victrex

9 December 2020

Victrex plc – Preliminary Results 2020

'Resilient financial position & strong long-term growth pipeline, despite COVID-19 headwinds'

Victrex plc, an innovative world leader in high performance polymer solutions, today announces its preliminary results (audited) for the 12 months ended 30 September 2020.

	FY 2020	FY 2019	% change (reported)	% change (constant currency)[1]
Group sales volume	**3,492 tonnes**	3,751 tonnes	-7%	NA
Group revenue	**£266.0m**	£294.0m	-10%	-10%
Gross profit	**£142.4m**	£176.3m	-19%	-23%
Gross margin	**53.5%**	60.0%	-650bps	NA
Underlying profit before tax (before exceptional items[1])	**£75.5m**	£106.2m	-29%	-34%
Reported PBT	**£63.5m**	£104.7m	-39%	-45%
Underlying EPS[1]	**75.3p**	108.9p	-31%	
Reported EPS	**62.6p**	107.2p	-42%	
Dividend per share (regular & special dividends)	**46.14p**	59.56p	-23%	

COVID-19

Victrex has been proactive since the onset of COVID-19 with the health, safety and well-being of our employees remaining our highest priority. We have continued our focus on the development of sustainable and environmental or socially beneficial products, as well as strong service levels to our customers and support for our communities, whilst also maintaining a strong financial position.

Highlights:

- **FY impacted by significant COVID-19 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 £12.0m of exceptional items in FY 2020 driven by cost actions, with anticipated annualised savings of c£10m*

- **Long term 'mega-programme' 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 cash and 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 to reflect demand outlook*
- *Strong inventory position (FY 2020: £98.5m) to manage Brexit transition*
- *Reinstatement of dividends, with proposed final dividend of 46.14p/share*

- **Enhanced ESG strategy with carbon net zero focus**
  - *Launch of enhanced ESG strategy aligned to UN Sustainable Development Goals*
  - *Focused on delivering carbon net zero by 2030*
  - *Aspiration to increase sustainable products >50% of revenue mid-term*

Jakob Sigurdsson, Chief Executive of Victrex, said: "After a solid first half, COVID-19 related headwinds had a material impact on our business during the second half, with significant end-market declines. This was compounded by the effects of much lower production, which led to under-absorbed fixed costs and an impact on margin. Currently however, we are seeing a continued incremental improvement in demand from trough levels, particularly in Automotive, Electronics and Medical. Our new financial year has started solidly, although several end-markets, notably Aerospace and Energy, remain challenging.

"Our priorities continue to be the health, safety and well-being of our employees through COVID and our sustainable products and strong service levels for customers, with many of our materials being part of life-sustaining applications. Our supply chain and inventory, partly to manage the Brexit transition, remains effective and our financial position is resilient, with £73m of cash and additional available facilities. Whilst we reduced discretionary spend and some capital programmes, including pausing our UK debottlenecking, which was scheduled to commence in FY 2021, investment to support our future growth continues, specifically our China manufacturing facility which is scheduled to be online in 2022.

"With production volumes remaining low, cash conservation and cost management are key. Our cost actions, primarily through voluntary redundancy in the UK, will start to deliver both short-term and long-term benefits. Initially, in FY 2021, this will underpin rather than enhance profitability, reflecting current end-markets and our plan to unwind inventory post-Brexit, which will also strengthen our cashflow. Growth investment remains our priority but with good cash generation following deferral of the interim dividend, the Board has proposed to reinstate dividends, with a final dividend of 46.14p/share to shareholders.

Outlook

"At this early stage, FY 2021 has started solidly. Whilst several end-markets are seeing some incremental improvement, overall performance remains subdued and we expect some softness to continue through the first half, versus the prior year, with the potential for uncertainty in order patterns. Whilst we will start to benefit from the actions we have taken on costs, some impact on margin will remain due to production volume being lower than sales volume and inventory unwind post Brexit. Consequently, our initial assumptions are that delivering a performance which improves on FY 2020 will be contingent on a better macro and end market environment in the second half of our 2021 financial year."

"Despite the ongoing challenges of COVID-19, the Group remains resilient, with specific milestones delivered in our strong and diverse growth pipeline – which we are adding to – including meaningful revenues from Aerospace Loaded Brackets and good progress in Magma. Overall, there is little evidence of slowdown and milestones across our mega-programmes are improving. We have also enhanced our ESG agenda, building on the role our sustainable products play in CO2 reduction, with a carbon net zero target by 2030 and alignment to UN Sustainable Development Goals. On a long-term basis, our Polymer & Parts strategy keeps us well placed to deliver our range of medium to long term growth opportunities."

[1] **Alternative performance measures are defined on page 15.**

***includes £5.6m of cash ring-fenced in the China subsidiary**

About Victrex:

Victrex is an innovative world leader in high performance polymer solutions, focused on the strategic markets of automotive, aerospace, energy (including manufacturing & engineering), electronics and medical. Every day, millions of people use products and applications which contain our sustainable materials – from smartphones, aeroplanes and cars to oil and gas operations and medical devices. With over 40 years' experience, we develop world leading solutions in PEEK and PAEK based polymers, semi-finished and finished parts which shape future performance for our customers and our markets, provide environmental and societal benefits, and drive value for our shareholders. Find out more at www.victrexplc.com or follow us on LinkedIn and Twitter @victrexir

*A presentation for investors and analysts will be held at 9.00am (GMT) this morning via a conference call facility. To register, dial **0800 358 9473 OR +44 (0) 3333 000804** and participant pin: **27147758#**. Audio playback is available by dialling +44 (0) 333 300 0819 and pin 301333865#. The presentation will be available to download from 8.30am (GMT) today on Victrex's website at www.victrexplc.com under the Investors/Reports & Presentations section.*

Victrex plc:

Andrew Hanson, Director of Investor Relations & Corporate Communications
+44 (0) 7809 595831

Richard Armitage, Chief Financial Officer
+44 (0) 1253 897700

Jakob Sigurdsson, Chief Executive
+44 (0) 1253 897700

Full year results statement for the 12 months ended 30 September 2020

''Resilient financial position & strong long-term growth pipeline, despite COVID-19 headwinds'

Group financial results

Solid H1 offset by H2 volume decline, with full year sales volume down 7%
Full year Group sales volume of 3,492 tonnes was down 7% on the prior year (FY 2019: 3,751 tonnes), principally reflecting significant declines in the second half (H2 volumes down 19%) due to COVID-19 related headwinds. Volumes in Aerospace, Automotive and Energy were particularly impacted, with Value Added Resellers (VAR) softening in Q4 after a period of growth, compared to the prior year period.

Q4 sales volume of 696 tonnes was 26% down on the prior year (Q4 2019: 940 tonnes), as the full impact of COVID-19 was seen on our end markets, despite some limited improvement in Q4 for Automotive and Medical, from trough levels seen in Q3.

Group revenue down 10% with weaker mix
Group revenue was £266.0m, 10% down on the prior year (FY 2019: £294.0m), with mix being slightly weaker as our high margin Medical business saw a material impact from procedure deferrals in the second half, before some improvement in Q4. Group revenue in constant currency[1] was 10% down on the prior year (FY 2019: £295.7m in constant currency).

H2 revenue down 23%, impact on both divisions
Second half revenue was down 23% to £114.6m (H2 2019: £148.3m) as COVID-19 headwinds began impacting our business from Q3.

Our Industrial division reported revenues of £216.3m, 8% down on the prior year (FY 2019: £236.3m) with divisional mix also remaining weak as VAR was less impacted than several other end markets.

Medical revenues were down 14% to £49.7m (FY 2019: £57.7m) and 14% lower in constant currency[1]. Asia-Pacific remains a key area of growth for Medical, including in Spine, Arthroscopy and Cranio Maxillo Facial (CMF) applications, offsetting the more mature US spine market, which continues to see limited procedural growth rates and reduced levels of innovation. Despite COVID-19 headwinds, our next generation PEEK-OPTIMA™ HA Enhanced product for Spine continues to see progress, with revenue nearly doubling over the prior year to £2m. With many Medical applications deemed to be "life sustaining" within the US, the Group also saw 16% growth in non-implantable Medical, which included applications for COVID-19 related equipment such as ventilators.

ASP slightly lower on weaker mix
Our Average Selling Price (ASP) of £76/kg was 3% lower than the prior year (FY 2019: £78/kg), principally reflecting the impact of a lower Medical mix (Medical pricing is above Industrial), with the Medical division seeing up to 40% revenue declines during May and June as surgical procedures were deferred, before seeing some sequential improvement in the final quarter.

Losses on foreign currency net hedging
Following the adoption of IFRS 9 in FY 2019, fair value gains and losses on foreign currency contracts, where net hedging is applied on cash flow hedges, are required to be separately disclosed on the face of the Income Statement. This change resulted in an approximately 200 basis point impact to gross margin. In FY 2020, currency movements resulted in a year-on-year profit improvement of £10.0m, of which £4.4m is reported as Movements in Losses on Foreign Currency Net Hedging of £1.5m (FY 2019: loss of £5.9m) and the remainder within the weighted average spot rates used to translate line items in the P&L. The loss on Foreign Currency Net Hedging is largely from USD contracts where the deal rate obtained (placed up to 12 months in advance in accordance with the Group's hedging policy) was adverse to the average exchange rate prevailing at the date of the related hedged transactions.

Gross margin impacted by lower production & under-absorbed fixed costs
Group gross margin of 53.5% (FY 2019: 60.0%) was 650 basis points lower, impacted primarily by weaker operating leverage as production volumes were significantly lower than the prior year as demand was weaker

and we saw some unwind of finished goods inventory. This inventory was originally built in anticipation of the de-bottlenecking programme and Brexit. Whilst the debottlenecking project has now been paused to reflect demand weakness – albeit with the ability to be quickly restarted at short notice – the additional inventory continues to provide us with the ability to respond flexibly should we need to in the event of Brexit disruption.

Underlying Profit Before Tax ("PBT") down 29% and underlying EPS down 31%

Underlying profit before tax (PBT pre-exceptional items) of £75.5m was down 29% on the prior year (FY 2019: £106.2m), reflecting the weaker demand environment and impact on margin, with £12.0m of under-recovered overhead costs due to lower production. No bonus was paid in FY 2020 (FY 2019: no bonus) either under the All Employee Scheme or the Executive Directors scheme. Reported PBT of £63.5m was 39% down on the prior year (FY 2019: £104.7m) reflecting total exceptional items of £12.0m comprising £9.8m relating to severance costs associated with the Group's cost action programme and £2.2m being M&A costs principally related to the Group's China subsidiary investment (FY 2019: exceptional items of £1.5m all relating to M&A).

The under-recovered overheads associated with reducing FY 2020 production for the Group's planned debottlenecking investment were originally anticipated to be classified as exceptional in FY 2020. Following the decision to defer the project until clearer signs of demand improvement return, we will continue to see the impact of under-recovered overheads within the P&L from lower production in FY 2021, as inventory is unwound post-Brexit and end markets overall remain subdued at this stage. We have taken cost actions which will support profitability for FY 2021.

Underlying earnings per share of 75.3p was 31% down (FY 2019: 108.9p per share). The effective tax rate was 14.6%, higher than the prior year (FY 2019: 11.7%), which is mainly due to the restatement of deferred tax balances following the UK government's decision in March 2020 to cancel the reduction in UK corporation tax rate from 19% to 17%. The effective tax rate is therefore made up of an underlying effective rate of 11.1%, an additional 3.5% relating to the change in deferred tax rates, with a small offset relating to timing differences. The Group continues to benefit from the availability of the UK Patent Box scheme.

Financial impact of COVID-19

The Group has not incurred any material additional operating expenses as a consequence of COVID-19. The most significant financial impact on the Group has been the decline in sales as a consequence of weak end-markets, as well as the related impact on under-recovery of production costs.

Currency tailwind

For FY 2020, the Group benefited from a currency tailwind of approximately £10m at PBT level, although a small proportion of this was offset by raw material inflation. For FY 2021, we currently anticipate a small headwind of £2m for FY 2021, with approximately three-quarters of hedging cover in place.

Our hedging policy seeks to substantially protect our cash flows from currency volatility on a rolling twelve-month basis. The policy requires that at least 80% (previously 90%) of our cash flow exposure is hedged for the first six months, then at least 75% for the second six months of any twelve-month period. The implementation of the policy is overseen by an Executive Currency Committee which approves all transactions and monitors the policy's effectiveness. A review of the ongoing effectiveness of the policy was undertaken earlier in FY 2020, including engagement with major shareholders, and the Group concluded that no material changes to existing hedging arrangements would be made currently. At the same time the Group ceased hedging Japanese Yen. We note the continued volatility in Sterling, including that influenced by the potential of a no-deal Brexit.

Proactive actions on COVID-19

The safety, health and well-being of Victrex employees continues to be our highest priority. We established a COVID-19 committee at the start of 2020, with a proactive approach and a range of contingency plans already implemented. The Group started to see a material impact from COVID-19 during the second half year, although our supply chain remained very effective, with over 99% On Time In Full (OTIF) deliveries throughout the period. The impact was felt not just at a trading level – with H2 revenues down 23% - but in terms of the impact on our people and requirement for the majority of our employees to be homeworking.

People

A range of contingency plans were implemented, with a focus on the safety and well-being of our people. We continue to follow governmental or state guidance wherever we operate, and continue to serve customers from home offices, with the overwhelming majority of our global employees' homeworking, wherever roles are not production related. For our homeworking employees, training and healthy working plan assessments have also been conducted. Whilst risk assessments have been completed ready for a greater Return to Site, we have navigated with caution and are following all appropriate governmental guidelines. We maintain a risk level approach which means the majority of employees globally remain working at home, with only our China technical centre and sales office populated, as well as our UK and US manufacturing operations, with the US continuing on a modified basis, in line with state guidance.

Essential industry

The UK government defines Chemicals as an essential industry with essential workers, with Victrex also having a long-standing history in supporting critical and "life-sustaining" applications, particularly in Medical. These include ventilators, drug-delivery equipment and related applications. In the US, many applications are defined as being 'life-sustaining' in several states.

In order to minimise the risk to those business-critical employees in our production assets, we are continuing to produce aligned to demand, supplemented by high buffer inventory if required.

Ventilators

Victrex has a long-standing history in many critical applications and in addition to companies we already serve, we supply materials for ventilators or related equipment to a number of global companies as part of the effort against COVID-19.

Cash conservation

At an early stage in the COVID-19 pandemic, we took a range of cash conservation and cost measures. All discretionary costs including travel and new recruitment were constrained to those activities critical to supporting customer related activity. We also deferred capital expenditure for the UK debottlenecking programme to FY 2021 – now subsequently paused until clearer signs of demand improvement return – although we continue to invest in support of our other mega-programmes or expansion projects. Our interim dividend was also deferred (see Dividends section below).

Cost actions

During FY 2020, the Group implemented cost actions to deliver sustainable annualised savings within our overhead base, primarily within our polymer manufacturing operations, whilst being mindful to ensure that the resources required to deliver our longer term growth programmes were not impacted. A headcount reduction of approximately 100 people was delivered, primarily through voluntary severance in the UK, with some limited numbers within our global team. As a result, an exceptional charge of £9.8m was incurred in the FY 2020 accounts, with an annualised saving of a similar level starting to support profitability in FY 2021, despite production remaining low due to subdued demand and inventory unwind. Annualised savings will mostly benefit our gross margin, with some benefit within operating overheads.

Dividends

Following deferral of the interim dividend, and reflecting good cash generation, the Board has chosen to reinstate dividends, with a final dividend of 46.14p, bringing total dividends for the year to 46.14p (only the final dividend will be paid this year).

Strong financial position

Overall, our financial position remains strong, including a cash position of £73.1m on 30 September, a committed undrawn RCF of £20m and a £20m accordion, valid to October 2024. We engage regularly with our banks, with options available to access other borrowing facilities, should these be required. The Group has planned for multiple downside scenarios, should these arise, in terms of the impact on our customers' demand and the timing and shape of a recovery (these are shown in note 3 of the financial statements).

The Group has modelled two downside scenarios: Scenario 1 assumes a recovery does not materialise until FY 2022 with sales remaining at Q4 2020 levels throughout FY 2021, and Scenario 2, considered to be severe but plausible, which takes Scenario 1 and assumes a further reduction in sales from March 2021 for the remainder of the 2021 calendar year. Should these scenarios occur, the Group believes that it has sufficient capital, borrowing facilities and flexibility to be able to manage through these scenarios, whilst continuing to invest for long term growth.

Brexit

As previously communicated, the Group continues to consider the potential impact of Brexit, with a team in place comprised of senior leaders to manage various contingencies through the transition period and beyond. We remain 'Brexit ready'.

Victrex has indicated previously that the principal risk is a sustained period when the Group may not be able to import certain raw materials or export finished goods through Customs, which could curtail sales if regional inventory levels were depleted. As part of our contingency plans, additional warehousing for finished goods stock was secured in mainland Europe (Germany) and China with approximately 16 weeks of finished goods stock held outside the UK. Our German warehouse has been operational since February 2019, supplying European customers during this time. We also secured additional raw material stocks, which were increased through FY 2020, bringing Group inventories to £98.5m (FY 2019: £92.2m). Whilst we foresee continued uncertainty over Brexit through to early 2021, our intention is to gradually unwind this inventory through to the end of FY 2021 and into FY 2022, to be closer to historic levels.

Our assessment of the potential financial impact of a 'no deal' Brexit is based on standard WTO tariffs being applied, bringing increased costs in the short term through the application of duties (to and from the EU) to the import of certain raw materials and on the export of finished goods. This short-term cost could be partially mitigated by the impact on the unhedged portion of our currency flows in the event of any weakening of Sterling. As the only current manufacturer of PEEK products in the EU, we also have the opportunity to seek tariff mitigation that may be available to us, although we note this option could reasonably be expected to take up to a year to secure. We are also closely monitoring the developments on REACH regulations. In a scenario where the UK is no longer part of REACH, Victrex has progressed options to relocate its REACH-related activities and registrations to our EU entities.

Investment to drive growth

Operating overheads[1] reduced by 6% to £66.4m (FY 2019: £70.7m) reflecting lower marketing and travel spend. Research & Development ("R&D") and technical service investment of £16.7m (FY 2019: £18.0m) represented approximately 6% of revenues[1] (FY 2019: 6% of revenues)

For FY 2021, we expect operating overheads, with a limited accrual for the Group's all employee bonus scheme, to be moderately lower than FY 2020, reflecting some benefit from our cost saving plan within operating overheads.

Exceptional items
Whilst the previously announced UK debottlenecking project will be paused until clearer signs of demand improvement return, M&A costs arising from the China subsidiary investment resulted in a £2.2m exceptional charge. During the second half, our cost actions to help partially mitigate the impact of under-recovered overhead resulted in approximately 100 roles being removed, primarily through voluntary severance. As a result, we incurred an exceptional charge of £9.8m in the 2020 accounts, giving total exceptional items of £12.0m.

Investment in capacity and to support downstream strategy
Capital expenditure was £24.9m (FY 2019: £22.7m), which includes approximately £8m for our investment to create a new PEEK facility in China.

We have no current plans to invest in manufacturing capacity on the scale we have seen historically. By investing in smaller increments of capacity, such as our China and UK de-bottlenecking projects, we anticipate being able to maintain Return on Capital Employed (ROCE) at target levels over the medium term. Despite COVID, our China investment is progressing broadly on plan, with civil works largely complete and commissioning still anticipated to be during 2022. This investment reflects recent strong growth in China across end-markets, and the opportunities we see to support our customers in country and with a quality PEEK offering.

Cash consideration for acquisitions included a £3.2m investment in our Aerospace Loaded Brackets and composite parts facility, where we acquired the remaining equity from Tri-Mack. This facility continues to support commercial orders based on our AE™250 polymer grade, which has pre-qualification with the major aerospace manufacturers. Our Loaded Brackets programme exceeded meaningful revenue of £1m during the year and despite the challenges in this end-market, we anticipate further opportunities as the benefit of faster processing makes our products relevant to the industry.

Based on milestones delivered, we also made performance based payments of £4.6m in relation to our investment in Bond 3D High Performance Technology BV ("Bond"). Bond is a company developing unique, IP protectable 3D printing (Additive Manufacturing) processes which are capable of producing high strength parts from existing grades of PEEK and PAEK polymers. Particular emphasis is on the Medical market and porous PEEK spinal cages which are already in the prototype phase.

Capital expenditure during FY 2021 is expected to exceed £40m which reflects the bulk of the investment for our China manufacturing subsidiary.

Progress in mega-programmes
We have continued to see milestones delivered in our mega-programmes and new product pipeline, with over 80% of milestones delivered in FY 2020. To date, COVID-19 has not impacted the mega-trends which are the fundamental drivers behind the business cases for our mega-programmes. During FY 2020 we also saw some good progress in the likes of Magma and Aerospace Loaded Brackets. We will continue to monitor any impact from COVID-19 should any longer-term implications emerge.

We measure our mega-programmes via our Portfolio Steering Group, with our pipeline 'bubble chart' providing an indicative view of market adoption. Together with new grades, we include our mega-programmes in our Sales from New Products[1] metric, which increased to £12.8m, or 5% of revenue this year (FY 2019: 4%). We added a new pipeline programme – a major programme at this stage – in FY 2020 called **E-mobility** which reflects our work in e-motors and other insulative type applications where PEEK's performance is strong. Our expectations are for the commercialisation phase to start post FY 2022.

In PEEK **Gears**, which are now 'on the road' following a first supply agreement in 2018 and two smaller contracts, our wider development alliances now total over 20 projects. Whilst revenues remain under £1m, start of production for many of these development programmes falls in a window between 2021 and 2023 and we have recent opportunities progressing in both the US, Europe and Asia. We are focused on delivering meaningful revenue in FY 2021 from this programme.

In our **Aerospace Loaded Brackets** programme, the first composite parts manufactured in our US facility generated commercial revenues in line with our 'Parts that fly' strategy, delivering meaningful revenue of over £1m in FY 2020, a recognition of the proposition for PEEK composites in faster processing. One interesting new area for our composites is in eVTOL (Electric Vehicle Take-off and Landing) where we already have a number of development programmes underway, working towards commercialisation.

'Aerospace Structures' links to our development alliance with Airbus and we are already seeing prototype revenue. The alliance will support the development and commercialisation of thermoplastic composites in Aerospace, with a focus on both larger primary and secondary Aerospace structures, such as wings and fuselage parts. We anticipate this project has the prospect of gaining revenue of more than £5m over the mid-term (principally from prototype revenue). This opportunity is incremental to Victrex's Aerospace Loaded Brackets programme. Victrex's AE™250 composites grade will be integral to both of these opportunities.

The focus for Victrex in the **Magma** programme in FY 2021 is in delivering materials – pipe and composite tape – for the pre-qualification work as part of TechnipFMC's bid within the Libra field development in Brazil. Despite a tough energy market, the opportunity for more cost-effective deployment in a technologically challenging area continues to validate the proposition. Ahead of the outcome of the Libra pre-development work over the next 18 month using a Hybrid Flexible Pipe (HFP) model, we expect to see some limited revenue growth as the qualification pipe progresses through the supply chain, including armouring work on the steel casing. Revenue from smaller incremental projects was also secured during FY 2020 including in the North Sea and Gulf of Mexico.

In Medical, we continue to make good progress with our **PEEK-OPTIMA™ HA Enhanced** product. In FY 2020, we saw revenue move to £2m, nearly double the prior year. Our efforts to grow our non-Spine business in **Dental** have been slower than we anticipated and whilst the clinical proposition and evidence remains strong, we anticipate the timing will be later than our expectations, with adoption in the market being contingent on partnerships or other collaborations.

For **Trauma**, we continue to use clinical data and marketing awareness through trade shows and key opinion leaders to support this programme, seeking to build further OEM collaborations. We are also working on a near term Asia opportunity in Trauma through a collaboration or potential investment whilst in FY 2021 we expect to benefit from multiple trauma plate launches, with a focus on the US. Trauma revenues increased by 18% this year. Other areas of non-Spine also saw some promise including Cranio Maxillo-Facial where revenues increased 12% despite the pandemic. In **Knee**, and through our partner Maxx, the clinical trial in Italy restarted after the initial impact of COVID-19 and similar sites have been added in India, with a further geography being imminent. The trials are expected to run for a minimum of 18 months, with 30 patients. We continue to see interest from existing Knee or orthopaedic component manufacturers including several of the market leaders. We expect greater newsflow in FY 2021 and FY 2022 as the trial progresses.

Strong balance sheet
Our strong balance sheet underpins our ability to invest and support security of supply for customers. Net assets at 30 September 2020 totalled £481.0m (FY 2019: £461.6m). The increase in inventory to £98.5m (FY 2019: £92.2m) was originally planned to support us through the debottlenecking programme and will now offer support should there be any Brexit related disruption. The inventory increase in FY 2020 was primarily driven by raw material and intermediates, correcting an abnormally low stockholding at September 2019. Once Brexit has concluded in early 2021, we would expect to start gradually unwinding this inventory position.

Robust cash generation
Cash generated from operations was £86.6m (FY 2019: £90.3m) representing an operating cash conversion[1] of 101% (FY 2019: 64%). Cash (with no debt) at 30 September 2020 was £73.1m (FY 2019: £72.8m). This includes £5.6m ring-fenced in our China subsidiary to give £67.5m cash available in the wider Group. In February 2020 we paid the 2019 full year final dividend of 46.14p/share, whilst additional cashflow items included

approximately £8m to support performance based payments for Bond and the purchase of the remaining stake in TxV Aero Composites, and £17.2m (FY 2019: £10.9m) of cash tax payments, reflecting HMRC changes to phasing of payments for large companies. As previously communicated, our interim dividend was deferred.

Taxation
The Group's effective tax rate reflects the associated benefit from Victrex filing patents as part of its unique chemistry and IP, through the UK government's 'Patent Box' scheme and the impact on deferred tax balances as a result of the cancellation of the reduction in the UK corporation tax rate from 19% to 17% . The effective tax rate was 14.6% for FY 2020 (FY 2019: 11.7%).

Dividends
Although the Group delivered a solid performance in the first half, as part of our cash conservation measures and to reflect consideration for all of the Group's stakeholders, we deferred the interim dividend (FY 2019: 13.42p/share). As previously communicated, the Board has chosen to reinstate dividends and whilst end markets remain subdued, a final dividend of 46.14p for FY 2020 has been proposed, giving total dividends for the year of 46.14p (only the final dividend will be paid this year).

Underlying dividend cover[1] is 1.6x (2019 – 1.8x) based on underlying EPS[1], which is slightly lower than our focus to keep dividend cover around 2.0x. However, our strong cash generation means this is sustainable in the short term, until the global economy eventually recovers from the COVID-19 pandemic and the Group can return to growth.

Outlook
At this early stage, FY 2021 has started solidly. Whilst several end-markets are seeing some incremental improvement, overall performance remains subdued and we expect some softness to continue through the first half, versus the prior year, with the potential for uncertainty in order patterns. Whilst we will start to benefit from the actions we have taken on costs, some impact on margin will remain due to production being lower than sales and inventory unwind post Brexit. Consequently, our initial assumptions are that delivering a performance which improves on FY 2020 will be contingent on a better macro and end market environment in the second half of our 2021 financial year.

Despite the ongoing challenges of COVID-19, the Group remains resilient, with specific milestones delivered in our strong and diverse growth pipeline – which we are adding to – including meaningful revenues from Aerospace Loaded Brackets and good progress in Magma. Overall, there is little evidence of slowdown and milestones across our mega-programmes are improving. We have also enhanced our ESG agenda, building on the role our sustainable products play in CO2 reduction, with a carbon net zero target by 2030 and alignment to UN Sustainable Development Goals. On a long-term basis, our Polymer & Parts strategy keeps us well placed to deliver our range of medium to long term growth opportunities.

Jakob Sigurdsson
Chief Executive
9 December 2020

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DIVISIONAL REVIEW

Industrial

	12 months ended 30 Sep 2020 £m	12 months ended 30 Sep 2019 £m	% Change (reported)	% Change (constant currency)
Revenue	216.3	236.3	-8%	-9%
Gross profit	99.3	128.2	-23%	-27%

Group performance is reported through the Industrial and Medical divisions although we continue to provide a market-based summary of our performance and growth opportunities. The Industrial division includes the markets of Energy & Other Industrial (including Manufacturing & Engineering), Value Added Resellers (VAR), Transport (Automotive & Aerospace) and Electronics.

Our Industrial business delivered revenue of £216.3m (FY 2019: £236.3m), 8% down on the prior year, reflecting the material deterioration during the second half in all end-markets. This has been offset by Other Industrial where we benefited from some applications into the non-implantable Medical area (non-implantable (outside the body) Medical revenues are booked within the Industrial division). At the trough, revenues in several end-markets were down in excess of 40% during Q3.

For the Industrial division, full year revenue in constant currency was down 9%. Gross margin was lower at 45.9% (FY 2019: 54.3%), reflecting materially weaker operating leverage due to our high fixed cost base, and Industrial mix.

Energy & Other Industrial
Our Energy & Other Industrial end-market (which includes volumes reported for Manufacturing & Engineering) saw sales volume of 622 tonnes, which was down 8% on the prior year (FY 2019: 673 tonnes), with Oil & Gas down 25% overall. Rig count reduced through 2020 as oil prices and activity levels fell and this market remains challenging at this early stage of FY 2021. In our Magma oil & gas mega-programme, further progress was seen this year and we noted that TechnipFMC indicated PEEK as the preferred material of choice for the Libra opportunity in Brazil, as part of the pre-qualification work leading up to 2022 and the anticipated start of development work. Victrex continues to support the material requirements and qualification pipe, with incremental revenues also gained this year for deployments in the North Sea and Gulf of Mexico, which include subsea jumper pipes.

Our Other Industrial area includes Manufacturing & Engineering (M&E) which focuses on new or incremental applications in fluid handling, food contact materials and manufacturing equipment applications, including the emerging opportunities in fridge compressors where metal replacement requirements are increasing. Overall, Other Industrial continued to see growth through the year, with volumes closing 10% up on FY 2019.

Value Added Resellers
Because of the fragmented nature of the industrial supply chain, once PEEK has been specified by end users, full clarity on the exact route to market for all of our polymer business is not always possible. The Value Added Reseller (VAR) channel to market also typically sees greater levels of destocking and restocking as processors or compounders typically reduce inventories in higher value materials when end market demand drops. Many of our VARs are long standing customers with processing capability who supply end markets similar to Victrex's. Whilst VAR remained relatively robust through the early part of Q3 – later than the impact of COVID-19 seen by some peers – sales volume of 1,368 tonnes was 6% down on last year (FY 2019: 1,463 tonnes), principally reflecting the downturn in several Industrial end markets.

Transport (Automotive & Aerospace)
Our assessment of megatrends in the midst of COVID is that they remain strong, including lightweighting, CO2 reduction, durability, comfort, electrification and heat resistance remain strong. The ability for faster processing, particularly in Aerospace, remains particularly important, in order to deliver manufacturing efficiencies for each plane build using PEEK composites. Whilst Automotive was in growth during the first half year (with Aerospace flat) both end markets started to see significant headwinds during H2, as well as the ongoing impact in Aerospace from the production outage relating to the Boeing 737 Max. Whilst Automotive saw some incremental improvement from trough levels in Q4 – a trend that has continued into FY 2021 – we note industry commentary that Aerospace may take longer to recover. Transport sales volume overall declined 10% to 858 tonnes (FY 2019: 950 tonnes).

Automotive
Volumes declined by 8% for the full year, after a double-digit performance in the first half, which benefited from some phasing, resulting from the PFOA ban in certain areas of Asia and strong growth in Japan. As a result of COVID-19 and widespread OEM shutdowns, current data from IHS forecasts a decline in car build of 17.9% (source: IHS) during 2020, before rebounding 13% in 2021. Core applications include braking systems, bushings & bearings and transmission equipment, with increasing opportunities in electric vehicles, which we have now incorporated on our pipeline 'bubble chart'. Primarily, these opportunities are in e-motors and associated applications, with the higher heat and insulating requirements of next generation electric vehicles and higher voltage batteries requiring higher performance materials.

In PEEK Gears, over 20 development programmes are in progress which support the medium to long term revenue opportunity. Whilst the rescoping of a US OEM contract delayed first meaningful revenue, our pipeline bubble chart signals the opportunity to deliver first meaningful revenues in FY 2021. PEEK gears based on Victrex™ HPG PEEK can offer a 50% performance and noise vibration and harshness (NVH) benefit compared to metal gears, as well as contributing to the trend for minimising CO2 emissions through weight & inertia reduction, and quicker manufacturing compared to metal. A PEEK Gear offers the potential of up to 20 grams per application.

PEEK remains well placed for both internal combustion engines, hybrids and electric vehicles (EVs). Electric vehicles offer further opportunities for our materials, with slot-liners and other applications. The long-term potential for up to 100g per EV application supports growth opportunities in this end market and our focus is on the next generation of higher voltage batteries.

Aerospace
Whilst Automotive has started to see some incremental improvement from trough levels, market indicators suggest Aerospace will see a slower recovery, although long term indicators remain strong. Airbus forecasts 39,000 new or replacement aircraft (commercial and freight) by 2038 and the requirement for composite materials which can process faster is unabated. We started to see headwinds from the Boeing 737 Max grounding during the first half although we note recent commentary suggesting a return to commercial flights in 2021. We acquired the remaining equity in TxV Aero Composites during the period, with our US manufacturing facility in Rhode Island now producing commercial parts, with capability to deliver approximately 150 tonnes of composite parts per year. These differentiated products were delivered to two major airlines during the year and on a long-term basis, these applications such as seat pans and interior structural components looks set to increase. Light-weighting and the ability to reduce manufacturing cycle time by up to 40% remains a key selling point for our PEEK and PAEK polymers.

Our development alliance with Airbus as part of their 'Clean Sky 2' programme will also offer opportunities in larger primary and secondary structures – now part of our Aerospace Structures mega-programme which has moved forward in our growth pipeline and which is already delivering prototype revenues. Whilst some of the near-term industry forecasts look more challenging in Aerospace, one area that offers opportunity, and which we continue to explore is in eVTOL (Electrical Vertical Take-off & Landing) platforms, particularly in the use of composites. Multiple development programmes with OEMs and Tier companies are in place here.

Electronics
Electronics volumes were down 6% at 454 tonnes (FY 2019: 481 tonnes), as the market saw a muted performance in Semiconductor and declines in Small Space Acoustics. With the COVID-19 impact in Asia being seen earlier than in Europe and the US, we note market indicators which show a return to operations

for many countries in the Asia region, which offer some support for this market in FY 2021. Small Space Acoustics, which sees our Aptiv^{TM} film used in smartphones, saw the launch of our new DBX film to support increasing requirements of our OEM customers.

Regional trends
Geographically, Europe was down 5%, with 1,876 tonnes (FY 2019: 1,974 tonnes), reflecting Automotive, Aerospace and Value Added Resellers declines. Asia-Pacific was down 1% at 953 tonnes (FY 2019: 961 tonnes) principally from Electronics, whilst US volumes were down 19% at 663 tonnes (FY 2019: 816 tonnes) principally reflecting the weaker performance in Energy.

Medical

	12 months ended 30 Sep 2020 £m	12 months Ended 30 Sep 2019 £m	% Change (reported)	% Change (constant currency)
Revenue	49.7	57.7	-14%	-14%
Gross profit	43.1	48.1	-10%	-15%

Revenue in Medical was down 14% at £49.7m as COVID impacted elective procedures during the second half year (FY 2019: £57.7m). In constant currency, Medical revenue was 14% down. Gross profit was £43.1m (FY 2019: £48.1m) and gross margin was slightly ahead at 86.7% (FY 2019: 83.4%) which largely reflected the impact of currency gains.

Whilst all geographies were impacted by the slowdown in procedures from COVID, Asia-Pacific has started to see gradual improvement from over 70% of procedures being deferred during our third quarter. Asia-Pacific procedures – including China – started to see some limited incremental improvement from trough levels in our final quarter, with surgeries nearing pre-COVID levels, although US procedures remain well below pre-COVID levels. On a mid-term view, we continue to see Asia-Pacific opportunities as significant, reflecting both Spine, as new approvals are secured, and some non-Spine areas such as Cranio Maxillo-Facial (CMF), Arthroscopy & Sports Medicine, and some emerging or incremental opportunities in heart components. We are also seeing some incremental revenues from drug delivery systems and related applications.

Medical market overview

Spine is our historic market and we continue to diversify through emerging geographies, and new innovative products. Our premium and differentiated PEEK-OPTIMA™ HA Enhanced product – to drive next generation Spine procedures – is one part of our strategy to grow our Medical business. Following strong growth during FY 2019, we saw continued growth during the first half, prior to the impact of COVID, with full year revenues reaching £2 million.

Our Porous PEEK opportunity, where the benefit of bone-in growth is added to bone-on growth, is moving forward on plan thanks to our Bond 3D investment, where our ability to 3D print spinal cages will be invaluable. Mechanical testing of porous spinal cages is currently ongoing and we anticipate moving towards regulatory submission stage within the next 1-2 years.

Whilst the impact from COVID-19 on the Group became material in the second half year, the growth in our non-Spine business continues to offer some support. CMF (revenues up 12%) and drug delivery applications also saw good growth during the year.

We also benefited from several COVID-related applications during the year, including materials for ventilators and related equipment.

Mega-programmes

With our Invibio Dental (Juvora™) branded products being slower than anticipated to see market adoption, following our distribution agreement with Straumann in 2018, internal resources for this programme have been reduced, with adoption now relying more on supply chain and industry partners. Nevertheless, the clinical proposition – with lower peri-implantitis rates in PEEK solutions after five years compared to Titanium – remains strong. With five years of data available via the Malo Clinic, our focus will be on gaining further clinical validation.

Our emphasis is on the prosthetic dental market, with the Invibio Dental offering focused on improving quality of life and clinical outcomes for patients, whilst offering manufacturing efficiency benefits. One part of our work in Dental is to consider partnerships or other options in relation to the platform we have, recognising that progress remains disappointing.

In Trauma, following a collaboration agreement signed with a top 5 Trauma player last year, we continue to work on geographic expansion, particularly in Asia. We are also continuing to work with smaller innovative players through development agreements. In the US we expect to see several plate launches in FY 2021. Trauma overall saw double-digit growth in FY 2020.

Our PEEK composite Trauma plates offer the potential for 50 times better fatigue resistance compared to a metal plate. The awareness of composites as a viable metal alternative is growing and we have the manufacturing capability to meet initial demand.

In Knee, the impact of COVID-19 in Italy meant we saw a pause in the first implant of a PEEK Knee, following the clinical trial commencing. Restart during the fourth quarter took place and we expect the trial to run for a further 18 months to two years. Whilst our existing partnership with Maxx Orthopedics is working well and we have also had some engagement from leading Knee OEMs, further trial sites have been added in India, with other trial sites in Europe being explored as we continue to seek additional partners to help drive awareness and support the value proposition prior to commercialisation and market penetration.

Alternative performance measures (APMs):

We use alternative performance measures to assist in presenting information in an easily comparable, analysable and comprehensible form. The measures presented in this report are used by the Board in evaluating performance. However, this additional information presented is not required by IFRS or uniformly defined by all companies. Certain measures are derived from amounts calculated in accordance with IFRS but are not in isolation an expressly permitted GAAP measure. The measures are as follows:

- Operating profit before exceptional items (referred to as underlying operating profit) is based on operating before the impact of exceptional items. This metric is used by the Board to assess the underlying performance of the business excluding items that are, in aggregate, material in size and / or unusual or infrequent in nature. Exceptional items for FY 2020 are £12.0m relating to restructuring and acquisition related costs. Further details are disclosed in note 5;
- Profit before tax and exceptional items (referred to as underlying profit before tax) is based on Profit before tax before the impact of exceptional items. This metric is used by the Board to assess the underlying performance of the business excluding items that are, in aggregate, material in size and / or unusual or infrequent in nature.
- Constant currency metrics are used by the Board to assess the year on year underlying performance of the business excluding the impact of foreign currency rates, which can by nature be volatile. Constant currency metrics are reached by applying current year (FY 2020) weighted average spot rates to prior year (FY 2019) transactions;
- 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. This metric, which is new for FY 2020, is used by the Board to assess the underlying performance of the business excluding items that are, in aggregate, material in size and/or unusual or infrequent in nature;
- Operating cash conversion is used by the Board to assess the business's ability to convert operating profit to cash effectively, excluding the impact of investing and financing activities. Operating cash conversion is operating profit before exceptional items adjusted for depreciation and amortisation, working capital movements and capital expenditure / operating profit before exceptional items. This APM has changed since FY 2019 to include capital expenditure because this measure better represents the Group's ability to generate cash;
- Available cash is used to enable the Board to understand the true cash position of the business when determining the use of cash under the capital allocation policy. Available cash is cash and cash equivalents plus other financial assets (cash invested in term deposits greater than three months in duration) less cash ring-fenced in the Group's PVYX subsidiary. This APM has changed since FY 2019 because of the change in circumstances where cash now held by PVYX, which was incorporated during FY 2020, is treated as not being available to the wider Group;
- Underlying dividend cover is used by the Board to measure the affordability and sustainability of the regular dividend. Dividend cover is underlying earnings per share/total dividend per share. This excludes the special dividend; this APM has changed since FY 2019 and is now based on underlying EPS in order to reflect the underlying performance of the Group.
- Research and development expenditure as a % of Group sales is used by the Board because R&D spend is considered to be a leading indicator of the Group's ability to innovate into new applications, supporting future growth. The Group targets spend at c5%–6% of Group revenues;
- Sales from New Products as a percentage of Group sales is used by the Board to measure the success of driving adoption of the new product pipeline. It measures Group sales generated from mega-programmes, new differentiated polymers and other pipeline products that were not sold before FY 2014 as a percentage of total Group sales; and
- Return on Capital Employed (ROCE) is used by the Board to assess the return on investment at a Group level. ROCE is profit after tax / total equity attributable to shareholders at the year end;
- Operating overheads is made up of sales, marketing and administrative expenses before exceptional items.; this metric, which is new in FY 2020, is used by the Board to assess the underlying performance of the business excluding items that are, in aggregate, material in size and/or unusual or infrequent in nature.

Consolidated Income Statement

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Revenue	4	**266.0**	294.0
Losses on foreign currency net hedging		**(1.5)**	(5.9)
Cost of sales		**(122.1)**	(111.8)
Gross profit	4	**142.4**	176.3
Sales, marketing and administrative expenses	-	**(78.4)**	(72.2)
Operating profit before exceptional items		**76.0**	105.6
Exceptional items	5	**(12.0)**	(1.5)
Operating profit	4	**64.0**	104.1
Financial income		**0.3**	0.7
Finance costs		**(0.3)**	-
Share of loss of associate		**(0.5)**	(0.1)
Profit before tax and exceptional items		**75.5**	106.2
Exceptional items	5	**(12.0)**	(1.5)
Profit before tax		**63.5**	104.7
Income tax expense	6	**(9.3)**	(12.3)
Profit for the period		**54.2**	92.4
Attributable to:			
Owners of the Company		**54.2**	92.4
Non-controlling interests		**-**	-
Earnings per share			
Basic	7	**62.6p**	107.2p
Diluted	7	**62.5p**	106.9p

Dividends		
Year ended 30 September 2018:		
Final dividend paid February 2019 at 46.14p per share	**-**	39.7
Special dividend paid February 2019 at 82.68p per share	**-**	71.1
Interim dividend paid July 2019 at 13.42p per ordinary share	**-**	11.6
Year ended 30 September 2019:		
Final dividend paid February 2020 at 46.14p per share	**39.9**	-
	39.9	122.4

Consolidated Statement of Comprehensive Income

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Profit for the period	**54.2**	92.4
Items that will not be reclassified to profit or loss		
Defined benefit pension schemes' actuarial losses	**(3.0)**	(5.9)
Income tax on items that will not be reclassified to profit or loss	**0.6**	1.0
	(2.4)	(4.9)
Items that may be subsequently reclassified to profit or loss		
Currency translation differences for foreign operations	**(2.8)**	2.7
Effective portion of changes in fair value of cash flow hedges	**3.7**	(7.5)
Net change in fair value of cash flow hedges transferred to profit or loss	**1.5**	5.9
Income tax on items that may be reclassified to profit or loss	**(1.0)**	0.3
	1.4	1.4
Total other comprehensive expense for the period	**(1.0)**	(3.5)
Total comprehensive income for the period	**53.2**	88.9
Total comprehensive income for the period attributable to:		
Owners of the Company	**53.2**	88.9
Non-controlling interests	**-**	-

Consolidated Balance Sheet

	Note	30 September 2020 £m	30 September 2019 £m
Assets			
Non-current assets			
Property, plant and equipment		**273.7**	260.8
Intangible assets		**26.4**	27.4
Investment in associated undertakings	8	**12.3**	8.2
Financial assets held at fair value through profit and loss	9	**8.0**	8.0
Deferred tax assets		**10.7**	10.5
Retirement benefit asset		**7.5**	9.1
		338.6	324.0
Current assets			
Inventories		**98.5**	92.2
Current income tax assets		**4.3**	0.7
Trade and other receivables		**32.1**	45.0
Derivative financial instruments	10	**2.9**	1.5
Other financial assets		**-**	0.3
Cash and cash equivalents		**73.1**	72.5
		210.9	212.2
Total assets		**549.5**	536.2
Liabilities			
Non-current liabilities			
Deferred tax liabilities		**(24.9)**	(21.6)
Long term lease liabilities		**(5.6)**	-
		(30.5)	(21.6)
Current liabilities			
Derivative financial instruments	10	**(3.3)**	(12.6)
Current income tax liabilities		**(2.7)**	(10.3)
Trade and other payables		**(30.5)**	(30.1)
Current lease liabilities		**(1.5)**	-
		(38.0)	(53.0)
Total liabilities		**(68.5)**	(74.6)
Net assets		**481.0**	461.6
Equity			
Share capital		**0.9**	0.9
Share premium		**55.0**	52.3
Translation reserve		**3.7**	6.5
Hedging reserve		**(0.5)**	(4.7)
Retained earnings		**419.0**	406.6
Equity attributable to owners of the Company		**478.1**	461.6
Non Controlling Interest	11	**2.9**	-
Total equity		**481.0**	461.6

Consolidated Cash Flow Statement

	Note	**Year ended 30 September 2020 £m**	Year ended 30 September 2019 £m
Cash flows from operating activities			
Cash generated from operations	13	**86.6**	90.3
Interest received		**0.3**	0.7
Interest paid		**(0.3)**	-
Tax paid		**(17.2)**	(10.9)
Net cash flow generated from operating activities		**69.4**	80.1
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		**(24.9)**	(22.7)
Decrease in other financial assets		**0.3**	72.9
Investment in subsidiary		**(3.2)**	-
Cash consideration of acquisitions of associated undertakings and unquoted investments		**(4.6)**	(11.8)
Cash received from non-controlling interest		**2.9**	-
Net cash flow (used in)/generated from investing activities		**(29.5)**	38.4
Cash flows from financing activities			
Proceeds from issue of ordinary shares exercised under option		**2.7**	4.3
Repayment of lease liabilities		**(1.5)**	-
Dividends paid		**(39.9)**	(122.4)
Net cash flow used in financing activities		**(38.7)**	(118.1)
Net increase in cash and cash equivalents		**1.2**	0.4
Effect of exchange rate fluctuations on cash held		**(0.6)**	0.9
Cash and cash equivalents at beginning of period		**72.5**	71.2
Cash and cash equivalents at end of period		**73.1**	72.5

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Translation reserve	Hedging reserve	Retained earnings	Total attributable to owners of parent	Non-controlling interest	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Equity at 1 October 2018	**0.9**	**48.0**	**3.8**	**(3.4)**	**440.6**	**489.9**	**-**	**489.9**
Total comprehensive income for the period								
Profit for the period	-	-	-	-	92.4	92.4	-	92.4
Other comprehensive income/(expense)								
Currency translation differences for foreign operations	-	-	2.7	-	-	2.7	-	2.7
Effective portion of changes in fair value of cash flow hedges	-	-	-	(7.5)	-	(7.5)	-	(7.5)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	5.9	-	5.9	-	5.9
Defined benefit pension schemes' actuarial losses	-	-	-	-	(5.9)	(5.9)	-	(5.9)
Tax on other comprehensive (expense)/income	-	-	-	0.3	1.0	1.3	-	1.3
Total other comprehensive income/(expense) for the period	-	-	2.7	(1.3)	(4.9)	(3.5)	-	(3.5)
Total comprehensive income/(expense) for the period	-	-	2.7	(1.3)	87.5	88.9	-	88.9
Contributions by and distributions to owners of the Company								
Share options exercised	-	4.3	-	-	-	4.3	-	4.3
Equity-settled share-based payment transactions	-	-	-	-	2.1	2.1	-	2.1
Tax on share-based payment transactions	-	-	-	-	(1.2)	(1.2)	-	(1.2)
Dividends to shareholders	-	-	-	-	(122.4)	(122.4)	-	(122.4)
Equity at 30 September 2019	**0.9**	**52.3**	**6.5**	**(4.7)**	**406.6**	**461.6**	**-**	**461.6**

	Share capital	Share premium	Translation reserve	Hedging reserve	Retained earnings	Total attributable to owners of parent	Non-controlling interest	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Equity at 1 October 2019	**0.9**	**52.3**	**6.5**	**(4.7)**	**406.6**	**461.6**	**-**	**461.6**
Total comprehensive income for the period								
Profit for the period attributable to the parent	-	-	-	-	**54.2**	**54.2**	-	**54.2**
Other comprehensive (expense)/income								
Currency translation differences for foreign operations	-	-	**(2.8)**	-	-	**(2.8)**	-	**(2.8)**
Effective portion of changes in fair value of cash flow hedges	-	-	-	**3.7**	-	**3.7**	-	**3.7**
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	**1.5**	-	**1.5**	-	**1.5**
Defined benefit pension schemes' actuarial gains	-	-	-	-	**(3.0)**	**(3.0)**	-	**(3.0)**
Tax on other comprehensive (expense)/income	-	-	-	**(1.0)**	**0.6**	**(0.4)**	-	**(0.4)**
Total other comprehensive (expense)/income for the period	-	-	**(2.8)**	**4.2**	**(2.4)**	**(1.0)**	-	**(1.0)**
Total comprehensive (expense)/income for the period	-	-	**(2.8)**	**4.2**	**51.8**	**53.2**	-	**53.2**
Contributions by and distributions to owners of the Company								
Adjustment arising from inception of non-controlling interest	-	-	-	-	-	-	**2.9**	**2.9**
Share options exercised	-	**2.7**	-	-	-	**2.7**	-	**2.7**
Equity-settled share-based payment transactions	-	-	-	-	**0.5**	**0.5**	-	**0.5**
Dividends to shareholders	-	-	-	-	**(39.9)**	**(39.9)**	-	**(39.9)**
Equity at 30 September 2020	**0.9**	**55.0**	**3.7**	**(0.5)**	**419.0**	**478.1**	**2.9**	**481.0**

Notes to the Financial Report

1. Reporting entity

Victrex plc (the ‘Company’) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is Victrex Technology Centre, Hillhouse International, Thornton Cleveleys, Lancashire FY5 4QD, United Kingdom.
The consolidated financial statements of the Company for the year ended 30 September 2020 comprise the Company and its subsidiaries (together referred to as the ‘Group’).
The Company is listed on the London Stock Exchange.
The consolidated financial statements were approved for issue by the Board of Directors on 9 December 2020.

2. Basis of preparation

Both the consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (‘endorsed IFRS’) as well as IFRS Interpretations Committee (IFRS IC) interpretations, and with the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost basis except for derivative financial instruments, defined benefit pension scheme assets and investments which are measured at their fair value. This preliminary announcement has been prepared on the basis of accounting policies set out in the financial statements, as outlined above. This preliminary announcement does not constitute the Company’s statutory accounts within the meaning of Section 435 of the Companies Act 2006.

The Group’s business activities, together with factors likely to affect its future development, performance and position, are set out in the Annual Report. In addition, note 15 in the Financial Statements on financial risk management details the Group’s exposure to a variety of financial risks, including currency and credit risk.

Statutory accounts for the year ended 30 September 2020 and 30 September 2019 have been reported on by the auditors who issued an unqualified opinion in respect of both years and the auditors’ reports for FY 2020 and FY 2019. Statutory accounts for the year ended 30 September 2019 have been filed with the Registrar of Companies. The statutory accounts for the year ended 30 September 2020, will be delivered to the Registrar of Companies within the Companies House accounts filing guidance.

Going Concern

The Directors have performed a robust going concern assessment including a detailed review of the business’s 24 month rolling forecast and consideration of the principal risks faced by the Group and the company, as detailed in the Annual Report. This assessment has paid particular attention to the impact of the current economic situation, caused by the COVID-19 pandemic, on the aforementioned forecasts.

The Group’s approach to managing the consequences of COVID-19 are detailed in the Annual Report with the specific impact of COVID-19 on the company’s going concern assessment detailed below.

The company maintains a strong balance sheet, with cash resources at 30 September 2020 of £73.1m, of which £5.6m is held in the Group’s subsidiary in China for the sole purpose of funding the construction of our new PEEK production facility. Of the remaining £67.5m, three quarters is held in the UK where the company incurs the majority of its expenditure. All funds are held either in instant access or short-term deposit accounts with less than 35 days notice. The Group has no debt and has unutilised banking facilities of £40m through to October 2024, of which £20m is committed and immediately available and £20m is available subject to lender approval.

COVID-19 had a material impact on second half performance with sales volumes down 19% on the same period in 2019 and 25% down on the first half, revenue was down 23% and 24% respectively. The timing and severity of the impact was felt differently across our markets and geographies with further detail provided in the financial review. Quarter 4 of our financial year was the weakest with revenue in July the low point of the year. Whilst too early to call this as a low point, revenues in August, September and October have all improved on the preceding month but remain well below historical levels. The assessment of going concern included conducting scenario analysis which focused on two key questions; when will a sustained recovery start and have we seen the low point of the demand cycle. The sensitivities applied considered a number of external data sources, triangulating customer conversations, trends in market and country indices as well forward looking industry forecasts for each of the company’s key markets. For example, forecast aircraft build rates from the two major manufacturers for Aerospace and analysing IHS data for the Automotive market through previous downturns, current trends and latest 2020 and 2021 forecasts. This information is fed into the company’s Integrated Business Planning (“IBP”) process, which continues meeting at a higher frequency to review the short term order book, current levels of supply and regional inventory levels along with forecasts which have now been extended for the next 24 months.

All the company’s manufacturing assets were operational throughout the first COVID-19 wave, with revised procedures put in place to ensure social distancing was maintained along with proactive measures to protect employees such as offering the facility to conduct temperature checks each day before starting work. These measures remain in place today. The inventory holding policy of approximately three months, with the majority of finished product held outside of the UK, is a cornerstone of the Brexit contingency planning but has the added benefit of mitigating against COVID-19 impacting on manufacturing in the UK, should UK infection rates increase again.

Using the IBP data and the two key questions noted above, management has created two scenarios to model the effect of reductions to revenue at regional/market level and aggregated levels on the company's profits and cash generation through to January 2022.

Scenario 1 – the level of sales seen in quarter 4 of financial year 2020, at c.230 tonnes per month, continues throughout calendar year 2021 with the anticipated recovery delayed until 2022.

Scenario 2 – in line with scenario 1, c.230 tonnes per month, until February 2021, after which volumes drop by 25% for the remainder of the going concern period. The reduced volume equates to annualised sales of c.2,000 tonnes, approximately half the pre COVID-19 level of sales. The timing of the additional drop in sales is targeted after the payment of the final dividend for financial year 2020 which represents the low point of cash in our annual cycle. The Group considers this Scenario 2 to be a severe but plausible scenario. Before any mitigating actions the sensitised cash flows show the company has significantly reduced cash headroom, particularly in the second half of 2021, although the committed facility is only required in scenario 2. However, the company has a number of mitigating actions which are readily available in order to generate significant headroom. These include:

- Use of committed facility - £20m could be drawn at short notice. Conversations with our banking partner indicating that the £20m accordion could also be readily accessed. The covenants of the facility have been successfully tested under each of the scenarios;
- Deferral of capital expenditure – the base case for financial year 2021 includes c.£50m of capital expenditure, this could be reduced significantly by limiting expenditure to essential projects, deferring all other projects into 2022, with the exception of the investment in China capacity which will continue as planned;
- Reduction in discretionary overheads - costs would be limited to prioritise and support customer related activity; and
- Deferral/cancellation of dividends – the dividends payable in February and June 2021 could be deferred or cancelled. The company's intention is to continue payment of dividends where cash reserves facilitate but it remains a key lever in downside scenario mitigation.

As a result of this detailed assessment and with reference to the company's strong balance sheet, existing committed facilities and the cash preserving levers at the company's disposal, but also acknowledging the inherent economic uncertainty with the COVID-19 pandemic still having a significant impact on global economies, the Board has concluded that the company has sufficient liquidity to meet its obligations when they fall due for a period of at least 12 months after date of this report. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

On publishing the Company financial statements here together with the consolidated financial statements, the Company is taking advantage of section 408 of the Companies Act 2006 not to present its individual income statement and related notes that form part of the approved financial statements.

Unless a change has been required by adoption of new standards, the accounting policies set out in these notes have been applied consistently to all periods presented in these consolidated financial statements.

3. Significant accounting policies

The accounting policies applied by the Group in these financial statements are the same as those applied in the Group's published consolidated financial statements for the year ended 30 September 2019 except for the application of relevant new standards. With the exception of IFRS 16 (as described below) none of the new standards have had a material impact on the Group's consolidated result or financial position.

IFRS 16 – Leases
This standard was effective for accounting periods beginning on or after 1 January 2019 and was adopted by the Group on 1 October 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. The main changes arising on the adoption of IFRS 16 will be an increase in interest-bearing borrowings and non-current assets due to obligations to make future payments under leases that are currently classified as operating leases being recognised in the Statement of financial position, along with the related 'right of use' ('ROU') asset.

There is a reduction in expenditure in operating expenses (within cost of sales and sales, marketing and administrative costs) and an increase in depreciation and finance expenses as operating lease costs are replaced with depreciation and lease interest expense. The Group has opted to use the practical expedients in respect of leases of less than twelve months duration and low-value assets and excluded them from the scope of IFRS 16. Rental payments associated with these leases will continue to be recognised in the income statement on a straight line basis over the life of the lease.

The adoption of IFRS 16 required the Group to make several judgements, estimates and assumptions, which include:

1) The approach to be adopted on transition – the Group has used the modified retrospective transition method. Lease liabilities were determined based on the appropriate incremental borrowing rates and rates of exchange at the date of transition, being 1 October 2019. ROU asset values were measured based on the respective lease liabilities;

2) Incremental borrowing rate – the rates used on transition are the Group's incremental borrowing rates which have been calculated based on the underlying lease terms and types of asset. The risk-free rate component has been based on LIBOR rates available in the same currency and over the same lease term. This incremental borrowing rate used is in the range 0.65% to 3.95%, with a weighted average of 2.44%; and

3) Estimated lease term – the term of each lease will be based on the original lease term unless management is reasonably certain that it will exercise options to extend the lease or exercise termination options.

4. Segment reporting

The Group's business is strategically organised as two business units: Industrial, which focuses on our Energy & Other Industrial, Value Added Reseller, Automotive, Aerospace and Electronics markets; and Medical, which focuses on providing specialist solutions for medical device manufacturers.

	Year ended 30 September 2020			Year ended 30 September 2019		
	Industrial	**Medical**	**Group**	Industrial	Medical	Group
	£m	**£m**	**£m**	£m	£m	£m
Segment revenue	**221.1**	**49.7**	**270.8**	238.5	57.7	296.2
Internal revenue	**(4.8)**	**-**	**(4.8)**	(2.2)	-	(2.2)
Revenue from external sales	**216.3**	**49.7**	**266.0**	236.3	57.7	294.0
Segment gross profit	**99.3**	**43.1**	**142.4**	128.2	48.1	176.3
Sales, marketing and administrative expenses			**(78.4)**			(72.2)
Operating profit before exceptional items			**76.0**			105.6
Exceptional items			**(12.0)**			(1.5)
Operating profit			**64.0**			104.1
Net financing income			**-**			0.7
Share of loss of associate			**(0.5)**			(0.1)
Profit before tax and exceptional items			**75.5**			106.2
Exceptional items			**(12.0)**			(1.5)
Profit before tax			**63.5**			104.7
Income tax expense			**(9.3)**			(12.3)
Profit for the period attributable to						
Owners of the Company			**54.2**			92.4
Non-controlling interest			**-**			-

5. Exceptional items

Items that are, in aggregate, material in size and / or unusual or infrequent in nature, are included within operating profit and disclosed separately as exceptional items in the Consolidated Income Statement.

The separate reporting of exceptional items, which are presented as exceptional within the relevant category in the Consolidated Income Statement, helps provide an indication of the underlying performance of the Group.

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Included within sales, marketing and administrative expenses		
Restructuring costs	**9.8**	-
Acquisition related costs	**2.2**	1.5
Exceptional items before tax	**12.0**	1.5
Tax on exceptional items	**(1.1)**	(0.1)
Exceptional items	**10.9**	1.4

In relation to restructuring costs, during the second half of the financial year, the Group reviewed cost actions and efficiencies required to support profitability in a lower production environment. As part of this programme, the Group commenced consultation prior to the year end which has reduced the Group's employee base by up to 100 roles, primarily through voluntary severance.

Acquisition related costs comprise legal and other non-recurring costs the Group has incurred directly in the course of acquisition and investment activity (see note 11). These costs are largely non-deductible expenses for tax purposes.

The cash outflow in the year associated with exceptional items was £9.3m with the remaining £2.7m expected to be paid in H1 FY 2021.

6. Income tax expense

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
UK corporation tax	**7.7**	14.7
Overseas tax	**1.0**	1.5
Deferred tax	**2.8**	(3.9)
Tax adjustments relating to prior years	**(2.2)**	-
Total tax expense in income statement	**9.3**	12.3
Effective tax rate	**14.6%**	11.7%

In the Spring Budget 2020, the government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As a consequence, deferred tax assets/liabilities have been remeasured at the rate they are now expected to reverse. For UK assets/liabilities this is 19% (30 September 2019: 17%), being the UK tax rate effective from 1 April 2020. This has increased the tax charge for the period by £2.3m. For overseas assets/ liabilities the corresponding overseas tax rate has been applied.

7. Earnings per share

		Year ended 30 September 2020	Year ended 30 September 2019
Earnings per share	– basic	**62.6p**	107.2p
	– diluted	**62.5p**	106.9p
Profit for the financial period (£m)		**54.2**	92.4
Weighted average number of shares used	– basic	**86,470,079**	86,140,877
	– diluted	**86,630,437**	86,418,120

8. Investments in associated undertakings

Bond 3D High Performance Technology BV

On 22 December 2018, the Group invested an initial €2.7m (£2.5m) via a convertible loan in Bond 3D High Performance Technology BV ('Bond'). Following successful completion of technical milestones, the Group made a further convertible loan of €1.2m (£1.0m) on 1 April 2019, and €5.5m (£4.8m) on 28 May 2019. Based on Technical Validation being achieved, these loans were converted into equity.

A further investment of €5.3m (£4.6m) was made on 2 January 2020, resulting in the Group's shareholding being 24.5% at 30 September 2020. As the Group is considered to have significant influence in Bond the investment continues to be accounted for as an associate, using the equity method.

Bond is a company incorporated in the Netherlands, developing unique, protectable 3D printing (additive manufacturing) processes which are capable of producing high strength parts from existing grades of PEEK and PAEK polymers. The investment offers the potential of utilising this technology to help accelerate the market adoption of 3D printed PEEK parts, with particular emphasis on the Medical market.

The Group's share of the loss of Bond in FY 2020 is £0.5m (FY 2019 £0.1m).

9. Financial assets held at fair value through profit and loss

Financial assets held at fair value through profit and loss relate to the investments in Surface Generation Limited (£3.5m) and Magma Global Limited (£4.5m). There were no movements in respect of these investments in the period to 30 September 2020.

10. Derivative financial instruments

The notional contract amount, carrying amount and fair value of the Group's forward exchange contracts are as follows:

	As at 30 September 2020		As at 30 September 2019	
	Notional contract amount	**Carrying amount and fair value**	Notional contract amount	Carrying amount and fair value
	£m	**£m**	£m	£m
Current assets	**82.3**	**2.9**	22.3	1.5
Current liabilities	**81.8**	**(3.3)**	165.7	(9.3)
	164.1	**(0.4)**	188.0	(7.8)

The fair values have been calculated by applying (where relevant), for equivalent maturity profiles, the rate at which forwar d currency contracts with the same principal amounts could be acquired on the balance sheet date. These are categorised as Level 2 within the fair value hierarchy under IFRS 7. Fair value losses on foreign currency contracts of £1.5m has been recognised in the period (FY2019 – losses of £5.9m). At the 30 September 2019 there were non-currency other derivative instruments of nil (30 September 2019 - £3.3m).

11. Non-controlling interest

On 13 January 2020 the Group established two new subsidiary companies, Victrex Hong Kong Limited and Panjin VYX High Performance Materials Co. Ltd ('PVYX').

Victrex Hong Kong Limited is a wholly owned subsidiary of Victrex Manufacturing Limited, and is set up as a limited liability company for the purpose of trading with customers in Hong Kong and acting as an intermediary holding company for most of the Group's investments in mainland China.

PVYX is a limited liability company set up for the purpose of the manufacture of PAEK polymer powder and granules. The Group holds a 75% equity interest with the remaining 25% held by Yingkou Xingfu Chemical Co. Ltd ('YX'). With 75% of the voting equity and the majority of appointments on the board the Group is considered to have contr ol of PVYX and therefore it is accounted for as a subsidiary. The income statement and balance sheet of PVYX are fully consolidated with the share owned by YX represented by a non-controlling interest.

The first tranche of investment of £8.6m in PVYX was made by the Group in March 2020. To 30 September 2020 the subsidiary incurred a loss of £107,000 in the year, of which £27,000 is attributable to the non-controlling interest.

12. Exchange rates

The most significant Sterling exchange rates used in the financial statements under the Group's accounting policies are:

	Year ended 30 September 2020		Year ended 30 September 2019	
	Average	**Closing**	Average	Closing
US Dollar	**1.27**	**1.30**	1.29	1.22
Euro	**1.13**	**1.10**	1.13	1.11

The average exchange rates in the above table are the weighted average spot rates applied to foreign currency transactions, excluding the impact of foreign currency contracts. Gains and losses on foreign currency contracts, where net hedging has been applied for cash flow hedges, are separately disclosed in the income statement.

13. Reconciliation of profit to cash generated from operations

	Audited Year ended 30 September 2020 £m	Audited Year ended 30 September 2019 £m
Profit after tax for the period	**54.2**	92.4
Income tax expense	**9.3**	12.3
Share of loss of associate	**0.5**	0.1
Net financing income	**-**	(0.7)
Operating profit	**64.0**	104.1
Adjustments for:		
Depreciation	**17.9**	15.1
Amortisation	**2.8**	2.3
Loss on disposal of property plant and equipment	**0.2**	0.1
Increase in inventories	**(7.5)**	(21.0)
Decrease/(increase) in trade and other receivables	**11.7**	(2.6)
Increase/(decrease) in trade and other payables	**0.6**	(9.3)
Equity-settled share-based payment transactions	**0.5**	2.1
(Gains)/losses on derivatives recognised in income statement that have not yet settled	**(2.2)**	1.0
Retirement benefit obligations charge less contributions	**(1.4)**	(1.5)
Cash generated from operations	**86.6**	90.3

14. Changes in accounting policy

As stated in note 3 above, the Group adopted IFRS 16 on 1 October 2019. The Group recognised the following assets and liabilities on adoption:

	30 September 2019 Reported £m	IFRS 16 £m	1 October 2019 Re-stated £m
Assets			
Non-current assets	**324.0**	**-**	**324.0**
Right of use assets	**-**	**8.5**	**8.5**
	324.0	**8.5**	**332.5**
Current assets	**212.2**	**-**	**212.2**
Total assets	**536.2**	**8.5**	**544.7**
Liabilities			
Non-current liabilities	**(21.6)**	**-**	**(21.6)**
Long-term lease liability	**-**	**(6.7)**	**(6.7)**
	(21.6)	**(6.7)**	**(28.3)**
Current liabilities	**(53.0)**	**-**	**(53.0)**
Lease liability	**-**	**(1.8)**	**(1.8)**
	(53.0)	**(1.8)**	**(54.8)**
Net assets	**461.6**	**-**	**461.6**

The recognition of the right of use asset at 1 October 2019, £8.5m, has reduced from that disclosed in the Interim Report at March 2020, £9.0m, following a reassessment of impact of rent reviews over the life of certain longer term property leases. There has been a corresponding reduction in the long term lease liability

The following table reconciles the amount disclosed as operating lease commitments at 30 September 2019 disclosed in the Grou p's 2019 consolidated financial statements to the amount recognised on the balance sheet in respect of lease liabilities on adoption of IFRS 16:

	£m
Operating lease commitment at 30 September 2019 as disclosed in the Group's consolidated financial statements	**9.0**
Discounted using the incremental borrowing rate at 1 October 2019	**8.2**
Adjustments relating to:	
Extensions of leases likely to be exercised	**0.2**
Contracts reassessed as meeting the lease definition	**0.1**
Lease liabilities recognised at 1 October 2019	**8.5**

14. Changes in accounting policy (continued)

At 30 September 2020, the Group leased a small number of assets, principally land and buildings:

Right of use assets	Land and buildings £m	Motor vehicles £m	Total £m
Balance at 1 October 2019	**8.0**	**0.5**	**8.5**
Additions	**-**	**0.1**	**0.1**
Depreciation charge for the period	**(1.4)**	**(0.3)**	**(1.7)**
Balance at 30 September 2020	**6.6**	**0.3**	**6.9**

Lease liabilities	Current £m	Non-current £m	Total £m
Balance at 1 October 2019	**1.8**	**6.7**	**8.5**
Additions	**0.1**	**-**	**0.1**
Payments in the period	**(0.6)**	**(1.1)**	**(1.7)**
Interest on lease liabilities	**0.2**	**-**	**0.2**
Balance at 30 September 2020	**1.5**	**5.6**	**7.1**

The maturity of these lease liabilities at 30 September 2020 was as follows:

	£m
Due within one year	**1.5**
Due between two and five years	**2.6**
Due after five years	**3.0**
Total	**7.1**

Forward-looking Statements

Sections of this Financial Report 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 Financial Report 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 press release shall be construed as a profit forecast.

Shareholder Information

Victrex's Annual Reports and Half-yearly Financial Reports are available on request from the Company's Registered Office or to download from our corporate website, www.victrexplc.com.

Financial calendar **(also available at www.victrexplc.com)**

Ex-dividend date	28 January 2021
Record date#	29 January 2021
Annual General Meeting	12 February 2021
Payment of final dividend	19 February 2021
Announcement of 2021 half–yearly results	May 2021
Payment of interim dividend	July 2021

The date by which shareholders must be recorded on the share register to receive the dividend

Victrex plc
Registered in England
Number 2793780

Registered Office:
Victrex Technology Centre
Hillhouse International
Thornton Cleveleys
Lancashire FY5 4QD
United Kingdom

Tel: +44 (0) 1253 897700
Fax: +44 (0) 1253 897701
Web: www.victrexplc.com