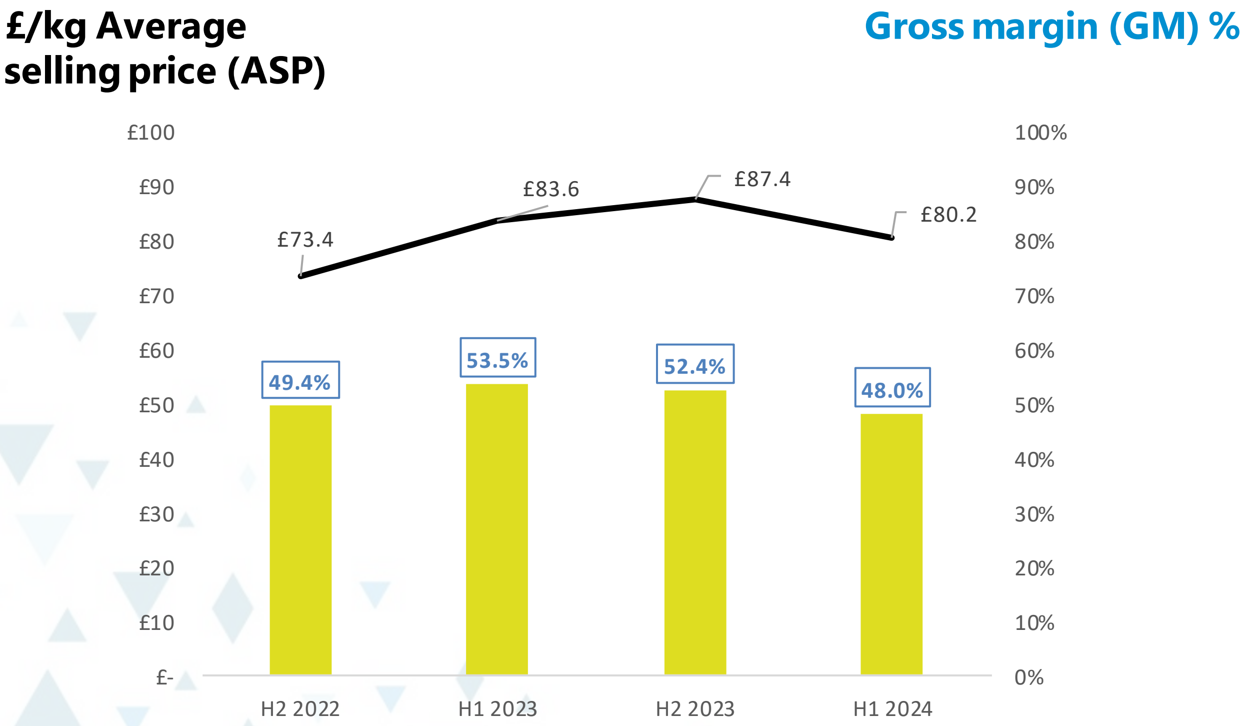
H1 2024 vs H1 2023



*The comparative period - H1 2023 - benefited from the sale of inventory produced at higher volumes in FY 2022 (at lower manufacturing cost), prior to the peak energy & raw material price levels seen during FY 2023.

SOFTER TRADING (LOWER MEDICAL), INFLATION IN INVENTORY & ASSET UTILISATION IMPACTING PBT, DESPITE LOWER OPEX

ASP & MARGIN



ASP IN-LINE DESPITE SOFTER SALES MIX

- *H1 2024 ASP £80.2/kg (H1 2023 £83.6kg reflecting record Medical performance; H1 2023 in CC £79.9/kg)*
- *FY 2024 ASP guidance ~£80/kg*

GROSS MARGIN AT 48.0%

- *H1 2024 gross margin 48.0%, reflecting higher YoY impact of lower asset utilisation & softer mix*
- *Under-recovery of fixed costs estimated at >£12m for FY 2024 vs FY 2023*

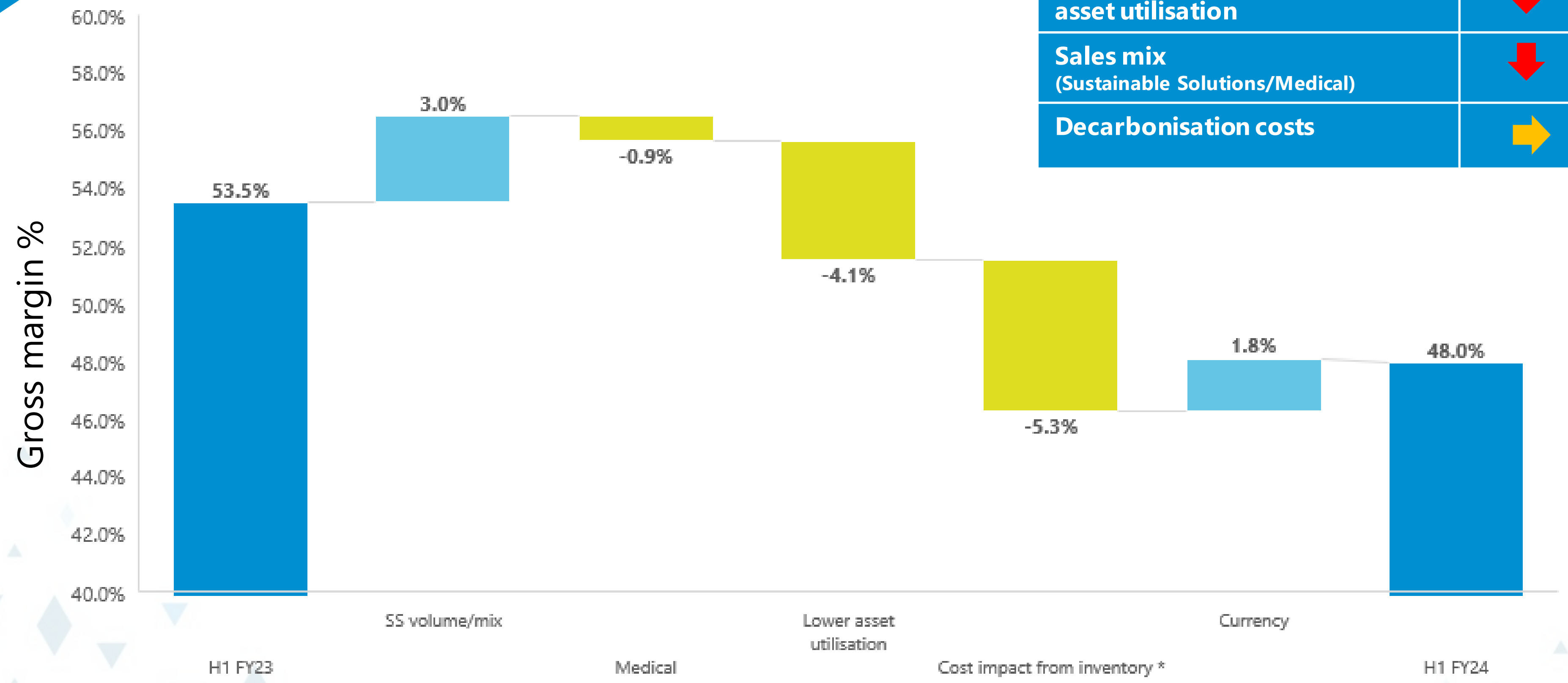
[1] Alternative performance measures are defined in the Appendix on slide 32

ASP IN LINE WITH GUIDANCE
GROSS MARGIN IMPACTED BY ASSET UTILISATION & MIX

GROSS MARGIN BRIDGE

H1 24 vs H1 23

KEY DRIVERS ON GROSS MARGIN %	FY 2024	MID-TERM (VS FY 2024)
China ramp-up	↓	→
Input costs** (PBT impact delayed in FY24 through inventory cycle)	→	↑
Operating leverage/ asset utilisation	↓	↑
Sales mix (Sustainable Solutions/Medical)	↓	↑
Decarbonisation costs	→	↓

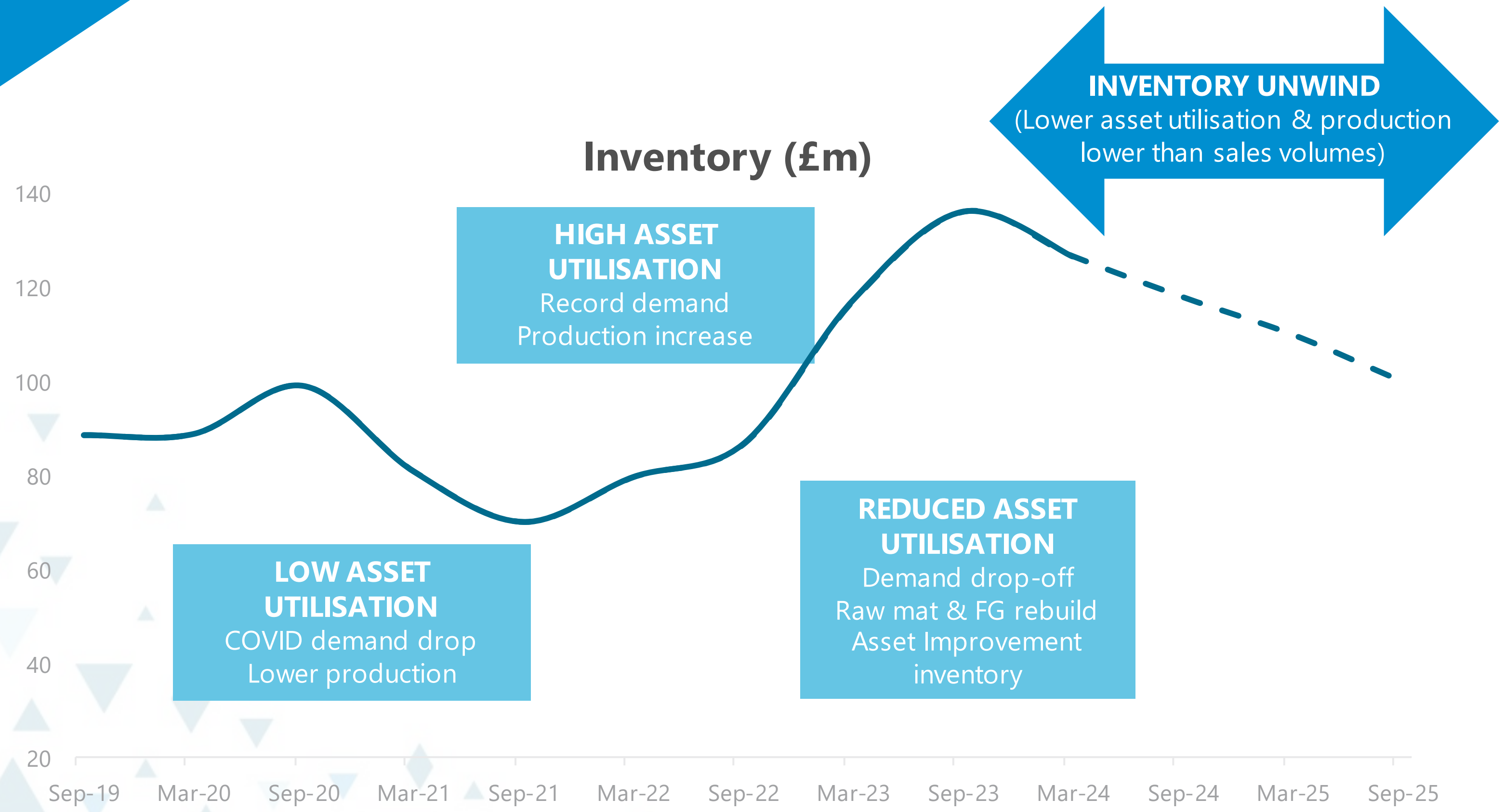


*The comparative period - H1 2023 - benefited from the sale of inventory produced at higher volumes in FY 2022 (at lower manufacturing cost), prior to the peak energy & raw material price levels seen during FY 2023.

**at current energy & raw material prices

MID-TERM GROSS MARGIN GOAL REMAINS MID TO HIGH 50s

INVENTORY



INVENTORY UNWIND FOCUS

- *H1 2024 inventory £126.7m*
- *Targeting ~£100m of inventory by end of FY 2025*
- *Broader portfolio & geographic position reflects higher inventory*
- *Future drivers on inventory:*
  - *Demand*
  - *Asset shutdowns*
  - *Safety stock levels*
  - *Energy & RM costs*
  - *Commercialisation of 'parts' programmes*

INVESTMENT IN POLYMER CAPACITY (UK & CHINA) & PARTS (GEARS, TAPE, PIPE, MEDICAL) INFLUENCING INVENTORY & ASSET UTILISATION LEVELS

CURRENCY

Spot rates remain adverse, before favourable impact of hedging

	H1 2023				H1 2024		Change
	Reported £m	Before impact of hedging £m	Currency Spot Impact £m	Constant currency [1] £m	As reported £m	Before impact of hedging £m	Constant currency [1] £m
Revenue	162.2	162.2	(7.1)	155.1	139.3	139.3	-10%
(Loss)/gain on foreign currency net hedging	(6.2)	-	-	-	2.5	-	
Gross profit	86.7	92.9	(9.4)	83.5	66.8	64.3	-23%
Gross margin %	53.5%	57.3%		53.8%	48.0%	46.2%	
Profit before tax	39.1	45.3	(6.6)	38.7	3.3	0.8	-98%
Revenue net of impact of hedging (loss)/gain	156.0				141.8		
FX hedge-adjusted gross margin % [1]	*55.6%*				*47.1%*		

Exchange rates

		H1 2023	FY 2023	H1 2024	FY 2024	Exchange rate sensitivity [4]
Period end rate	$/£	1.24	1.22	1.27		
	€/£	1.13	1.16	1.16		
Effective rates[2]:	$/£	1.28	1.30	1.18	1.22	**£3.0m**
	€/£	1.17	1.17	1.13	1.13	**£4.3m**
Weighted average spot rates[3]:	$/£	1.16	1.16	1.24	1.26	
	€/£	1.14	1.14	1.16	1.16	

1 Alternative performance measures are defined in the Appendix on slide 32

2 Effective rates (includes the impact of hedging)

3 Weighted average spot exchange rates (before the impact of hedging)

4 Management estimate of impact on 2024 full year forecast PBT from a 5% movement in weighted average spot exchange rates (before the impact of hedging)

CURRENCY TAILWIND IN FY 2024 AFTER HEDGING: ~£2m-£3m at PBT

CASH

Expecting cashflow improvement

	HY2024 £m	HY2023 £m
Operating profit before exceptionals	**28.4**	42.6
Depreciation, amortisation and loss on disposal	**11.8**	10.5
EBITDA	**40.2**	53.1
Changes in working capital	**(0.3)**	(32.7)
Capital expenditure	**(21.8)**	(22.2)
Operating cash flow	**18.1**	(1.8)
Operating cash conversion	**64%**	(4)%
Interest received	**0.3**	0.6
Interest paid	**(0.4)**	-
Net income tax (paid)/received	**(3.4)**	3.9
Cash exceptional costs	**(4.1)**	(2.7)
Other	**(1.7)**	(0.6)
Free cash flow[1]	**8.8**	(0.6)
Loan to associated undertaking	**(1.3)**	(1.1)
Dividends	**(40.1)**	(40.1)
Cash received from NCI	-	2.6
Net movement in bank borrowings *	**3.2**	10.4
Revolving Credit Facility received	**26.0**	-
Other	**(1.2)**	(0.7)
Net cash flow	**(4.6)**	(29.5)
Exchange differences	**(0.4)**	(0.9)
Net cash at 1st October	**33.5**	68.8
Net cash at 31st March	**28.5**	38.4
Other financial assets **	-	0.1
Cash and cash equivalents	**28.5**	38.3
	28.5	38.4

* Net movement in bank borrowings relates to overseas bank loans which are funding capital expenditure and working capital in China. The net movement includes the associated capital-related loan interest paid.

** Other financial assets relates to cash held in 95-day deposit accounts

FOCUSED ON MID-TERM CASHFLOW IMPROVEMENT: DRIVEN BY TRADING, LOWER CAPEX AND INVENTORY UNWIND

(POST INVESTMENT PHASE)

- *H1 2024 net debt £49.8m including cash of £28.5m (H1 2023: net debt £5.3m), reflecting utilisation of RCF*
- *Impact of China loan and RCF on interest paid (est ~£2m in FY 2024)*
- *Interim dividend of 13.42p/share*

WORKING CAPITAL SUMMARY

- *Working capital movement £0.3m with inventory unwind offset by higher receivables/lower payables*

[1] Alternative performance measures are defined in the Appendix on slide 32

CHINA

INVESTMENT PHASE COMPLETE

盘锦伟英兴高性能材料有限公司
PANJIN VYX
HIGH PERFORMANCE MATERIALS

- Commercial start-up in H2
- 'China for China' strategy
  (support China based opportunities)
- Type 2 PEEK grade / portfolio extension
- Limited volumes in FY 2024, focused on mid-term ramp-up

FOCUS FOR H2 2024 & GUIDANCE

CURRENT ASSUMPTIONS:

An improving run-rate trend would support:

- H2 2024 growth vs H2 2023 (volume, revenue & PBT)
- H2 2024 PBT being <u>slightly better</u> than H2 2023

COGS

- Raw mat benefit (offset by):
- China start-up impact
- Lower FC recovery (lower asset utilisation)

OPEX

- Strong cost discipline
- Expecting lower FY opex (~HSD % lower YoY)
- Further opportunities

CASH

- Lower capex (FY24 £30m-£35m)
- Inventory unwind to ~£115m
- Robust balance sheet & mid-term cashflow improvement

FOCUSED ON IMPROVEMENT IN H2 2024

PERFORMANCE UPDATE

Jakob Sigurdsson
Chief Executive Officer

SUSTAINABLE SOLUTIONS UPDATE

AUTOMOTIVE: GOOD PERFORMANCE, SOLID IN E-MOBILITY

- *H1 2024 Automotive volumes +14%; restocking & application growth*
- *Broader customer collaborations in E-mobility & regional expansion (EU, Asia, US)*
- *Increased application opportunities: steering, chassis*

AEROSPACE: STRONG GROWTH & BROADER COLLABORATIONS

- *H1 2024 Aerospace volumes +18%; new COMAC business*
- *LMPAEK™ grade as industry benchmark (composites)*
- *Further growth in Aerospace Composites mega-programme*

ENERGY & INDUSTRIAL: SOME EMERGING IMPROVEMENT

- *H1 2024 Energy & Industrial volumes -15% (Q2 up >50% vs Q1)*
- *New opportunities in PFAS replacement*

ELECTRONICS: SOFT PERFORMANCE & TOUGHER COMPARATIVE

- *H1 2024 Electronics –35% (Q2 up 39% vs Q1), reflecting Semicon & smart devices*
- *Improving market indicators & broader applications*

VALUE ADDED RESELLERS (VAR): Q2 IMPROVEMENT

- *H1 2024 volumes -14% (Q2 2024 up 44% vs Q1 & up 2% vs Q2 2023)*

SIGNS OF IMPROVEMENT IN SOME END MARKETS

MEDICAL UPDATE

MEDICAL GOALS:

1. *DOUBLE MEDICAL REVENUES IN 5 YEARS*
2. *>30% OF GROUP REVENUES FROM MEDICAL BY 2032*

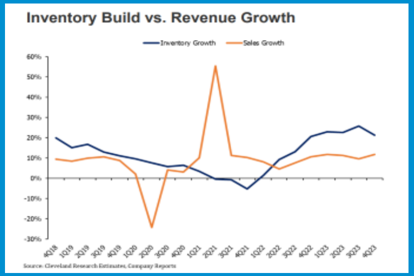
H1 SOFTNESS DRIVEN BY INDUSTRY DESTOCKING:

PROCEDURAL GROWTH REMAINS POSITIVE

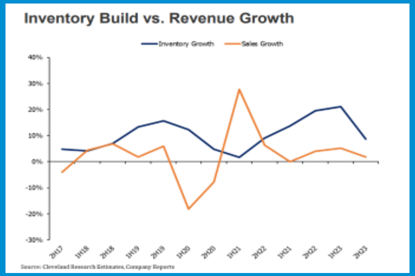
- H1 revenues down 19% at £26.4m (vs record H1 2023)
- High inventory & customer destocking across regions

  (Asia -24%, Europe -13%, US -19%)
- Sequential improvement in Q2 (+16% vs Q1)
- CMF revenues +5% vs H1 2023

DESTOCKING IMPACT IN MEDICAL



Cleveland Research March 2024
(Medical device company X)



Cleveland Research March 2024
(Medical device company Y)

MEGA-PROGRAMME MILESTONES ON PLAN

PROGRAMME	REVENUE STATUS*	H1 24 MILESTONES	FY 2024 FOCUS
MAGMA	Commercial (£1m-£2m)	• Hybrid Flexible Pipe (HFP) qualification collaboration (Victrex, TFMC & Petrobras) • Further successful testing of HFP samples	• Qualification finalised • Support TechnipFMC bid outcome and scale up for 2026 commercialisation
TRAUMA	Commercial ~£1m	• Broader contracted development collaborations (US & Asia) • Over 2,000 plates delivered YTD (>5,000 so far)	• Progress towards meaningful revenue of £1m • Manufacturing scale up in Asia (Paragon) • Broader customer portfolio (US & Asia)
E-MOBILITY	Commercial (£6m)	• Additional application opportunities • Broader geographic penetration (EU, Asia, US)	• Commercialise additional applications • Underpin ~£10m revenue opportunity in FY25
AERO COMPOSITES	Commercial (£3m)	• Good revenue growth • LMPAEK™ viewed as industry benchmark • Extensive demonstrator parts	• Revenue build >£3m • LMPAEK™ final qualification (Airbus platforms) for running changes / parts
KNEE	<£1m	• Regulatory submission prepared • Customer "pull" from top 5 Knee players • 54 Knee implants on clinical trial (12 post 2yrs)	• Regulatory submission concluded (India) • Additional JDAs/collaborations (top 5 players) • Underpin commercial Knee launch in 2025/26

*revenue status based on FY 2023

MEGA-PROGRAMME UPDATE:

TRAUMA

- >5,000 Trauma plates now delivered (c2,000 YTD)
- Broader customer base (beyond Conmed/In2Bones)
- China OEM regulatory submissions
- Surgeon publications emerging on clinical outcomes for PEEK based plates*

* Patient perspective on the use of carbon fibre plates for extremity fracture fixation (Professor Giannoudis AO Trauma Research Commission Chair)

MEGA-PROGRAMME UPDATE:

PEEK KNEE

- Excellent progress in clinical trial

  (54 patient implants; 34 post 12-month stage, 12 post 2-year stage)
- Targeting regulatory submission in 2024 (India)
- Opportunities with other top 5 Knee players

  (in addition to existing JDAs: Maxx Orthopaedics & Aesculap)
- Opportunity for a commercial PEEK Knee 2025/26

MEGA-PROGRAMME UPDATE:

AEROSPACE COMPOSITES

- Further progress: on track for FY revenue growth
- Victrex LMPAEK™ grade: industry benchmark
- Running changes & retrofit opportunities (engine components, interiors, components)
- Final qualification for new platforms (Airbus) in 2024

MULTI FUNCTIONAL FUSELAGE DEMONSTRATOR (MFFD)*

- ***BASED ON VICTREX LMPAEK™ POLYMER FOR AIRBUS***
- ***8m x 4m DEMONSTRATOR: SOLELY THERMOPLASTIC COMPOSITES***
- ***FASTER PROCESSING & RECYCLABILITY VS METAL/THERMOSETS***
- ***POTENTIAL FOR 10X CONTENT INCREASE IN 5-10 YEARS***

*image courtesy of Airbus

ESG:

STRONG CREDENTIALS & SCIENCE-BASED DECARBONISATION TARGETS SUBMITTED

SCIENCE BASED TARGETS

INTERIM TARGET 2032*

- Scope 1, 2 & 3 reduction

NET ZERO TARGET 2050*

- Scope 1, 2 & 3 reduction

PEOPLE

Social responsibility

Further inspire our employees and communities through STEM and Biodiversity wherever we operate

PLANET

Resource efficiency

Decarbonisation, circularity & focus on minimising resources (energy, water & waste)

PRODUCTS

Sustainable solutions

Sustainable solutions supporting CO2 reduction & clinical benefit in Medical

* from FY 2022 baseline year, subject to decarbonised UK grid and availability of technology. Awaiting review and validation of submitted targets

END-MARKET OUTLOOK

H2 2024*

AEROSPACE	↑
VAR	↑
ELECTRONICS	→
AUTOMOTIVE	→
ENERGY & INDUSTRIAL	→
MEDICAL	↓

KEY

- OPTIMISTIC ↑
- NEUTRAL →
- CAUTIOUS ↓

* Indicative outlook for our end-markets in H2 2024 (vs H2 2023)

SUMMARY, OUTLOOK & ACTIONS

- **SOME SIGNS OF END-MARKET IMPROVEMENT**
  - *SEQUENTIAL IMPROVEMENT IN Q2*
  - *FOCUSED ON H2 24 GROWTH (VOLUME, REVENUE & PBT VS H2 2023)*
  - *IMPROVING RUN-RATES SUPPORT SLIGHTLY BETTER H2 PBT (vs H2 2023)*
- **MEDICAL DESTOCKING & LOWER ASSET UTILISATION IMPACT**
  - *NOT EXPECTING PBT PROGRESS FOR FY 2024*
- **STRONG COST ACTIONS: FURTHER OPPORTUNITIES**
- **MEGA-PROGRAMME MILESTONES ON PLAN**
- **ROBUST BALANCE SHEET & CASHFLOW IMPROVEMENT OPPORTUNITY**

GROUP CORE BUSINESS GROWTH	GROWTH INC MEGA-PROGRAMMES	MEGA-PROGRAMME PORTFOLIO
5-7% CAGR (revenue 5-year period – PBT ahead of revenue growth with improving operating leverage)	8-10% CAGR (revenue 5-year period – PBT ahead of revenue growth with improving operating leverage)	c£25m-£35m of Group revenues (in FY 2025)

WELL-PLACED FOR MACRO IMPROVEMENT

UNDERPIN MID-TERM GROWTH TARGETS

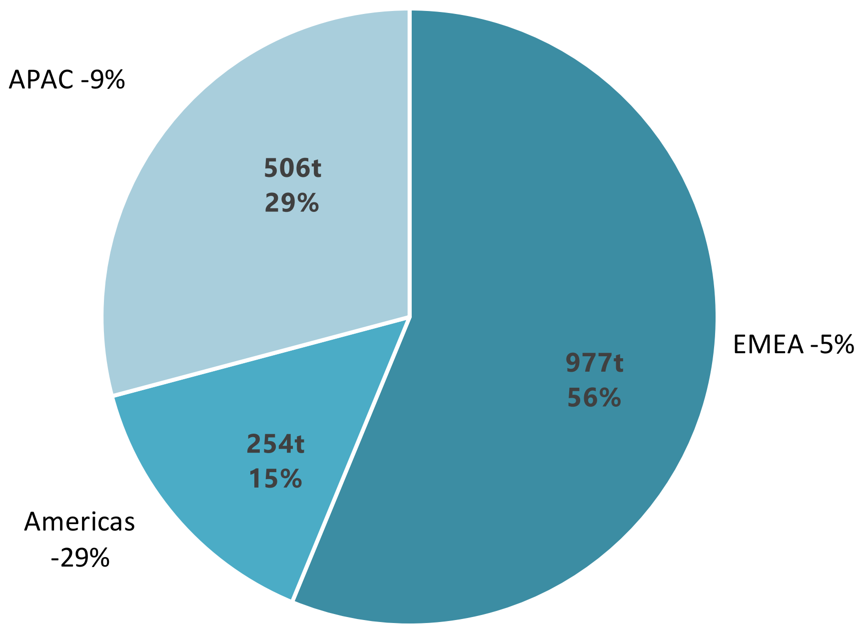
APPENDIX

GROUP END MARKETS

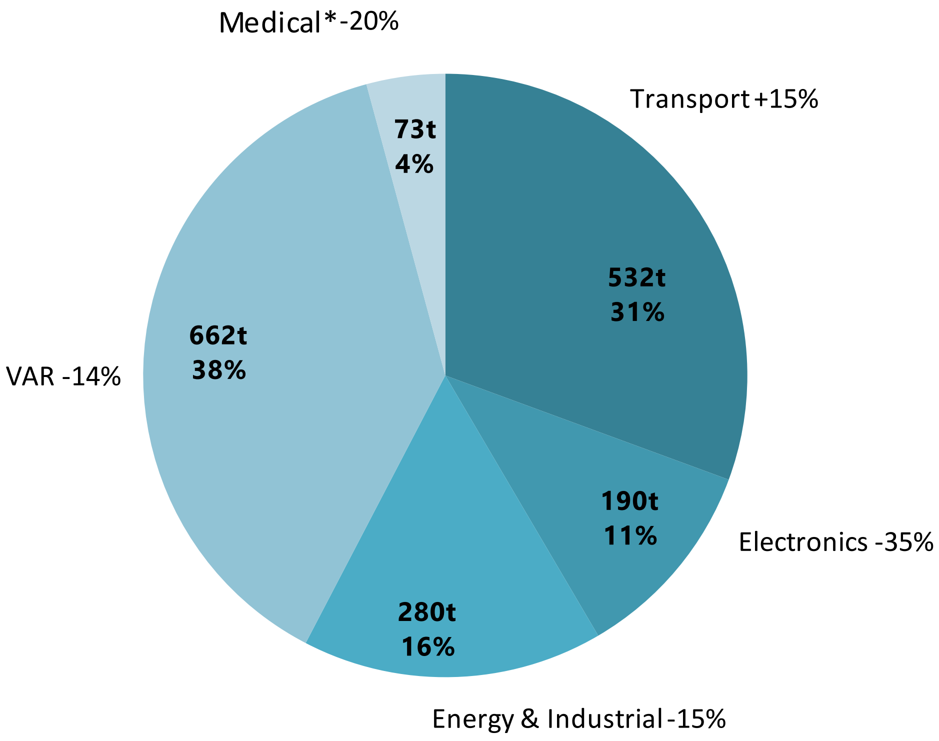
HY 2024: 1,737 tonnes (-11% vs HY 2023)

HY 2023: 1,941 tonnes (-14% vs HY 2022)

Volume by Region



Volume by Industry



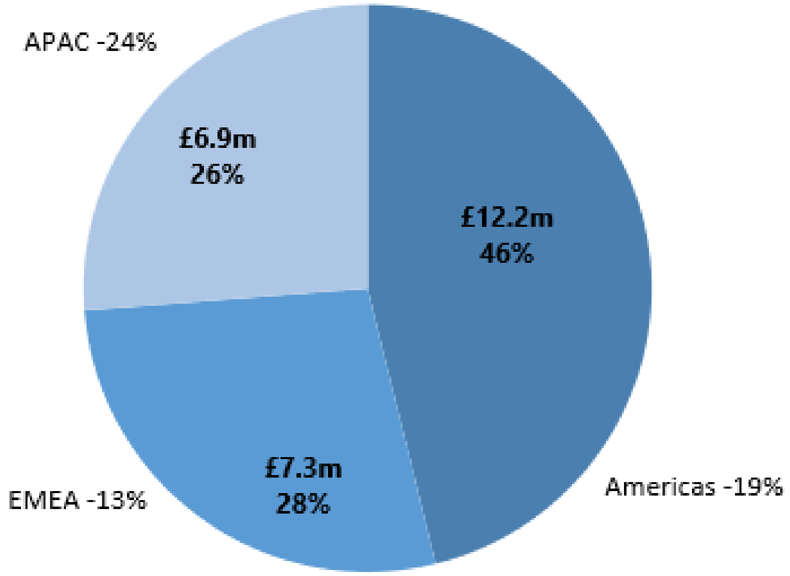
* Medical volume reflects both non-implantable and implantable volumes.

MEDICAL: KEY MARKETS

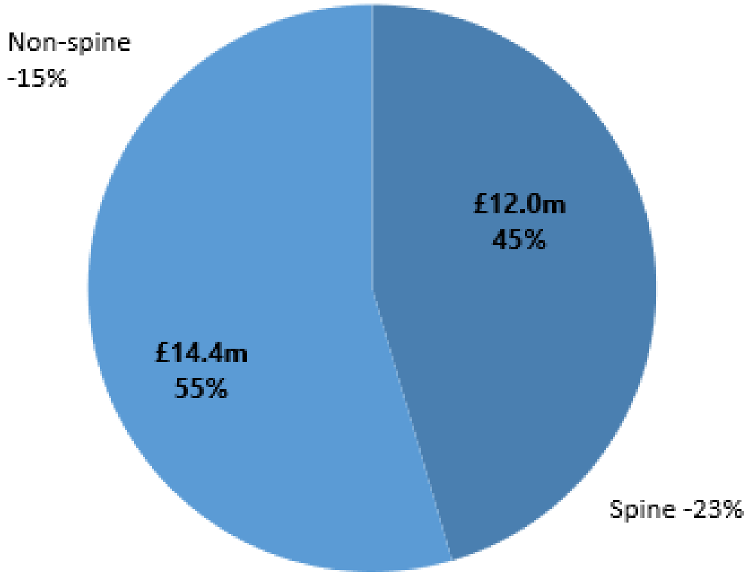
HY 2024: £26.4m (-19% vs HY 2023)

HY 2023: £32.5m (+17% vs HY 2022)

Revenue by Region

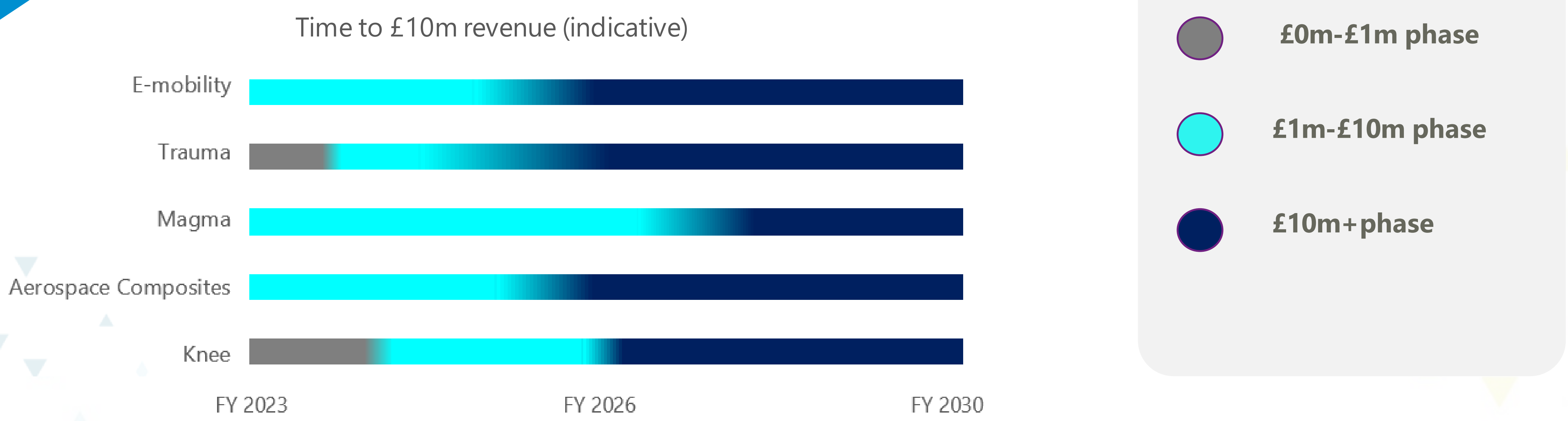


Revenue by Market



MEGA-PROGRAMMES

The pathway to £10m revenue



5 PRIORITISED MEGA-PROGRAMMES: POTENTIAL FOR EACH OF >£50m ANNUAL SALES IN PEAK YEAR

BUSINESS UNIT INCOME STATEMENTS

	H1 2023				H1 2024		
	Reported	Exc deals	Currency Spot Impact	Constant currency [1]	As reported	Exc Deals	Constant currency [1]
	£m	£m	£m	£m	£m	£m	£m
Industrial							
Revenue	129.7	129.7	(5.5)	124.2	112.9	112.9	-9%
Loss on foreign currency net hedging	(4.4)	-	-	-	1.9	-	
Gross profit	61.4	65.8	(7.8)	58.0	44.7	42.8	-26%
Gross margin %	*47.3%*	*50.7%*		*46.7%*	*39.6%*	*37.9%*	
Medical							
Revenue	32.5	32.5	(1.6)	30.9	26.4	26.4	-15%
Loss on foreign currency net hedging	(1.8)	-	-	-	0.6	-	
Gross profit	25.3	27.1	(1.6)	25.5	22.1	21.5	-16%
Gross margin %	*77.7%*	*83.4%*		*82.5%*	*83.7%*	*81.4%*	

[1] Alternative performance measures are defined in the Appendix on slide 32

BALANCE SHEET

	HY 2024 £m	HY 2023 £m
PPE and intangible assets	**376.0**	367.9
Investment in associated undertakings	**-**	9.8
Financial assets held at fair value through profit and loss	**3.5**	11.3
Financial assets held at amortised cost	**0.8**	0.0
Retirement benefit asset (net)	**6.4**	7.9
Inventories	**126.7**	117.3
Trade receivables and other assets	**52.3**	67.2
Cash*	**28.5**	38.4
Current and deferred tax liabilities (net)	**(26.7)**	(32.2)
Borrowings**	**(68.7)**	(32.9)
Lease liabilities (IFRS 16)	**(9.6)**	(11.1)
Trade payables and other liabilities	**(28.4)**	(54.9)
Net assets	**460.8**	488.7
Share capital and share premium	**62.9**	62.7
Translation reserve	**(0.7)**	5.1
Hedging reserve	**2.0**	(0.9)
Retained earnings	**394.8**	419.5
Non Controlling Interest	**1.8**	2.3
Equity shareholders' funds	**460.8**	488.7

* Includes £0.1m held in 95-day deposit accounts in HY 2023.

** Includes RCF drawdown £26.0m (HY 2023: £nil), PVYX working capital facility £7.6m (HY 2023: £1.4m), PVYX capital loan £27.1m (HY 2023: £23.3m), and loan payable to Non-controlling interest of £8.0m (HY 2023: £8.2m).

CAPITAL ALLOCATION

CAPEX

- Normalised capex c8-10% of sales
- Periodic capacity investment

M&A / INVESTMENT

- Investment to support mega-programmes
- Investment to enhance capability & IP

REGULAR DIVIDENDS

- Progressive dividend retained
- Maintain cover around c2x EPS over the cycle

EXCESS CAPITAL DISTRIBUTION OPTIONS

SPECIAL DIVIDENDS

- Optionality to return cash if no additional investment opportunities
- 50p/share minimum

SHARE BUYBACKS

- Existing approval to buyback 10% of shares
- Optionality for modest buybacks (c£20-£25m) to reflect share liquidity

PRIORITISE GROWTH INVESTMENT & RETAIN FLEXIBILITY

SHARE BUYBACKS NOW AN OPTION FOR SHAREHOLDER RETURN

DEFINITIONS

ALTERNATIVE PERFORMANCE MEASURES:

1) Constant currency metrics are reached by applying current year weighted average spot rates to prior year transactions. Gains and losses on foreign currency net hedging, are shown separately in the Income Statement and are excluded from the constant currency calculation;

2) Underlying PBT is profit before exceptional items and tax;

3) Operating cash conversion is operating cash flow / operating profit before exceptional items;

4) Operating cash flow is operating profit before exceptional items adjusted for depreciation, amortisation and loss on disposal, working capital and capital expenditure;

5) Free cash flow is net cash flow from operating activities adjusted for capital expenditure;

6) Operating overheads is made up of sales, marketing and administrative expenses (including research and development expenditure) before exceptional items;

7) Underlying EPS is earnings per share based on profit after tax but before exceptional items divided by the weighted average number of shares in issue; and

8) FX hedge adjusted gross margin is gross profit / revenue + the impact of FX net hedging gains/losses. Including FX hedging within revenue, rather than as a standalone line item as required under IFRS 9, provides a more comparable gross margin over time and helps to show the main non-FX hedging related movements impacting it.

FORWARD LOOKING STATEMENTS

Forward-looking statements

Sections of this Presentation may contain forward-looking statements, including statements relating to: certain of the Group's plans and expectations relating to its future performance, results, strategic initiatives and objectives, future demand and markets for the Group's products and services; research and development relating to new products and services; and financial position, including its liquidity and capital resources.

These forward-looking statements are not guarantees of future performance. By their nature, all forward looking statements involve risks and uncertainties because they relate to events that may or may not occur in the future, and are or may be beyond the Group's control, including: changes in interest and exchange rates; changes in global, political, economic, business, competitive and market forces; changes in raw material pricing and availability; changes to legislation and tax rates; future business combinations or disposals; relations with customers and customer credit risk; events affecting international security, including global health issues and terrorism; the impact of, and changes in, legislation or the regulatory environment (including tax); and the outcome of litigation.

Accordingly, the Group's actual results and financial condition may differ materially from those expressed or implied in any forward-looking statements. Forward-looking statements in this Presentation are current only as of the date on which such statements are made. The Group undertakes no obligation to update any forward-looking statements, save in respect of any requirement under applicable law or regulation. Nothing in this Presentation shall be construed as a profit forecast.

victrex

INFORMATION & CONTACTS

Andrew Hanson

Director of IR,
Corporate Communications & ESG

+44 (0) 1253 898121
+44 (0) 7809 595831
ir@victrex.com
www.victrexplc.com

#1 PEEK EXPERTS

First to commercialise PEEK, with unmatched knowledge and experience

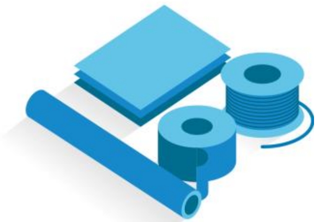
DRIVE CORE BUSINESS

Delivering the key PEEK & PAEK materials with No.1 manufacturing capacity of >8,000 tonnes (current nameplate capacity ex China)

DIFFERENTIATE THROUGH INNOVATION

POLYMER

Producing new grades including for Additive Manufacturing (3D Printing)



PRODUCT FORMS

Manufacturing product forms: Pipes, Films, Fibres and Composite Tapes

CREATE FUTURE VALUE

PARTS & COMPONENTS

Developing new applications for PEEK, PAEK and Thermoplastic Composites

UNDERPIN: SAFETY, SUSTAINABILITY, CAPABILITY

- Safety, health & wellbeing
- Sustainable business with sustainable products

GLOBAL CAPABILITY

1100+
Employees

40+
Countries served by Victrex across our markets

c£1.5bn
Market Value

- FTSE 250 Company
- >£300m Revenue

INVESTMENT IN INNOVATION

c5-6%
of annual sales invested in R&D

c£150m
Invested in manufacturing facilities in the last 5 years

NEW CAPABILITIES

- Partnerships
- Strategic Alliances
- Polymer Innovation Centre
- Acquisitions
- Composites Manufacturing
- Additive Manufacturing