



An innovative world leader in
high performance polymer solutions

VICTREX PLC

PRELIMINARY RESULTS
9 DECEMBER 2020

EXECUTIVE DIRECTORS



Richard Armitage
Chief Financial Officer



Jakob Sigurdsson
Chief Executive Officer



Martin Court
Chief Commercial Officer

**RESILIENT FINANCIAL POSITION &
STRONG LONG-TERM GROWTH
PIPELINE – DESPITE COVID
HEADWINDS**



PROACTIVELY MANAGING COVID CHALLENGES

OUR PEOPLE

- ▶ *Safety, health & well-being our highest priority*
- ▶ *>70% of global employees homeworking*
- ▶ *Multiple global community programmes supported, including PPE donations, mask manufacture, 3D printed applications*

OUR CUSTOMERS

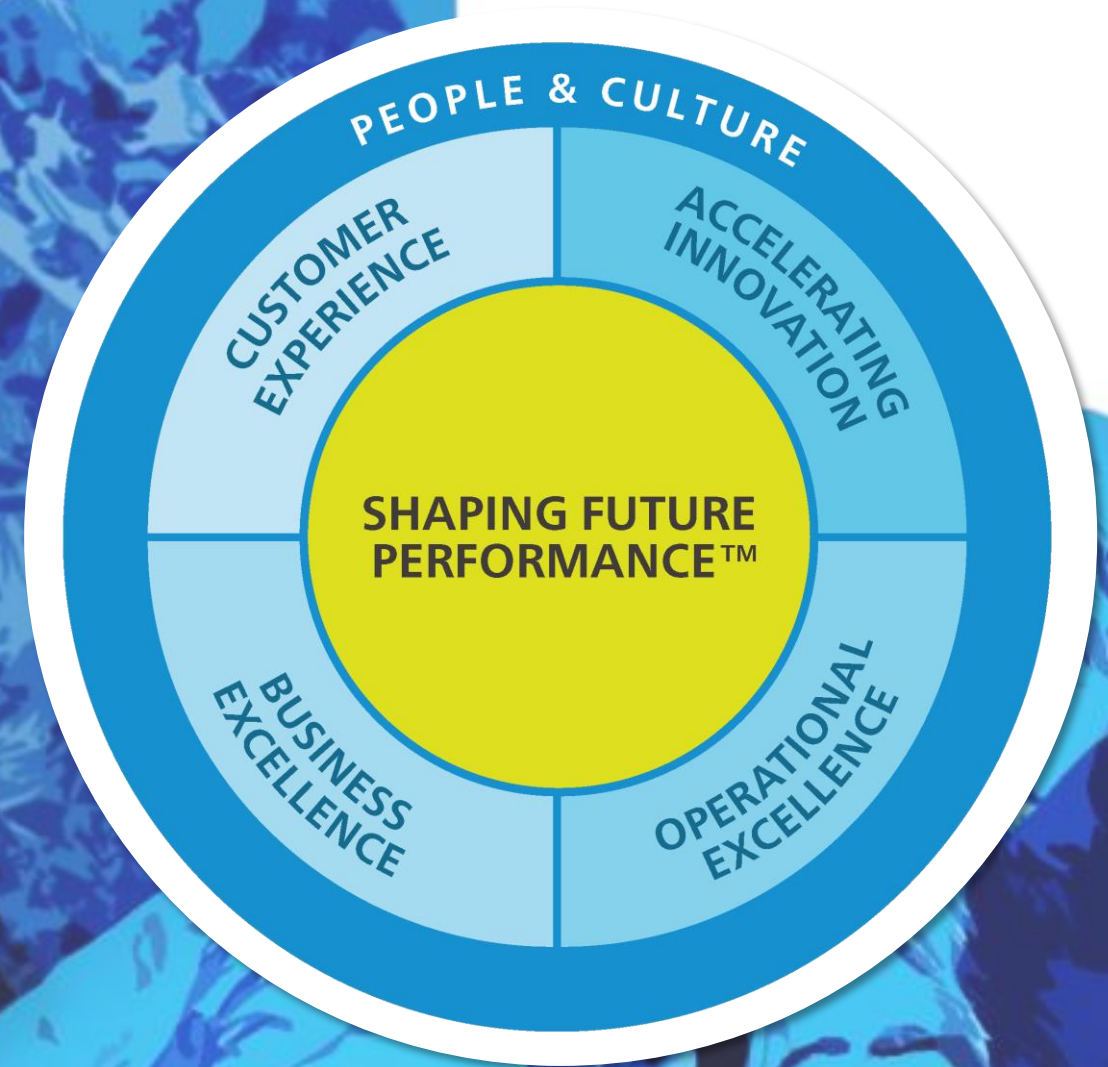
- ▶ *99%+ on time in full (OTIF) through FY 2020*
- ▶ *Strong inventories (c16 weeks sales stock)*
- ▶ *Supplying life-sustaining devices eg Ventilator equipment for multiple customers*

OUR FINANCIAL POSITION

- ▶ *Resilient despite 23% decline in H2 sales*
- ▶ *Cash generative with conservation measures*
 - ▶ *£73.1m cash, reinstated dividends*
 - ▶ *UK debottlenecking paused*
 - ▶ *Cost savings & headcount reduction*
 - ▶ *£40m facilities (RCF undrawn)*



STRENGTHENING OUR BUSINESS



STRENGTHENING OUR BUSINESS – UNDERPINNING PROFITABILITY

- **GROWING OUR PIPELINE:**



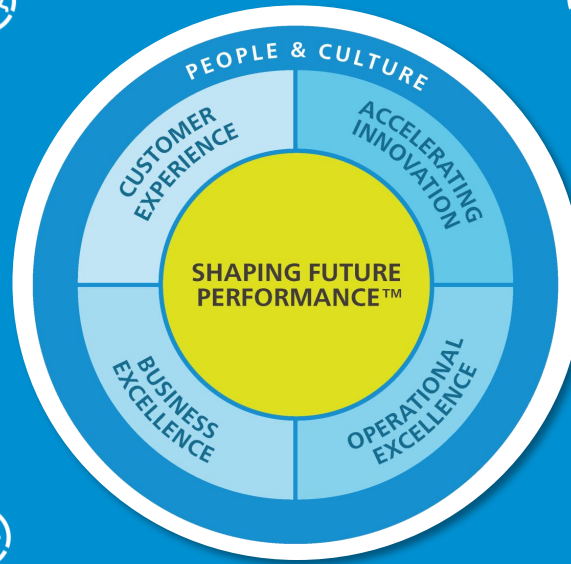
+9% Mature Annualised Revenue

- **ROBUST SUPPLY CHAIN:**

99%+ on time in full (OTIF)

- **CUSTOMER EXPERIENCE (CX)**

Combined sales & technical service



- **COST MANAGEMENT:**



c100 roles removed, primarily voluntary

Underpin margin & support l/term operating leverage

- **INTEGRATED BUSINESS PLANNING:**

Enhancing supply & demand balance



- **SALES FROM NEW PRODUCTS IMPROVEMENT:**

5% vs 4% in FY 2019

- **MEGA-PROGRAMME MILESTONES:**

c80% of milestones hit in FY 2020



- **ESG IMPROVEMENT:**

Process improvement (waste, water)

>85% renewable electricity

- **CHINA**

Growth investment



ENERGY



AUTOMOTIVE



MANUFACTURING & ENGINEERING



AEROSPACE



ELECTRONICS



MEDICAL

HIGHLIGHTS

- **FY IMPACTED BY SIGNIFICANT COVID HEADWINDS IN H2**
 - *FY sales volume down 7% & revenue down 10%, impacted by end-market weakness in H2*
 - *H2 revenue down 23%, subsequent signs of having bottomed out in Auto, Electronics and Medical, with incremental improvement*
 - *Medical revenue down 14%, with US remaining weak and Asia improving*
 - *Underlying PBT down 29% at £75.5m; continuing margin impact from under absorption of fixed costs*
 - *Reported PBT of £63.5m, reflecting £12m of exceptional items in FY 2020 driven by cost actions; anticipated annualised savings of c£10m*
- **LONG TERM GROWTH PIPELINE REMAINS STRONG; LITTLE EVIDENCE OF SLOWDOWN**
 - *Meaningful revenue of £1m+ delivered for Aerospace Loaded Brackets programme*
 - *PEEK indicated as 'material of choice' by TechnipFMC for Magma oil & gas qualification programme*
 - *PEEK Knee clinical trial underway, with additional trial sites being prepared*
 - *New E-mobility growth programme gaining traction*
- **INVESTMENTS UNDERPIN FUTURE GROWTH OPPORTUNITIES**
 - *New PEEK manufacturing facility in China progressing, to stimulate growth*
 - *Further progress to enhance our Additive Manufacturing (3D printing) capability*
- **RESILIENT FINANCIAL POSITION WITH NET CASH; COST ACTIONS IMPLEMENTED**
 - *FY cash £73.1m*; operating cash conversion of 101%¹*
 - *Committed and undrawn RCF of £20m, with £20m accordion*
 - *UK debottlenecking programme paused pending demand improvement*
 - *Strong inventory position (FY 2020: £98.5m) to manage Brexit transition*
 - *Reinstatement of dividends, with proposed final dividend of 46.14p/share*

¹ Alternative performance measures are defined in the Appendix on slide 40

*Cash of £73.1m includes £5.6m ring-fenced for the China manufacturing subsidiary

COVID IMPACT IN H2 2020

- *FY 2020 sales volume down 7% to 3,492 tonnes*
(H2 2020 volume & revenue down 19% & 23%)
- *Pronounced impact in Aerospace, Energy & Auto; Medical impacted as procedures deferred*
- *Margin 650bps lower driven by under-absorbed fixed costs*
- *Total overheads (excluding exceptional items) down 6%; reduced marketing, travel and discretionary spend*

Year ended 30 September

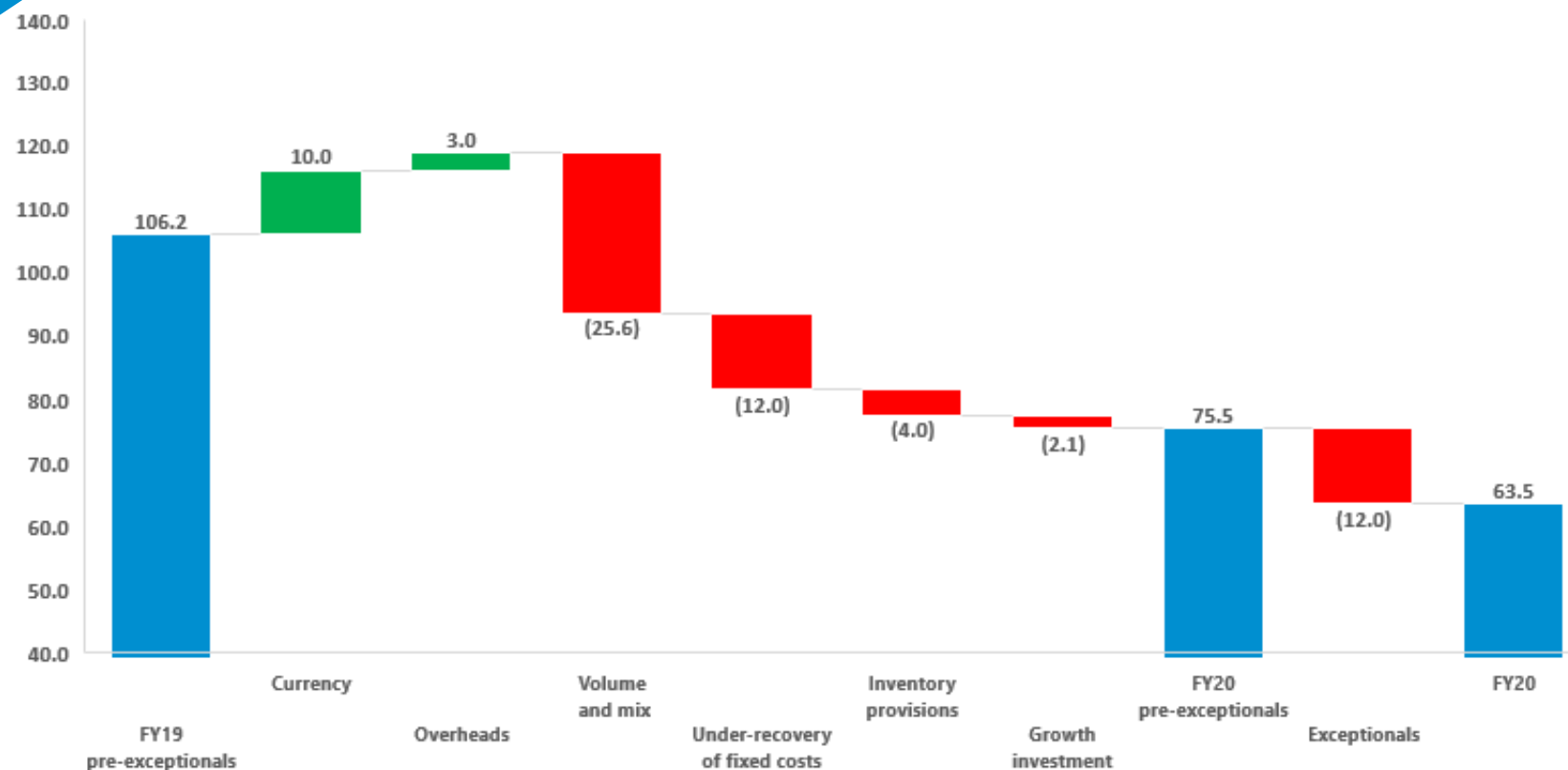
	FY 2020 £m	FY 2019 £m	Change %	Change (constant currency) ¹ %
Revenue	266.0	294.0	-10%	-10%
Losses on foreign currency net hedging*	(1.5)	(5.9)	-75%	
Gross profit	142.4	176.3	-19%	-23%
<i>Gross margin %</i>	53.5%	60.0%	<i>-650bps</i>	
Overheads**	(66.9)	(70.8)	-6%	-4%
Exceptionals	(12.0)	(1.5)	700%	700%
Interest	0.0	0.7	-100%	-100%
Underlying profit before tax¹	75.5	106.2	-29%	-34%
Profit before tax	63.5	104.7	-39%	-46%
Adjusted earnings per share (pence)	75.3	108.9	-31%	NA
Earnings per share (pence)	62.6	107.2	-42%	NA
Dividend per share	46.14p	59.56p	-23%	NA

* 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 £12.0m (FY19: £1.5m)

FY 2020 vs FY 2019

PBT bridge...



PBT IMPACTED BY UNDER-ABSORBED FIXED COSTS

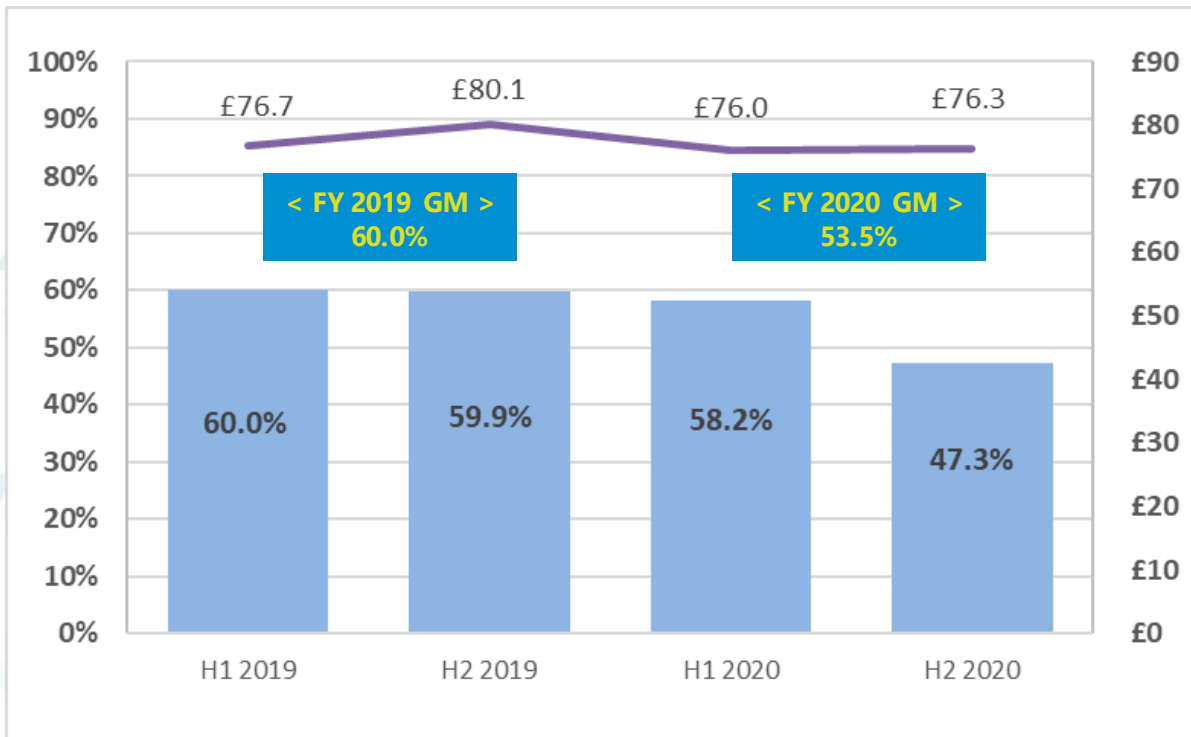
- *Under-recovered overhead from lower production volume vs sales volume*
- *Growth investment up £2m*
- *Exceptional items driven primarily by cost actions & China M&A costs*

ASP & MARGIN

Robust ASP,
Margin impacted

Gross margin
(GM) %

£/kg Average
selling price (ASP)



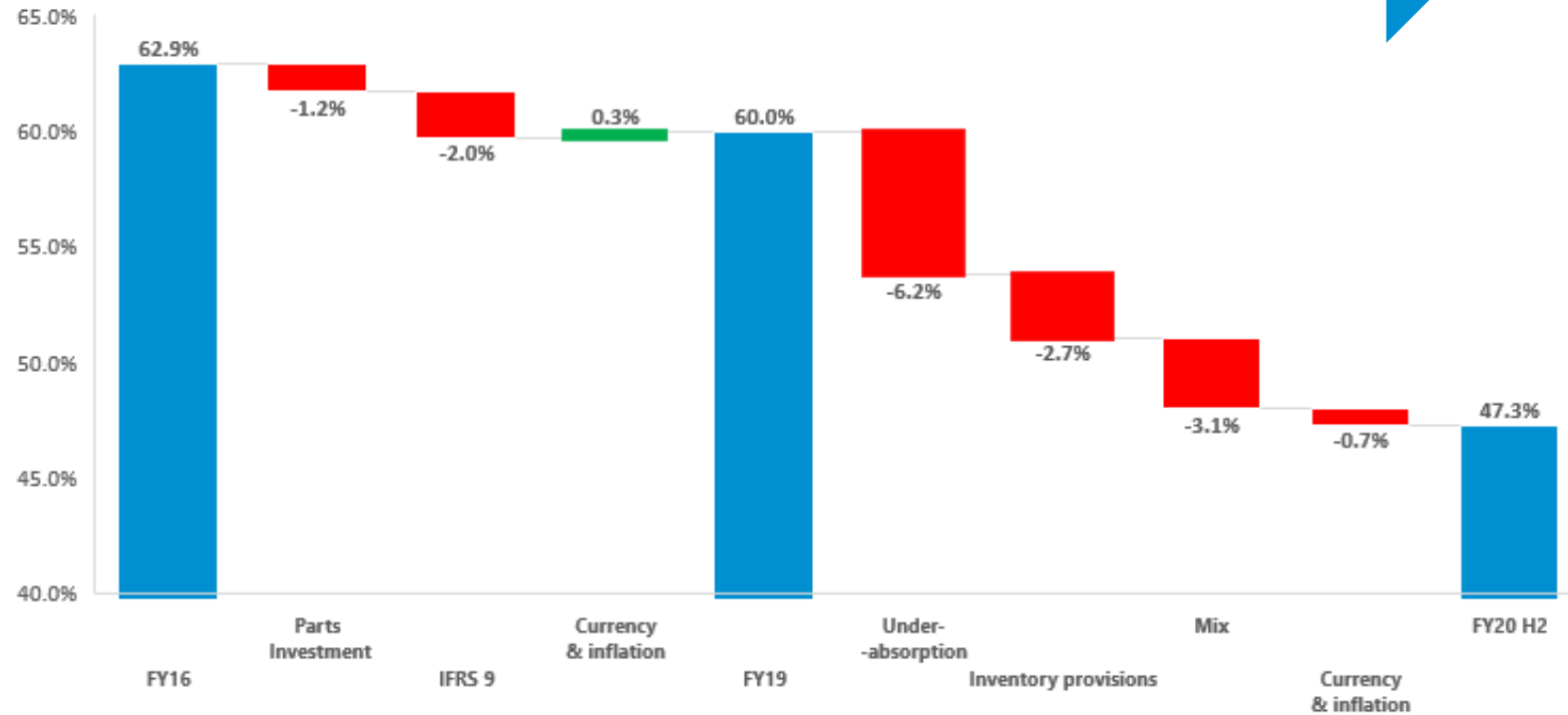
FY 2020 ASP £76.1/kg (down 3%)

- Underlying pricing broadly stable
- Softer mix weighted towards H2

FY 2020 GM 53.5% (down 650bps)

- Margin materially impacted by under-absorbed fixed costs and lower production

MARGIN HISTORY & OUTLOOK



UNDER-ABSORBED FIXED COSTS REMAIN KEY IMPACT ON MARGIN

- Significant under-absorption impact on margin in FY 2020, driven by lower production volumes
- Investment in parts since 2015
- Currency benefit offset by IFRS9 (200 bps impact from FY 2019)
- Margin recovery opportunity when end-market demand improves

CURRENCY

FY21 headwind...

	2020				2019		Change
	Reported £m	Exc deals £m	Currency Spot Impact £m	Constant currency ¹ £m	As reported £m	Exc Deals £m	Constant currency ¹ £m
Revenue	266.0	266.0	(1.7)	264.3	294.0	294.0	-10%
Loss on foreign currency net hedging	(1.5)	-	-	-	(5.9)	-	
Gross profit	142.4	143.9	(4.1)	139.8	176.3	182.2	-23%
Gross margin %	53.5%	54.1%	-	52.9%	60.0%	62.0%	
Profit before tax	63.5	65.0	(5.6)	59.4	104.7	110.6	-46%

Exchange rates	FY 2019 ³	FY 2019 ²	FY 2020 ³	FY 2020 ²	FY 2021 ³	FY 2021 ²	Exchange rate sensitivity ⁴
\$/£	1.28	1.35	1.27	1.26	1.30	1.28	£4.6m
€/£	1.13	1.11	1.13	1.11	1.10	1.12	£4.0m

- **FY 2020 currency tailwind £10m at PBT**
- **FY 2021 currency headwind c£2m at PBT; >75% hedging in place**

¹ Alternative performance measures are defined in the Appendix on slide 40

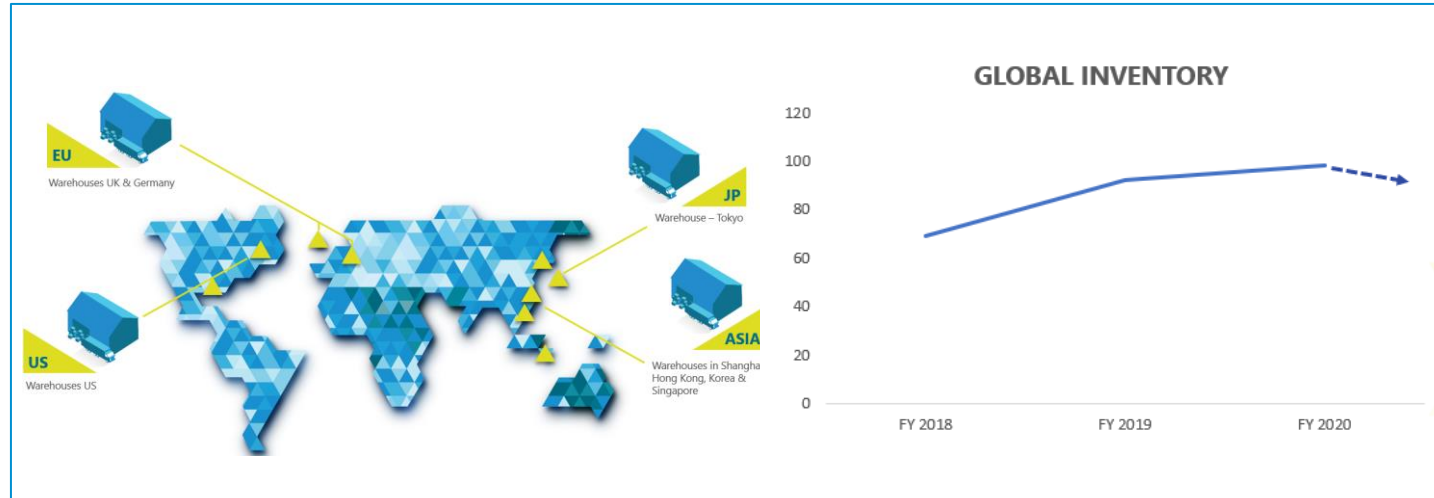
² Effective rates (includes the impact of hedging)

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

⁴ Management estimate of impact on 2020 full year forecast PBT from a 5% movement in weighted average spot exchange rates (before the impact of hedging)

INVENTORY & BREXIT

Brexit ready for customers...



- **FY 2020 inventory £98.5m (FY 2019: £92.2m)**
 - *Raw material inventory build through FY 2020; c 16 weeks sales inventory in place*
 - *Sales inventory unwind post-Brexit from 2021*
- **Brexit ready for customers**
 - *Warehousing in Germany fully operational; servicing European customers*
 - *Optionality to relocate REACH registrations (UK or EU entities)*
 - *Potential for tariff mitigation under EU law (in event of No Deal)*

CHINA INVESTMENT

Underpin
future growth...



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



- **Construction progressing for China manufacturing subsidiary**
- **Key milestones delivered with c300 contractors on site**
- **On track for commissioning in 2022**

CAPITAL INVESTMENT

Efficient use of cash...



- Debottlenecking paused, pending clearer signs of sustained demand
- FY 2021 total capex > £40m

CASH

Strong cash generation

	FY2020 £m	FY2019 £m
Operating profit before tax & expense	76.0	105.6
Depreciation & amortisation	20.9	17.5
EBITDA	96.9	123.1
Change in working capital	4.8	(32.9)
Capital expenditure	(24.9)	(22.7)
Operating cash flow	76.8	67.5
Operating cash conversion	101%	64%
Interest received	0.3	0.7
Interest paid	(0.3)	-
Tax	(17.2)	(10.9)
Exceptional costs	(12.0)	(1.5)
Other	(3.1)	1.6
Free cash flow	44.5	57.4
Acquisitions	(4.9)	(11.8)
Dividends	(39.9)	(122.4)
Other	1.5	77.2
Net cash flow	1.2	0.4
Exchange differences	(0.6)	0.9
Net cash at 1st October	72.5	71.2
Net cash at 30th September	73.1	72.5

SUPPORTING GROWTH & DIVIDEND RETURNS

- *Operating cash conversion 101%*
- *Prioritise growth investment*
- *Reinstated FY 2020 dividends (final dividend 46.14p)*
- *Strong mid-term dividend return opportunities*

STRONG BALANCE SHEET & FINANCIAL RESILIENCE

- *£20m RCF (undrawn), £20m accordion and options for additional debt facilities*
- *Stress-test scenarios completed for potential downside scenarios*

PERFORMANCE UPDATE

Everyday, millions of people rely on products and applications containing our sustainable high-performance PEEK and PAEK polymer solutions



AUTOMOTIVE

500+ million gears in automotive applications made with VICTREX™ PEEK



AEROSPACE

20,000+ aircraft
Have Victrex solutions onboard



ENERGY

75+ million VICTREX™ PEEK seals
in use today



MEDICAL

~ 13 million implanted devices
worldwide use Invibio PEEK-OPTIMA™ polymers



ELECTRONICS

4+ billion mobile devices
use APTIV™ Acoustic Film



INDUSTRIAL & MANUFACTURING & ENGINEERING

100+ million machines
operating using Victrex solutions

INDUSTRIAL UPDATE



AUTOMOTIVE: INCREMENTAL IMPROVEMENT FROM Q4 ONWARDS

- FY 2020 Automotive -8%; good H1, COVID impact in H2, -40% at trough levels
- New E-mobility growth programme



AEROSPACE: STRONG PEEK PROPOSITION DESPITE CHALLENGING MARKET

- FY 2020 Aerospace -26%, COVID impact driving H2 volume -49%
- Meaningful revenue of £1m+ for Aerospace Loaded Brackets
- Airbus 'Clean Sky 2' programme progressing with prototype revenue



ENERGY & OTHER INDUSTRIAL: TOUGH ENERGY, MAGMA OPPORTUNITY

- H1 2020 Energy & Other Industrial down 8% (Oil & Gas down 25%)
- PEEK noted as "preferred material" by TechnipFMC for Magma opportunity



ELECTRONICS: STABLE PERFORMANCE

- FY 2020 Electronics down 6%; new Semicon opportunities & Home Appliances
- Launch of new grade DBX film

VALUE ADDED RESELLERS (VAR)

- FY 2020 volumes -6%; solid growth until Q4 with subdued markets (-14% in H2)

AEROSPACE UPDATE

POLYMER & PARTS JOURNEY

Loaded Brackets...

Meaningful revenue for Aerospace Loaded Brackets, despite short term challenges



eVTOL – URBAN AIR MOBILITY

Insulation applications & interior parts

Loaded brackets



Structural parts

Electrical systems

EMERGING MARKET REQUIRING PEEK/PAEK COMPOSITE SOLUTIONS

- *Good medium/long term opportunities, industry forecasts \$1.5 trillion market by 2040 (JP Morgan)*
- *Multiple engagements with OEMs and Tier players*

AUTOMOTIVE UPDATE

E-mobility...



~8g

c100g potential

ICE



Internal Combustion Engine

- BRAKES
- CHASSIS
- ENGINE
- FUEL FILTER
- TRANSMISSION
- GEARS



Mild-HEV



Mild Hybrid Vehicles

- BRAKES
- CHASSIS
- ENGINE
- FUEL FILTER
- TRANSMISSION
- GEARS



Full-HEV



Full Hybrid Vehicles

- BRAKES
- CHASSIS
- ENGINE
- GEARS
- TRANSMISSION
- E-MOTOR
- POWER ELECTRONICS
- BATTERY COMPONENTS & THERMAL MANAGEMENT



BEV

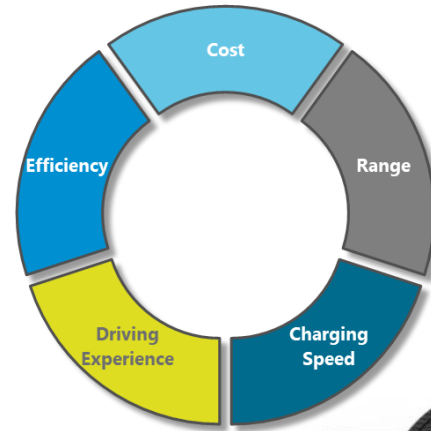


Battery Electric Vehicles

- BRAKES
- CHASSIS
- GEARS
- E-MOTOR
- E-AXLE
- POWER ELECTRONICS
- BATTERY COMPONENTS & THERMAL MANAGEMENT

E-MOBILITY

Higher voltages =
higher performance
requirements...



ENGINE & E-MOTOR

- Cost-effective NVH
- Higher voltages
- Reliability (up to 30,000 RPM)
- Weight & inertia benefits
- Component simplification
- Longer vehicle lifetimes

POWER ELECTRONICS

- Improved efficiency, reduced losses
- Faster Switching (SiC, GaN)
- Heat transfer, enhanced cooling

BRAKES

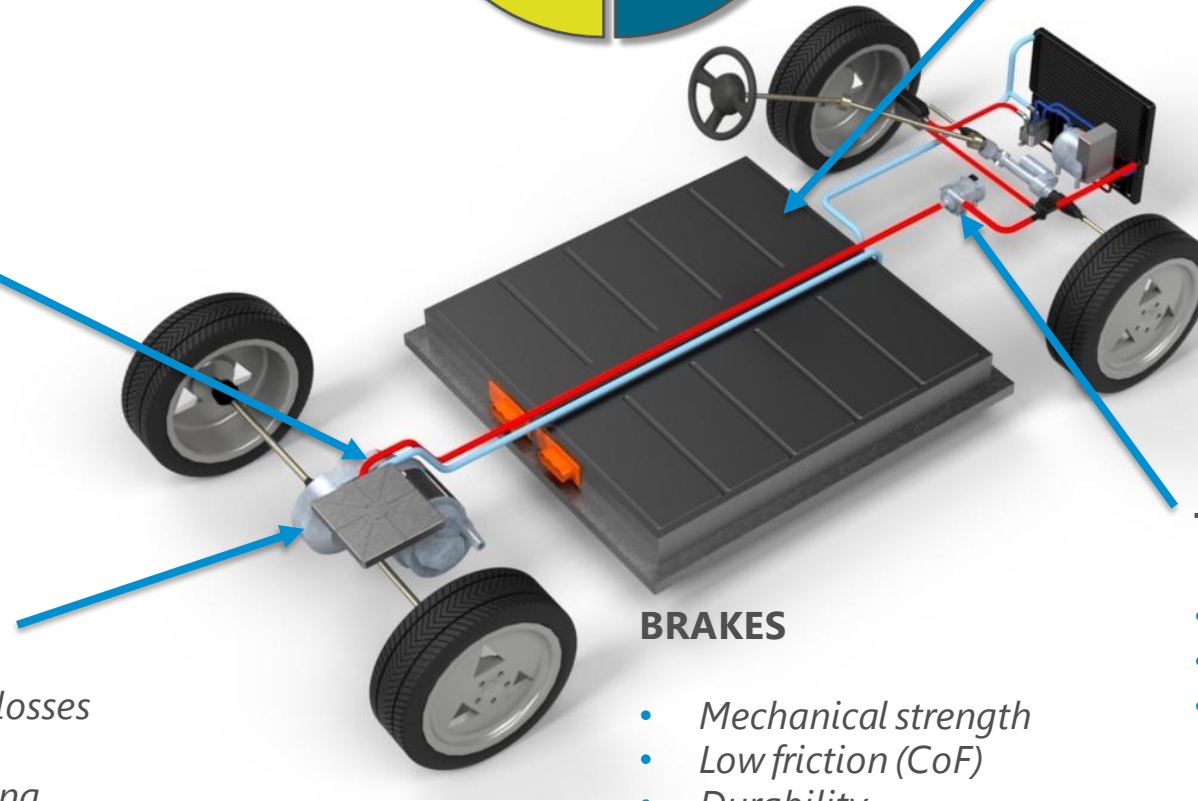
- Mechanical strength
- Low friction (CoF)
- Durability

BATTERY

- Structural integrity
- Cost of total system & per kWh
- Energy density
- Reliability & safety

THERMAL MANAGEMENT

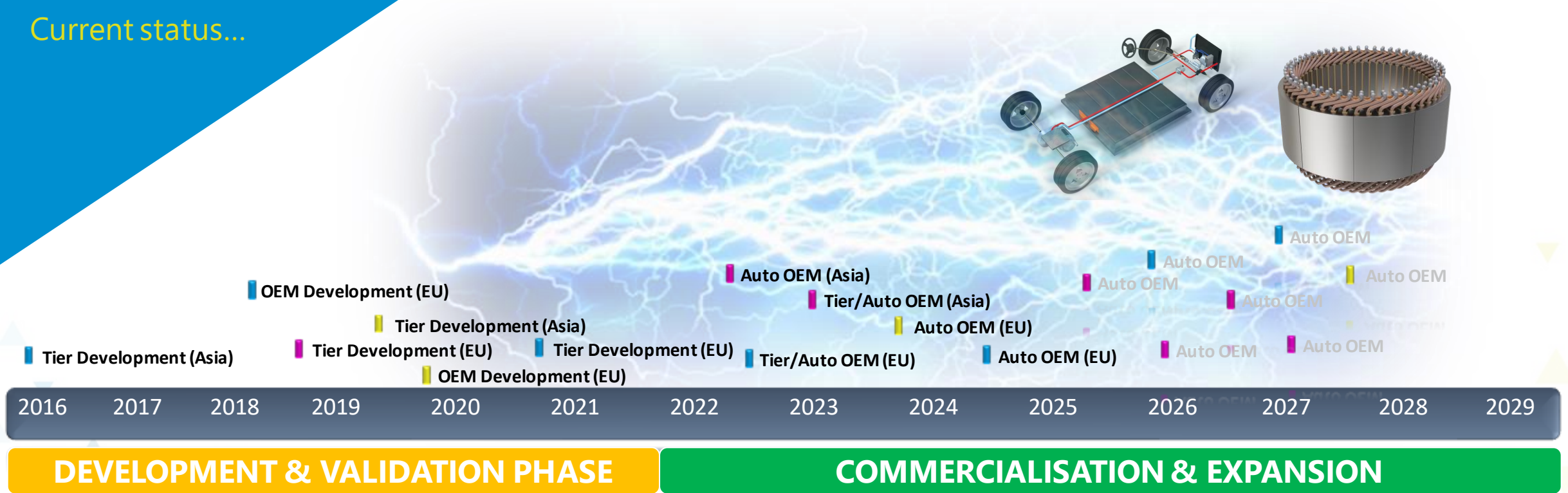
- Cost-effective NVH
- Improved energy efficiency
- eMotor and battery temperatures



TAILORING PEEK TO MEET HIGHER PERFORMANCE REQUIREMENTS IN EVs

E-MOBILITY

Current status...



MULTIPLE GLOBAL DEVELOPMENT PROGRAMMES IN PROGRESS

- Focused on higher performance, higher voltage requirements (800V +)
- Strong fit for PEEK across e-motor, insulative & thermal management applications
- Short-mid term opportunity to commercialise existing development programmes

MAGMA

Current status...

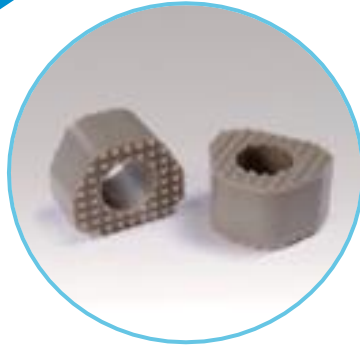
- High corrosion resistance (CO₂, H₂S)
- 100x less permeable (vs non-PEEK)
- High pressure/high temperature
- Installation cost benefits
- Up to 90% lighter in water vs steel

SUPPORTING BRAZIL QUALIFICATION PROCESS

- PEEK "preferred material of choice" (Technip FMC)
- Good progress for Brazil qualification; pilot pipe in 2021
- Incremental projects in FY 2020: North Sea & Gulf of Mexico



MEDICAL UPDATE



FY 2020 MEDICAL -14%

INCREMENTAL IMPROVEMENT SINCE SUMMER 2020

- *FY 2020 Medical revenue -14% at £49.7m (FY 2019: £57.7m)*
- *US Spine remains subdued, incremental improvement in Asia*
- *Record year for HA-Enhanced, with £2m revenue and record approvals, including EU and South Korea*
- *Continuing development of 3D Porous PEEK – FY22 focus*
- *Growth in non-Spine including CMF, Ventilators & related equipment*



TRAUMA

GROWING DEMAND, DOUBLE-DIGIT GROWTH

- *Multiple Trauma plate launches in FY 2021*
- *US developments progressing*



DENTAL

ADOPTION CHALLENGES DESPITE CLINICAL PROPOSITION

- *Continuation of clinical evidence build and Key Opinion Leader engagement*
- *Adoption contingent on supply chain partners, appropriate resourcing*



KNEE

CLINICAL TRIAL RESTARTED

- *Italy trial restarted post-COVID impact; expanded into other sites (India)*

MEDICAL STRATEGIC PILLARS

SPINE

Secure near-term meaningful revenues from PEEK-OPTIMA HA-Enhanced (FY19), Spinal Rods and porous PEEK (mid-term)



3D printed Porous PEEK cages – FY22 opportunity

NON-SPINE

Grow non-Spine revenues (ex-Arthroscopy) to double-digits mid-term



Further grow CMF, Cardio & other revenues

MEGA-PROGRAMMES

Deliver meaningful revenues from mega-programmes in Horizon 2 (2-5 years)



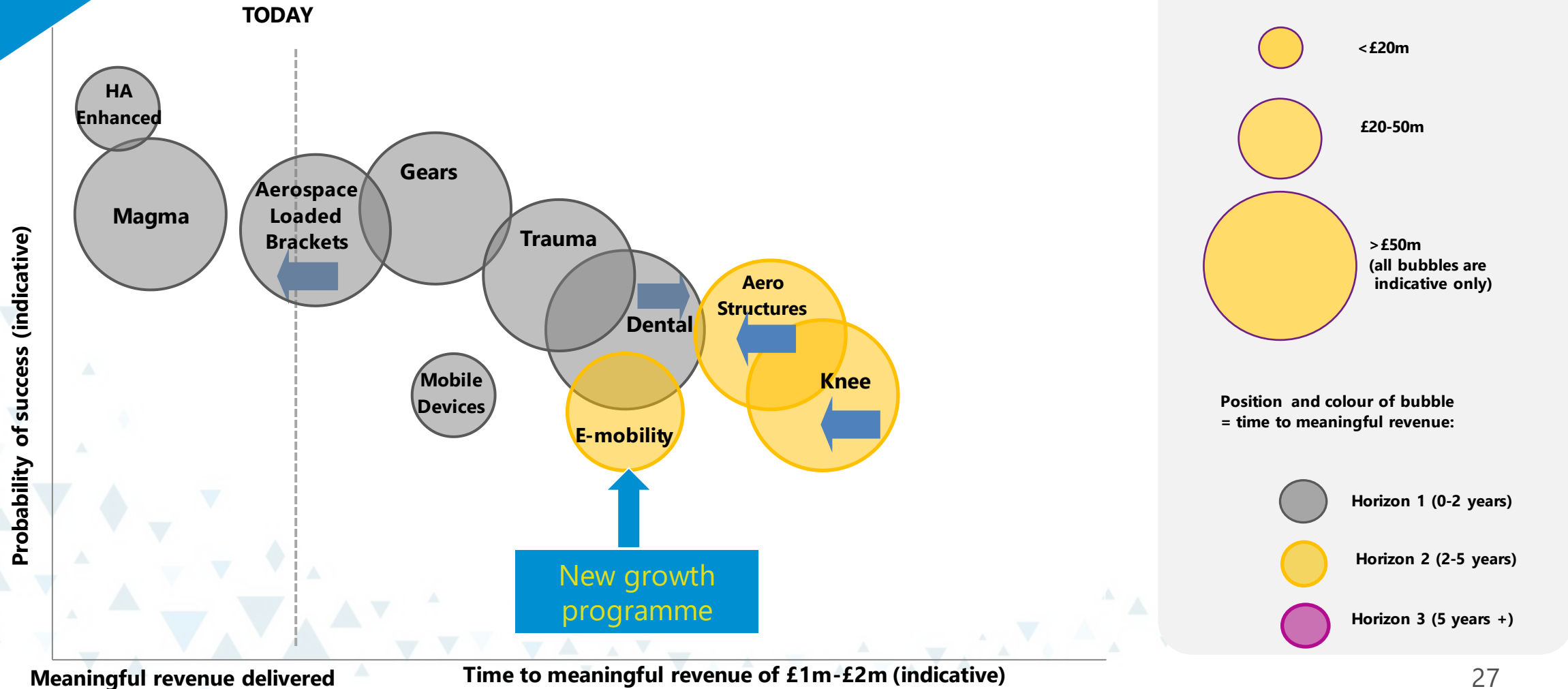
Focus on near/mid-term Trauma & Knee revenues



By 2027 Invibio solutions seek to treat a patient every 15-20 seconds

MEGA-PROGRAMMES

Strong growth pipeline...



PIPELINE MILESTONES

PROGRAMME	REVENUE STATUS	FY 2020 MILESTONES	FY 2021 FOCUS
MAGMA	Meaningful (£1m-£2m)	<ul style="list-style-type: none"> • “Material of choice” for Brazil qualification (Technip FMC) • North Sea & Gulf deployments 	<ul style="list-style-type: none"> • Support manufacture of TechnipFMC qualification pipe • Build revenue from incremental projects
HA-ENHANCED	Meaningful (£1m-£2m)	<ul style="list-style-type: none"> • Doubled revenue to £2m • Record approvals inc EU/S Korea 	<ul style="list-style-type: none"> • Grow revenues > £2m • Europe approvals and commercialisation
AERO BRACKETS	Meaningful (£1m-£2m)	<ul style="list-style-type: none"> • Meaningful revenue delivered • Commercial orders (seat pans, brackets) 	<ul style="list-style-type: none"> • <u>Build repeat orders, increase revenue beyond £1m</u> • Further develop eVTOL opportunities
GEARS	< £1m	<ul style="list-style-type: none"> • US and China OEM qualifications • Expansion: 25 development programmes • Manufacturing ready 	<ul style="list-style-type: none"> • <u>Achieve meaningful revenue of £1m-£2m</u> • Commercialise development agreements (opportunity for 5 supply programmes – existing & new)
DENTAL	< £1m	<ul style="list-style-type: none"> • Further positive mid-term clinical data (Malo) 	<ul style="list-style-type: none"> • Exploring adoption through OEM partners • Further build clinical evidence including 5+ years data
TRAUMA	< £1m	<ul style="list-style-type: none"> • Progressing OEM collaborations • Manufacturing ready 	<ul style="list-style-type: none"> • Multiple plate launches • First OEM deployment
AERO STRUCTURES	< £1m	<ul style="list-style-type: none"> • AE250 composites in demonstrator • OEM collaboration for Clean Sky 2 programme 	<ul style="list-style-type: none"> • Progress with certification programmes • <u>Achieve meaningful revenue (prototype revenue)</u>
KNEE	n/a	<ul style="list-style-type: none"> • Clinical trial restarted (Italy) 	<ul style="list-style-type: none"> • Progress and expand additional trial sites (EU, Asia) • Capitalise on existing OEM interest
E-MOBILITY	n/a	<ul style="list-style-type: none"> • Multiple global development programmes (c10 opportunities) • PEEK ability to meet higher voltage 	<ul style="list-style-type: none"> • Validation and early commercial revenues • Commitments to OEM and tier programmes • Progress to support production scale up in FY 2022



SUSTAINABILITY & ESG

Our pathway to
carbon net zero



SUSTAINABILITY & ESG

A strong
proposition
so far...



SUSTAINABLE SOLUTIONS

Develop and deliver
sustainable polymer solutions
that provide clear social and
environmental benefits to
society



**Sustainable products supporting CO2
reduction trends & providing
environmental & social benefits**



RESOURCE EFFICIENCY

Maximise resource efficiency
across the value chain



**Recyclability &
circular economy**



SOCIAL RESPONSIBILITY

Inspire the next generation by
supporting science,
technology, engineering and
maths education ('STEM')



**FTSE Russell
Green Revenues Index**

A NEW SUSTAINABILITY VISION

ACHIEVE CARBON NET ZERO:

- INCREASE THE USE OF OUR SUSTAINABLE & RECYCLABLE PRODUCTS WHICH SUPPORT CO₂ REMOVAL
- MINIMISE RESOURCES (CARBON, WASTE AND WATER) USED IN OUR OPERATIONS

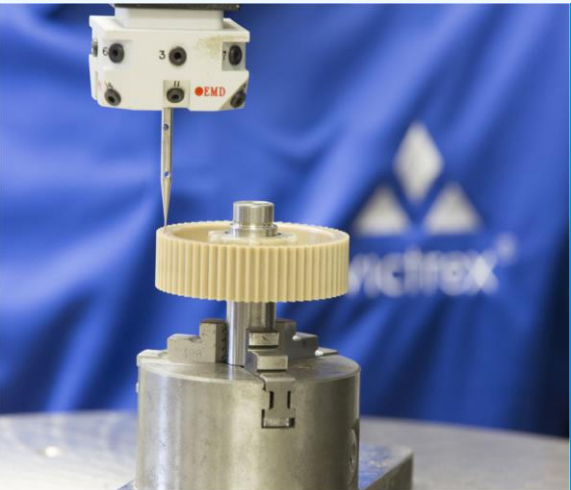
SUSTAINABILITY PILLARS

2030 GOALS

MILESTONE TARGETS



SUSTAINABLE SOLUTIONS AND RESOURCE EFFICIENCY



ACHIEVE NET ZERO CARBON EMISSIONS
by 2030 in our own operations ¹

INCREASE RECYCLING RATES of PEEK/PAEK in the supply chain

INCREASE REVENUE from our sustainable products with positive environmental & social benefits⁴ (currently c40%)

SUSTAINED REDUCTION IN RESOURCES (carbon, waste and water) per tonne by 2030

VICTREX USING 100% RENEWABLE ELECTRICITY WITHIN 3 YEARS ²

DOUBLE RECYCLING RATES in the supply chain by 2025

EXCEED 50% OF GROUP REVENUE from sustainable products with environmental & social benefits by 2025

COMMITMENT TO A SCIENCE BASED EMISSIONS TARGET ³ BY 2022



SOCIAL RESPONSIBILITY



DELIVER A ZERO ACCIDENT AND INCIDENT CULTURE

GROW global STEM programme

INCREASE COMMUNITY ACTIVITY across our global locations

FOCUS on enhancing gender equality/Diversity and Inclusion

IMPROVED SAFETY METRICS, BASED ON OSHA STANDARD

STEM AMBASSADORS in every region

COMMIT >500 EMPLOYEE HOURS to global community activity annually

EMBED INCLUSION AND DIVERSITY across global employee base

UN SUSTAINABLE DEVELOPMENT GOALS



¹ Scope 1 & 2 emissions and science based target ² for all countries where the market exists ³ includes quantifying scope 3 emissions in our supply chain and establishing a reduction target
⁴ defined as Transport revenues (as recognised by FTSE Russell Green Revenues Index) and Medical revenues

GROUP OUTLOOK

FY 2021*



ELECTRONICS



MEDICAL



AUTOMOTIVE



AEROSPACE



ENERGY & OTHER INDUSTRIAL



KEY

OPTIMISTIC



NEUTRAL



CAUTIOUS



* Indicative outlook for our markets for FY 2021

SUMMARY

FY21 OUTLOOK: “FY progress contingent on improving macro & end-markets in H2 2021”

- Incremental demand improvement since end of FY 2020
- Potential for uncertain order patterns in H1
- Continued under-absorption (inventory unwind post Brexit)
- Cost actions to benefit long-term operating leverage

MID & LONG-TERM OUTLOOK:

- Strong financial position & improving cash generation
- Strong ESG agenda: sustainable products delivering environmental & societal benefit
- Strong growth pipeline with improving mega-programme milestones
 - *Continued progress and little evidence of mega-programme slowdown through COVID*
 - *Adding to growth pipeline*

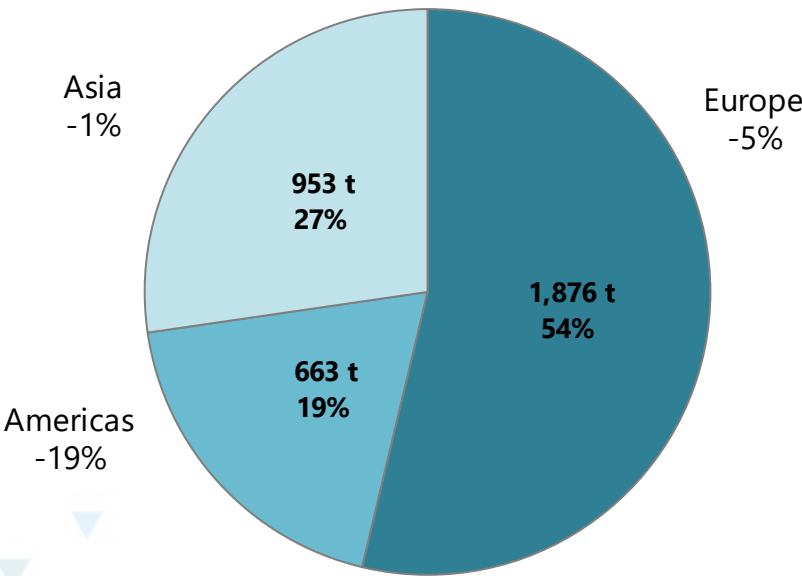


APPENDIX

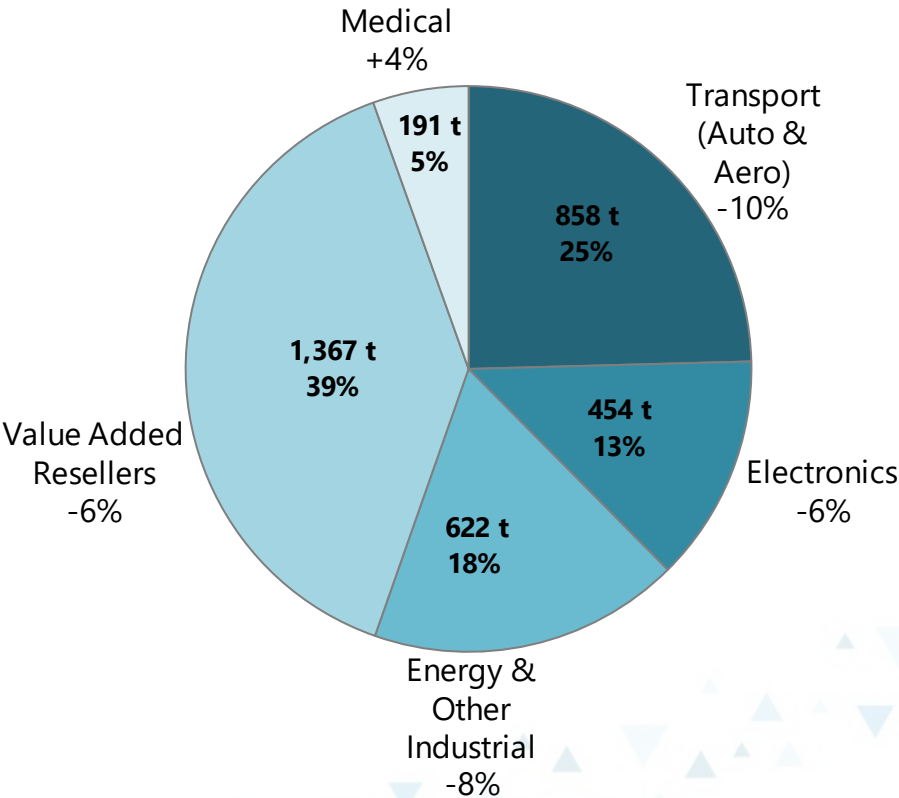
GROUP END MARKETS

FY 2020: 3,492 tonnes
FY 2019: 3,751 tonnes

Volume by Region



Volume by Industry



* Medical volume reflects both non-implantable and implantable volumes

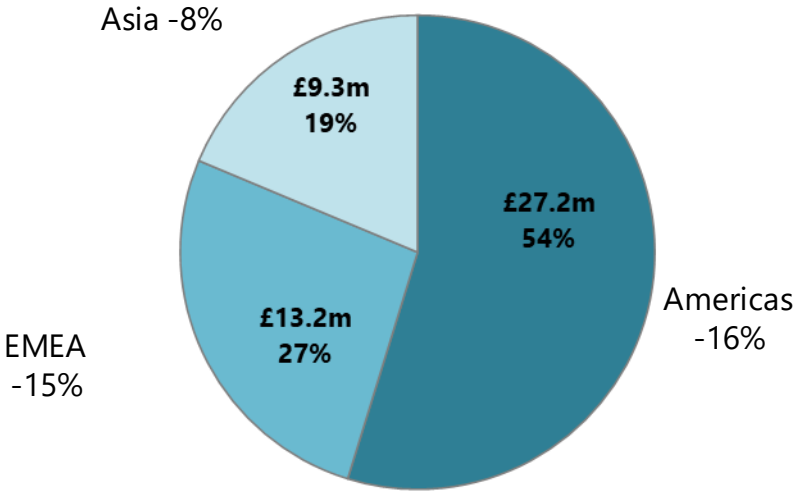
Includes Manufacturing & Engineering volumes

MEDICAL: KEY MARKETS

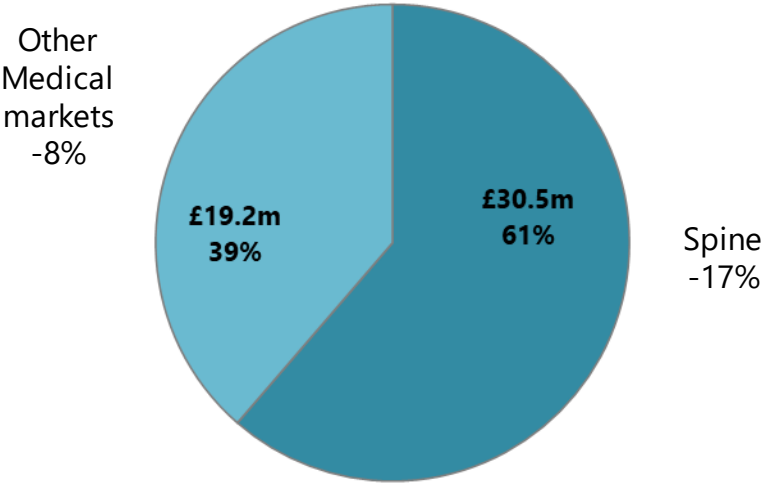
FY 2020: £49.7m

FY 2019: £57.7m

Revenue by Region



Revenue by Market



BUSINESS UNIT INCOME STATEMENTS

	2020				2019		
	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	216.3	216.3	(1.3)	214.9	236.3	236.3	-9%
Loss on foreign currency net hedging	(1.0)	-	-	-	(3.9)	-	
Gross profit *	99.3	100.3	(3.6)	96.7	128.2	132.1	-27%
Gross margin %	45.9%			45.0%	54.3%	55.9%	
Medical							
Revenue	49.7	49.7	(0.4)	49.3	57.7	57.7	-14%
Loss on foreign currency net hedging	(0.6)				(2.0)	-	
Gross profit *	43.0	43.6	(0.5)	42.5	48.1	50.1	-15%
Gross margin %	86.5%			86.2%	83.4%	86.8%	

¹ Alternative performance measures are defined in the Appendix on slide 40

BALANCE SHEET

	FY 2020	FY 2019
	£m	£m
PPE and intangible assets	300.1	288.2
Investment in associated undertakings	12.3	8.2
Financial assets held at fair value through profit and loss*	8.0	8.0
Inventories	98.5	92.2
Cash**	73.1	72.8
Trade receivables and other assets	50.0	57.7
Retirement benefit asset	7.5	9.1
Trade payables and other liabilities	(68.5)	(74.6)
Equity shareholders' funds	481.0	461.6

* Financial assets held at fair value through profit and loss ("FVTPL") which represents the Group's minority investments

** Includes £5.6m of cash that sits in the joint venture in China and is effectively "restricted"

FUTURE USE OF CASH PRIORITIES

Investment for growth remains the priority

CAPEX

- Normalised capex c5-6% of sales
- Periodic investment in capacity & innovation



M&A / INVESTMENT

- Developing capability
- Further investments to support mega-programmes & growth



REGULAR DIVIDENDS

- Average growth c6% over last 5 years
- Grow in line with EPS



SPECIAL DIVIDENDS

- Policy retained at c50% of net cash >£85m threshold
- 50p/share minimum

DEFINITIONS

ALTERNATIVE PERFORMANCE MEASURES:

- 1) Constant currency metrics are reached by applying current year (FY 2020) weighted average spot rates to prior year (FY 2019) 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 profit before exceptional items adjusted for depreciation and amortisation, working capital and capital expenditure / operating profit before exceptional items;
- 4) Available cash is cash and cash equivalents plus other financial assets (cash invested in term deposits greater than three months in duration) less cash held in the Group's PVYX subsidiary;
- 5) Return on Capital Employed (ROCE) is profit after tax / total equity attributable to shareholders at the year end;
- 6) Operating overheads is made up of sales, marketing and administrative expenses before exceptional items; and
- 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.

#1 PEEK EXPERTS

First to commercialise PEEK, with unmatched knowledge and experience



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POLYMER MANUFACTURING

Delivering the key PEEK & PAEK materials with No.1 manufacturing capacity of 7,150 tonnes

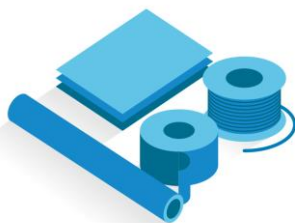


DIFFERENTIATE THROUGH INNOVATION TO CREATE NEW MARKETS



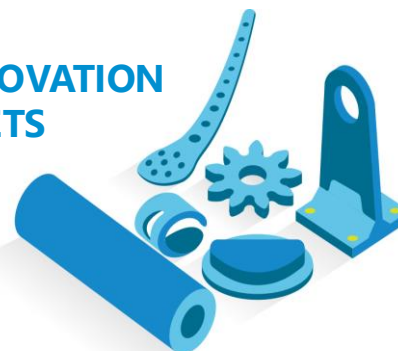
POLYMER

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



PRODUCT FORMS

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



PARTS & COMPONENTS

Developing new applications for PEEK, PAEK and Thermoplastic Composites



UNDERPIN: SAFETY, SUSTAINABILITY

- Health & safety
- Sustainable business with sustainable products



GLOBAL CAPABILITY

800+

Employees

40+

Countries served by Victrex across our markets

c£2bn

Market Value

- FTSE 250 Company
- c£300m Revenue



INVESTMENT IN INNOVATION

c5-6% **c£150m**

of annual sales invested in R&D

Invested in manufacturing facilities in the last 5 years

NEW CAPABILITIES

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