



AN **INNOVATIVE**
WORLD LEADER IN HIGH
PERFORMANCE POLYMER
SOLUTIONS

We bring **transformational & sustainable**
solutions which address world material
challenges every day

VICTREX PLC
US ROADSHOW
JUNE 2022

VICTREX TEAM



Jakob Sigurdsson
Chief Executive Officer



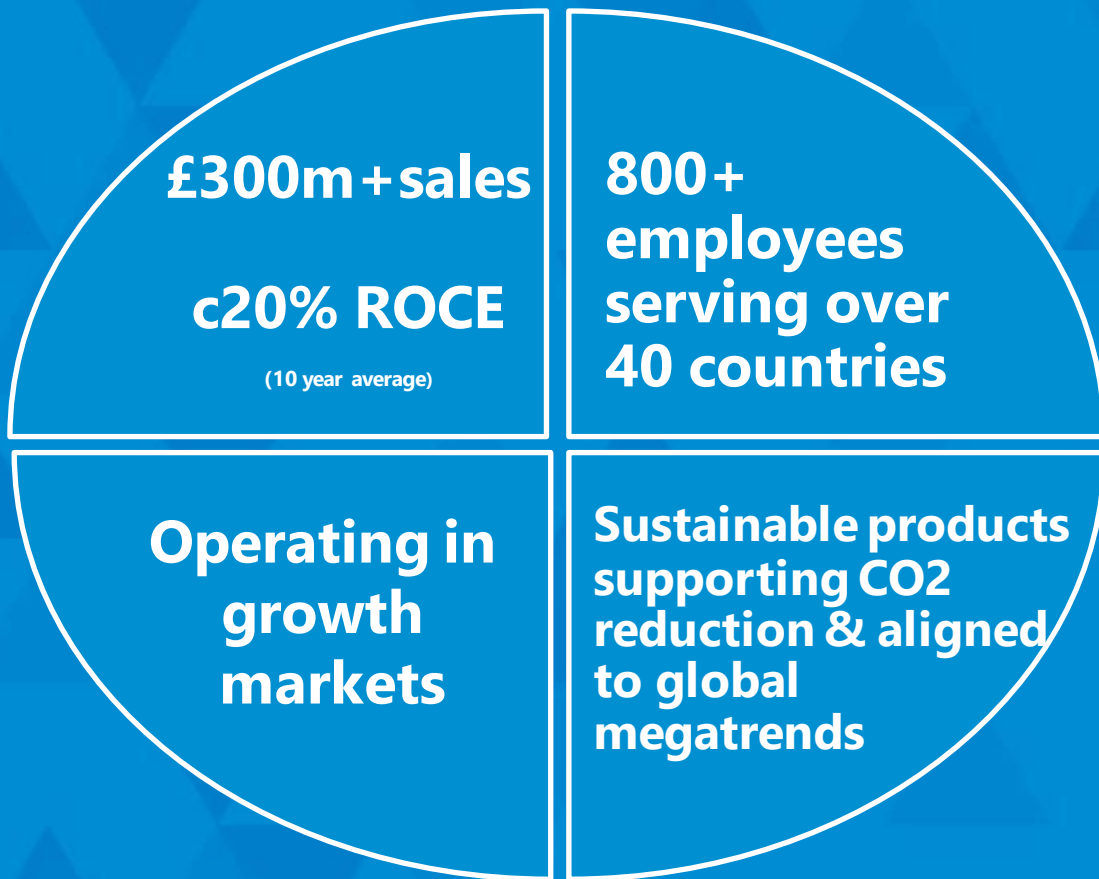
Andrew Hanson
Director of Investor Relations,
Corporate Communications &
ESG



OUR PURPOSE:

**We Bring Transformational & Sustainable Solutions
That Address World Material Challenges Every Day**





STRONG MEGATRENDS SUPPORT LONG-TERM GROWTH RUNWAY

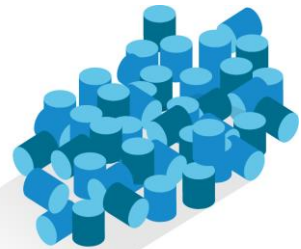
- ▲ #1 PEEK experts; proven record of creating markets
- ▲ Strong winds in core business & new applications
- ▲ Strong & innovative growth pipeline
- ▲ Highly cash generative & top-tier returns
- ▲ Strong ESG agenda; sustainable products bringing environmental & societal benefit

INVESTMENT CASE

STRATEGY:

POLYMER & PARTS

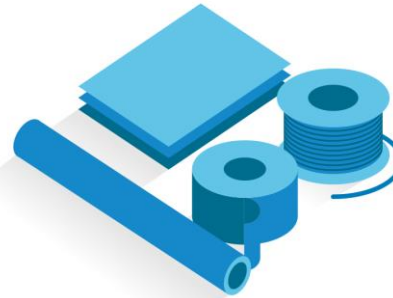
POLYMER



PEEK & PAEK
Polymers

VALUE CREATION

PRODUCT FORMS



Compounds

Pipe

UD Tape

APTIV Film

Coatings (E-mobility)

PARTS



Gears

Loaded Brackets

Magma M-Pipes

Trauma Plates

Dental Discs

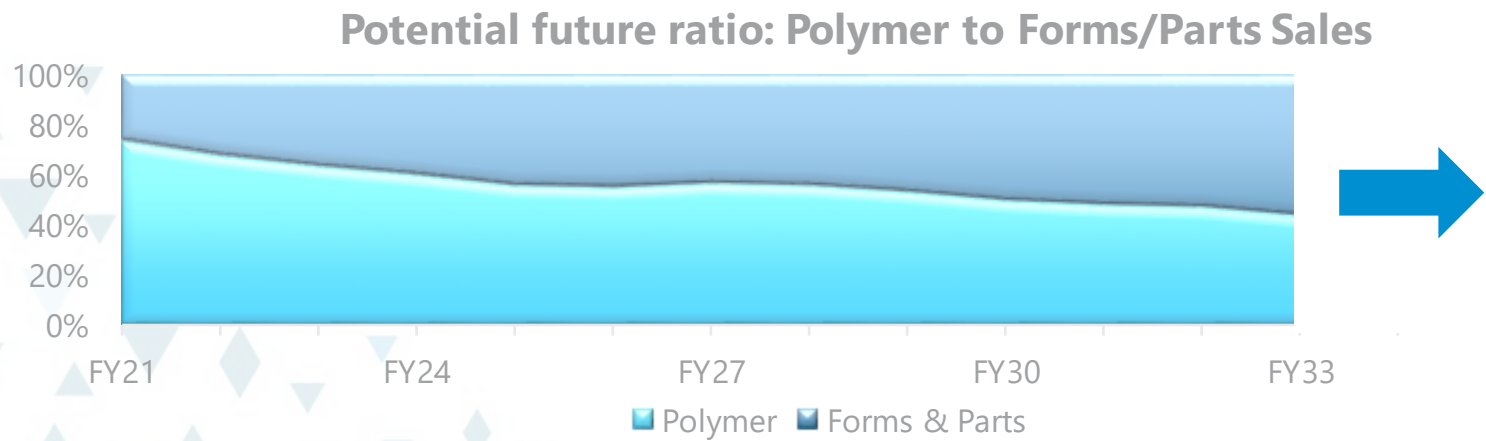
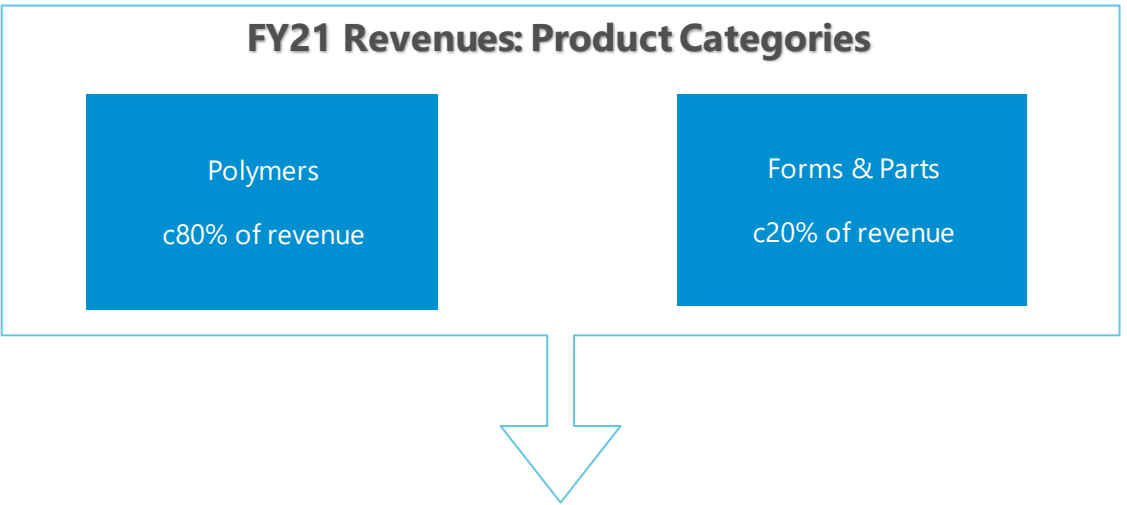
Knees

Composites

FURTHER DEVELOP THE MARKET FOR PEEK – GROW OUR PROPORTION OF SUSTAINABLE PRODUCTS...

A CHANGING BUSINESS MIX

*Potential future mix



- Strong winds in our core business
- Expected increase in Medical contribution
- Increase mega-programme revenues

OUR BUSINESS PROFILE IS CHANGING – FURTHER DIFFERENTIATING & GROWING OUR BUSINESS

OPPORTUNITY FOR GREATER MEDICAL CONTRIBUTION

Potential for long-term sales & margin mix improvement via delivery of key Medical programmes (eg Trauma, Knee)



CARDIO



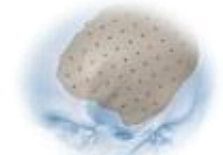
TRAUMA



KNEE

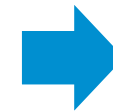
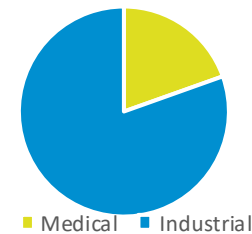


DRUG DELIVERY

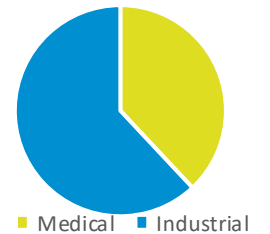


CMF (SKULL PLATES)

FY22E Revenue



FY32E Revenue



*based on potential Medical acceleration

SIGNIFICANT ADDRESSABLE MARKET OPPORTUNITY IN MEDICAL – ACROSS MULTIPLE SEGMENTS

UNDERPIN GROWTH IN CHINA

New PEEK facility



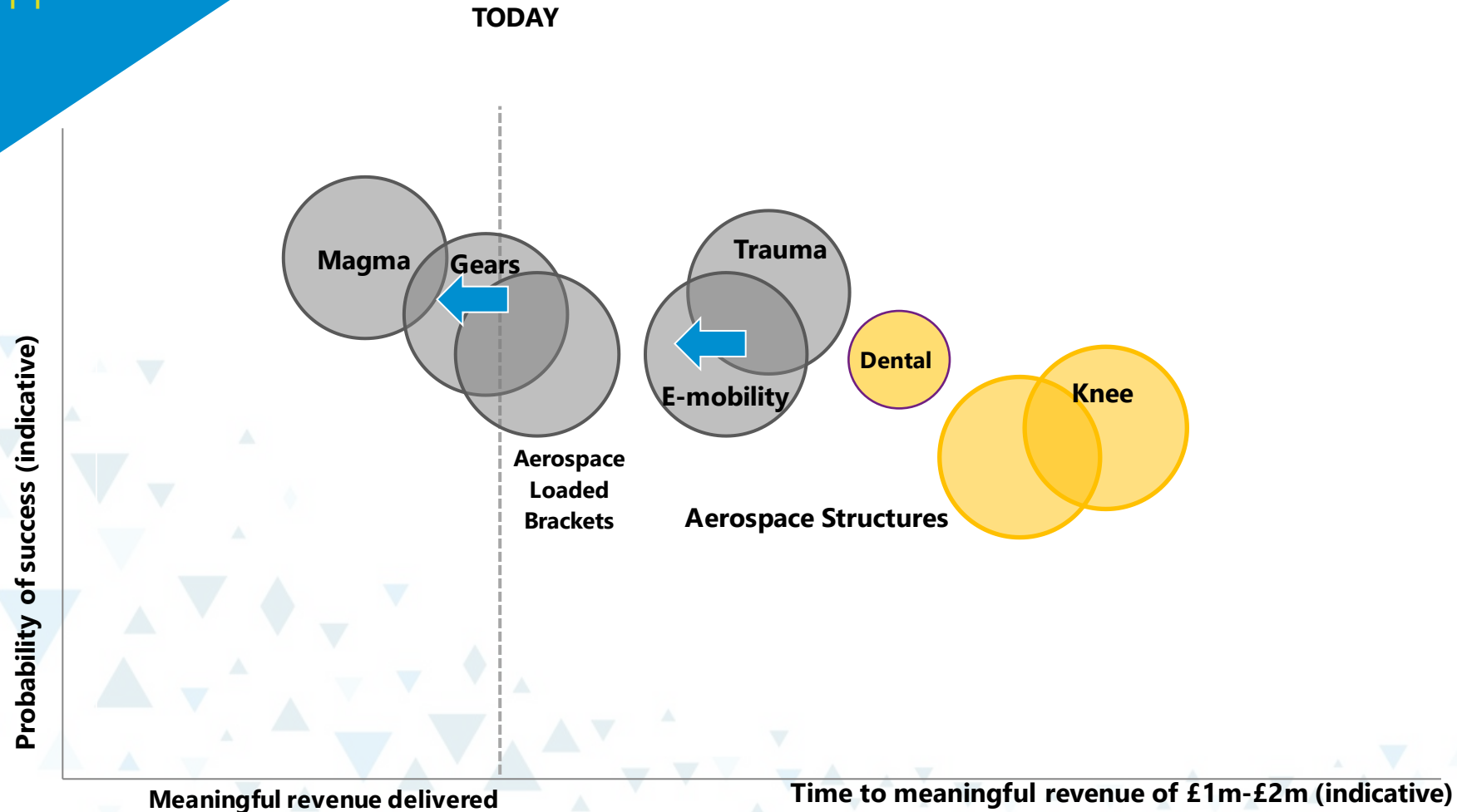
**1.4M PROJECT HOURS TO DATE
900,000 HOURS SINCE LAST SAFETY EVENT**



NEW PEEK FACILITY: COMMISSIONING H2 2022

MEGA-PROGRAMMES

Significant growth opportunities



Size of bubble
= potential annual revenue in peak year
(all bubbles are indicative only)



Position and colour of bubble
= time to meaningful revenue:

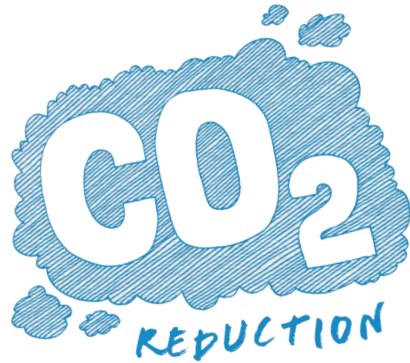


ENVIRONMENT

ACHIEVE NET ZERO CARBON EMISSIONS

Minimise use of resources (energy, waste, water) used in our own operations

2021: 28,454 tonnes
2030: Net Zero (Scope 1 & 2 emissions)



GOVERNANCE

ESG Centre of Excellence

- Increase disclosures and reporting
- Signed up to SBTi Targets
- New Board Corporate Responsibility Committee



ESG STRATEGY

SUSTAINABLE SOLUTIONS

BRING ENVIRONMENTAL & SOCIETAL BENEFITS



Develop and deliver sustainable polymer solutions that provide environmental and societal benefits evidenced by data

2021: 50% revenue
2030: 70% revenue

SOCIAL

HAVE A POSITIVE IMPACT ON THE COMMUNITIES WHERE WE WORK



STEM INSPIRATION

Science, Technology, Engineering & Maths

Inspire the next generation: increase annual contacts reached

2021: 1,600
Goal: 2,500



COMMUNITY ACTIVITY

Maintain strong community engagement (cumulative hours target)

2021: 3,500
2030: 10,000



FEMALES IN LEADERSHIP (top two grades)

Enhance inclusion & diversity

2021: 10%
2030: 40%

SAFETY, HEALTH & WELLBEING

Achieve a Zero accident & Zero incident culture

Recordable Frequency Injury Rate

Current: 0.7
Goal: Zero

SUSTAINABLE SOLUTIONS

Our products bring environmental & societal benefits



AEROSPACE

**Sales to Aerospace support
3x CO₂ saving
vs. Victrex scope 1 & 2 emissions***

20,000⁺ aircraft
Have Victrex solutions onboard

AUTOMOTIVE

**80,000 tonne annual CO₂
saving in Europe for
selected applications****

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



MEDICAL

**Improved patient outcomes
in Spine, Trauma Dental &
CMF applications*****

15⁺ million implanted devices
worldwide use Invibio PEEK-OPTIMA™ polymers



*Based on 10kg of PEEK replacement for metal, IATA carbon reduction & climate change 2018
** Based on European annual mileage for passenger cars using PEEK based vacuum pump and thrust washer applications vs metal

*** Victrex data on file. CMF, Craniomaxillofacial

VICTREX PATH TO NET ZERO BY 2030

Reducing climate impacts from our own operations

A Bold 2030 Vision

Our net zero goal by 2030 was set in 2020 and is significant and ambitious. It intentionally focuses and invests to help reduce our carbon footprint

- ✓ 100% Global renewable electricity by 2024
- ✓ Continuously improve emission & waste reductions
- ✓ Multi-fuel & green backed combustion processes
- ✓ Carbon abatement opportunities

Fulfilling our goals

Any minority, remaining balance will be from validated, ethical sources

- ✓ Ethical Carbon offsetting

TRAJECTORY OF
EMISSIONS
WITHOUT
INTERVENTION

✓ NET
ZERO

— Total emissions
..... Scope 1 emissions
- - - - - Scope 2 emissions

2015

2020

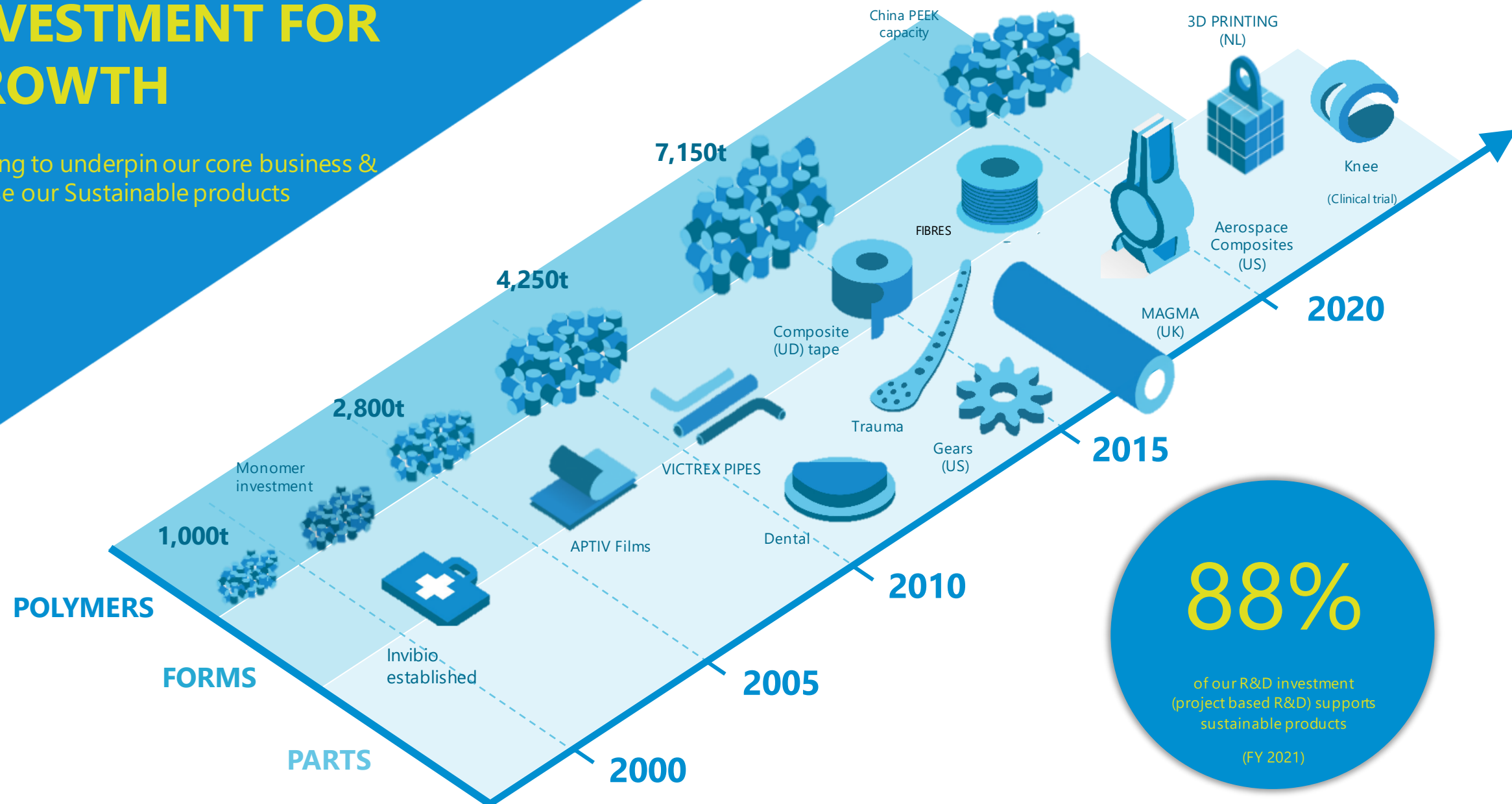
2023

2025

2030

A HISTORY OF INVESTMENT FOR GROWTH

Investing to underpin our core business & increase our Sustainable products



88%

of our R&D investment
(project based R&D) supports
sustainable products

(FY 2021)

CURRENT OUTLOOK

- **STRONG DEMAND & GOOD VOLUME GROWTH**
- **MITIGATION PLANS FOR INFLATION RECOVERY**
- **FOCUSED ON MARGIN & ROCE IMPROVEMENT**
- **LONG TERM OPPORTUNITIES REMAIN STRONG**
- **STRONG & GROWING ESG CREDENTIALS**





APPENDIX

END-MARKETS & APPLICATIONS

AEROSPACE

20,000+

aircraft have VICTREX
solutions on-board



AUTOMOTIVE

500 million

VICTREX™ PEEK based applications
on the road today

MEDICAL

Every 35 seconds a patient is treated using
Invibio PEEK OPTIMA™ solutions

15 million+
implanted devices



INDUSTRIAL AND MANUFACTURING & ENGINEERING

100+ million
machines using
Victrex solutions



ELECTRONICS

Over 4 billion
mobile devices use
APTIV™ Film technology



ENERGY

75+ million

VICTREX™ PEEK
seals in use today



VICTREX™ PEEK: A UNIQUE COMBINATION OF PROPERTIES



DIFFERENTIATION VS COMPETITORS

**POLYMER (VICTREX
TYPE 1 PEEK &
OTHER GRADES)**



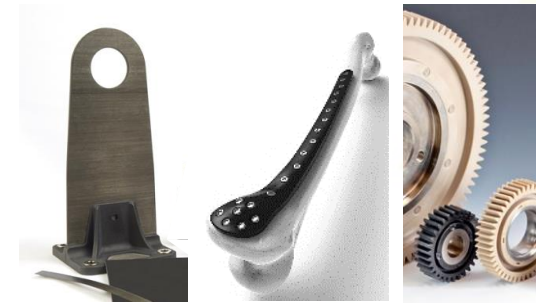
**NEW POLYMERS,
COMPOUNDS &
NEW GRADES**



PRODUCT FORMS



SELECTED PARTS



Make polymer
(PEEK differentiation)

Make markets

VICTREX



METAL REPLACEMENT: A SIGNIFICANT OPPORTUNITY

Ranked by Weight
(Lightest to Heaviest)

VICTREX® PEEK

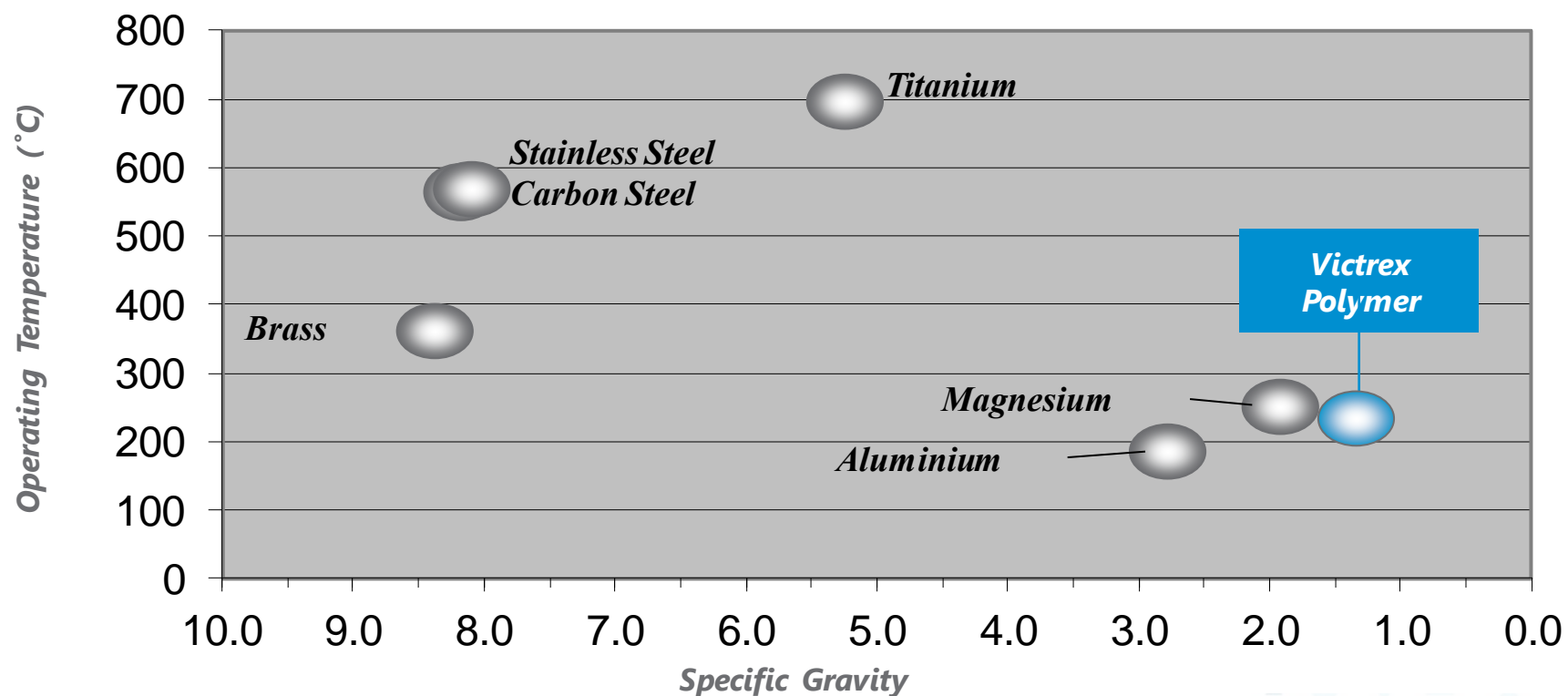
Magnesium

Aluminum

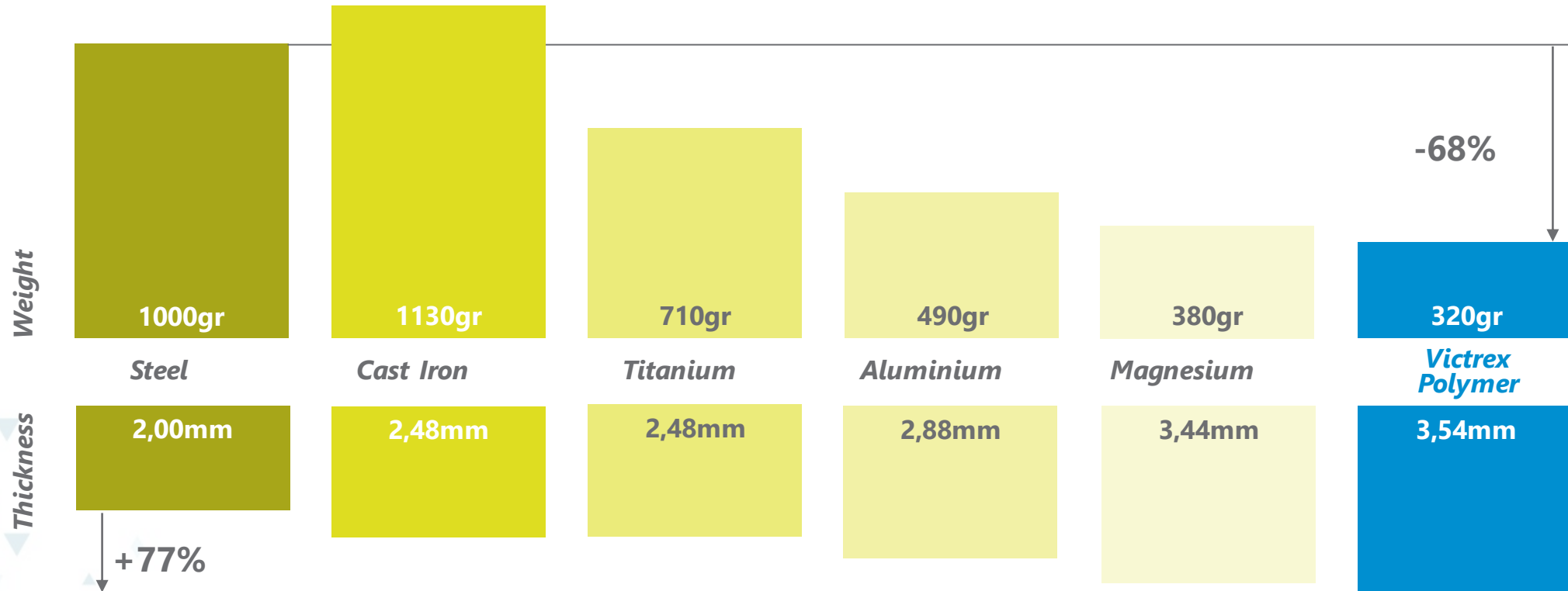
Titanium

Steel

Brass



WEIGHT REDUCTION: A SIGNIFICANT OPPORTUNITY



c70% lighter than traditional aerospace materials

\$M saving and improved fleet efficiency

P&L FY 2021

STRONG VOLUME, REVENUE & PBT GROWTH:

- FY 2021 volumes +25%, revenue +15%
- Stable gross margin at 54.0% (up 50bps)
- Lower under-absorption vs FY 2020 (£10m vs £13m)
- Total overheads excluding bonus down 2%
- Underlying PBT +21% at £91.7m
- Dividends at pre-COVID levels & 50p/share special dividend

Year ended 30 September

| | FY 2021 £m | FY 2020 £m | Change % | Change (constant currency) ¹ % |
|--|----------------|---------------|--------------|--|
| Revenue | 306.3 | 266.0 | 15% | 20% |
| Gains/(Losses) on foreign currency net hedging* | 4.9 | (1.5) | -427% | |
| Gross profit | 165.3 | 142.4 | 16% | 20% |
| <i>Gross margin %</i> | 54.0% | 53.5% | +50bps | |
| Overheads** | (72.7) | (66.4) | 9% | 9% |
| Exceptionals | 0.8 | (12.0) | -107% | -107% |
| Interest | 0.0 | 0.0 | | |
| Share of loss of associate | (0.9) | (0.5) | | |
| Underlying profit before tax¹ | 91.7 | 75.5 | 21% | 30% |
| Profit before tax | 92.5 | 63.5 | 46% | 60% |
| Underlying earnings per share (pence) | 83.4 | 75.3 | 11% | NA |
| Earnings per share (pence) | 84.3 | 62.6 | 35% | NA |
| Dividend per share | 109.56p | 46.14p | 137% | NA |

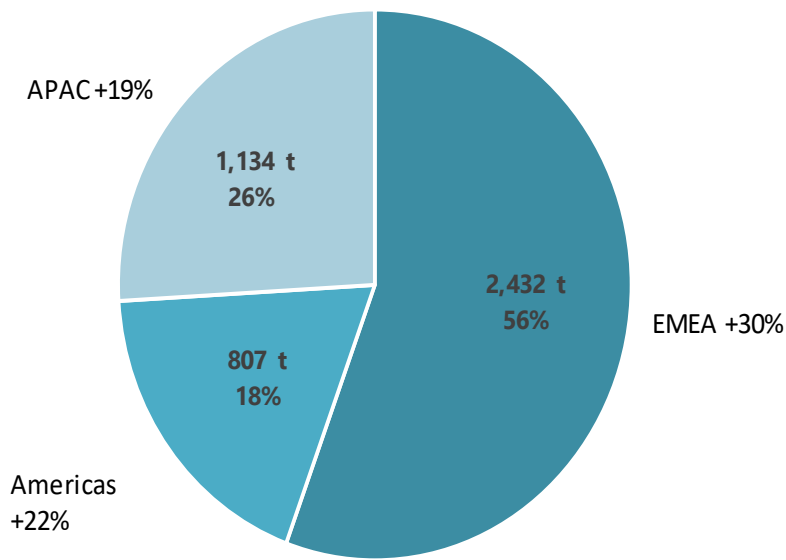
* Gains/(Losses) on foreign currency contracts, when net hedging is applied on cash flow hedges, are disclosed separately within gross margin on adoption of IFRS 9.

** Excluding exceptional items of £0.8m (FY20: loss of £12.0m)

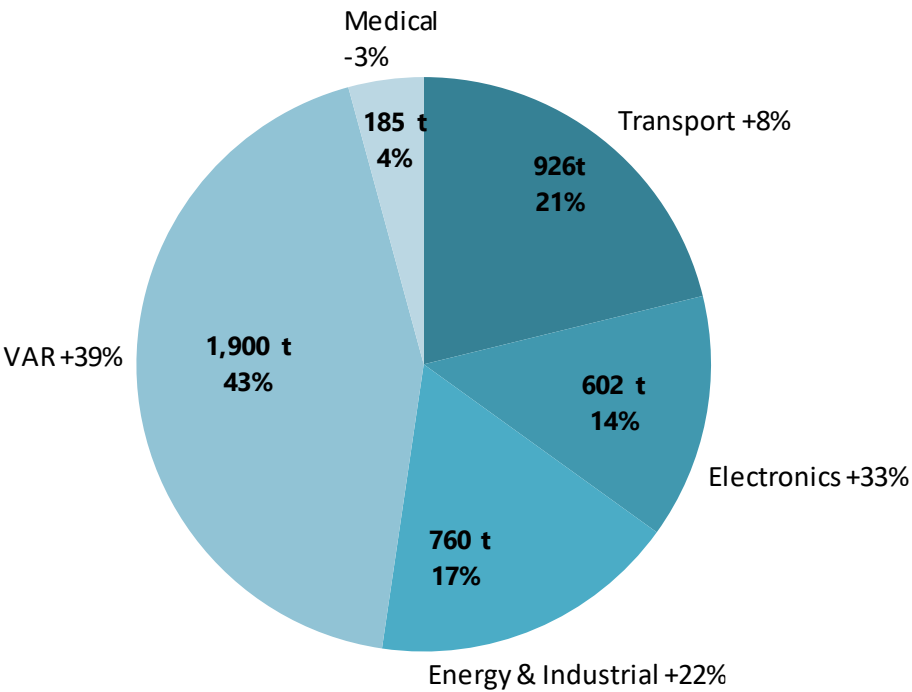
GROUP END MARKETS

FY 2021: 4,373 tonnes
FY 2020: 3,492 tonnes

Volume by Region



Volume by Industry



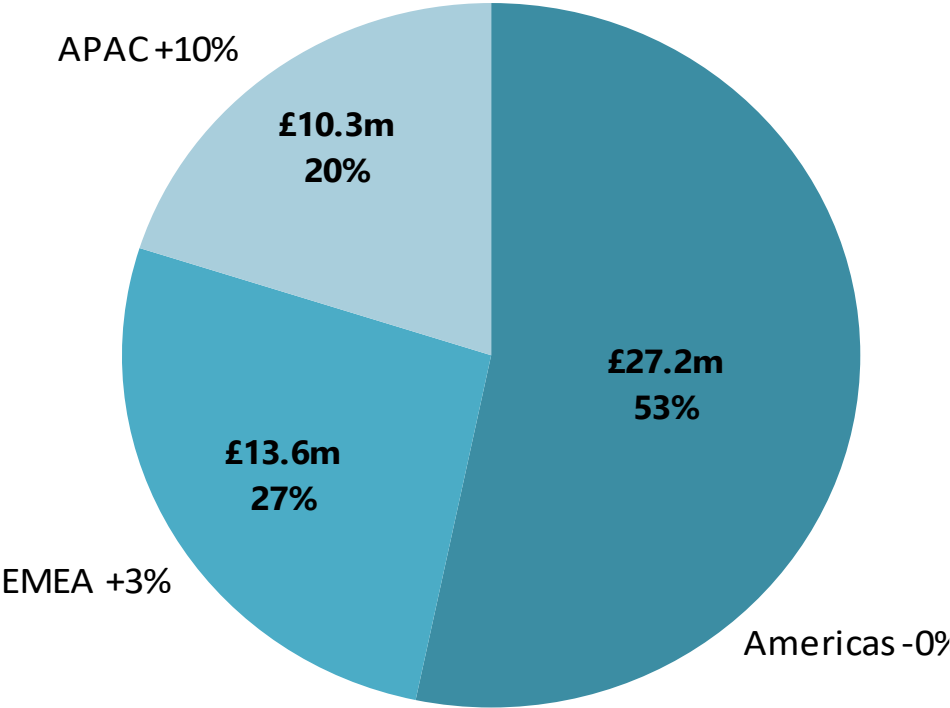
* Medical volume reflects both non-implantable and implantable volumes

MEDICAL: KEY MARKETS

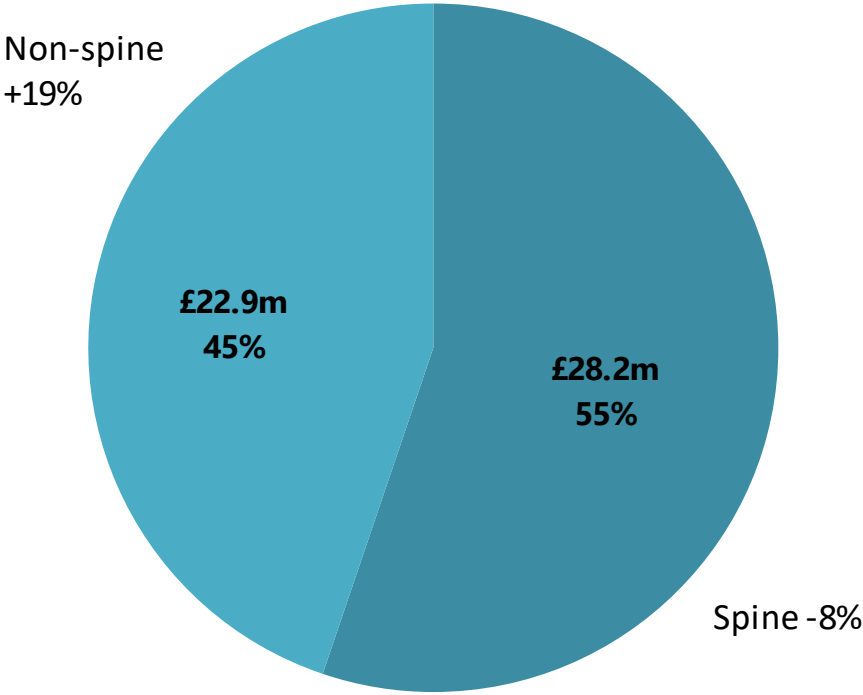
FY 2021: £51.1m

FY 2020: £49.7m

Revenue by Region (live FX)



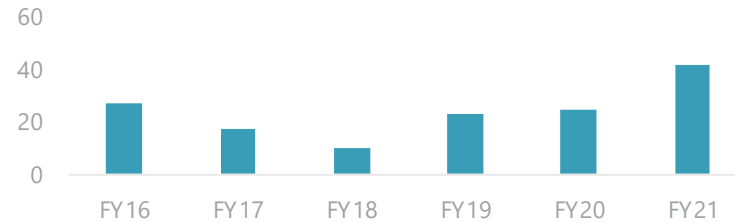
Revenue by Market (live FX)



USE OF CASH

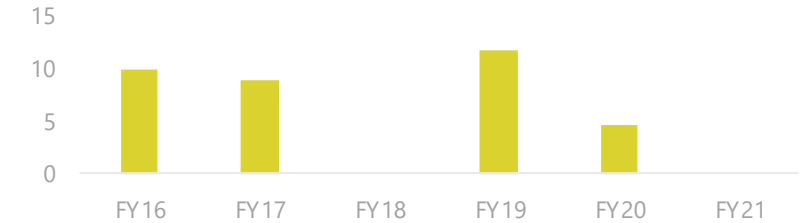
FY 2016 TO FY 2021

CAPEX (£m)



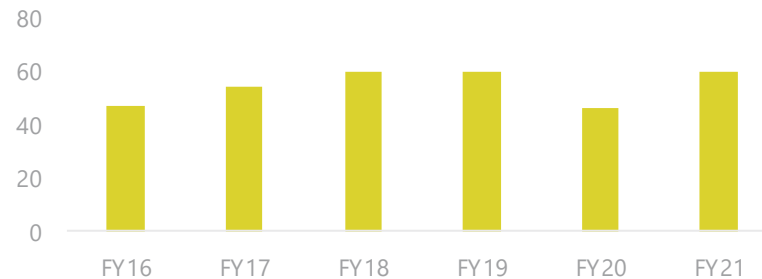
- Normalised capex c8-10% of revenue
- Periodic investment in capacity & innovation

ACQUISITIONS/INVESTMENTS (£m)



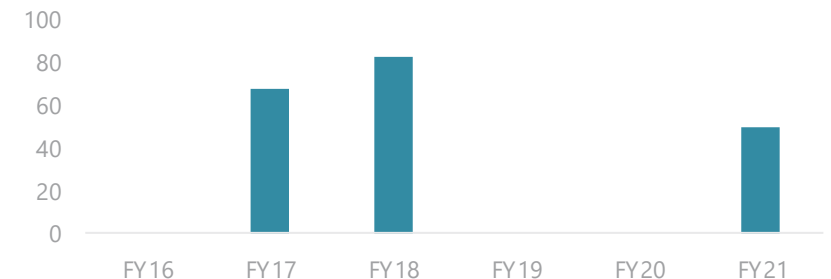
- 'Enablers' to support core & mega-programmes
- Develop further downstream capability

REGULAR DIVIDENDS (£m)*



- Average CAGR c5%
- Grow in line with EPS

SPECIAL DIVIDENDS (£m)*



- c50% of net cash
- 50p/share minimum

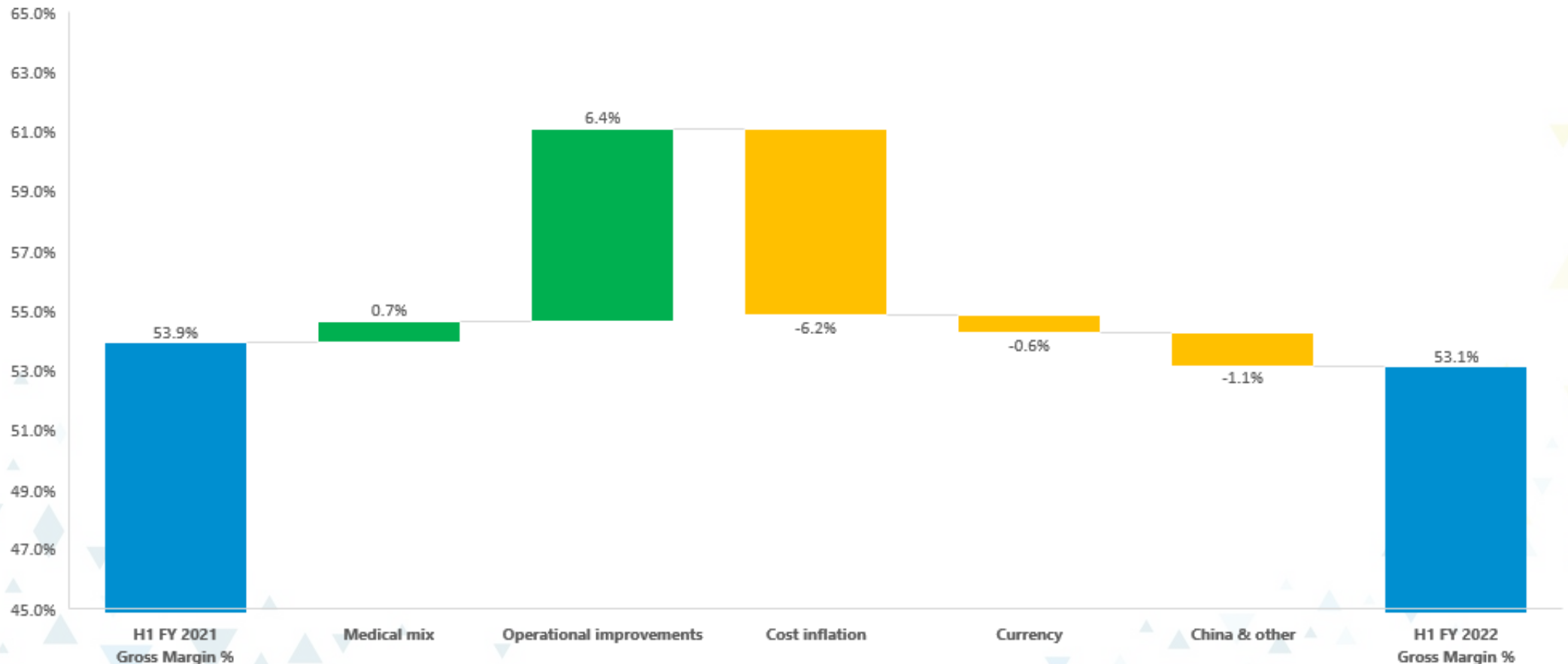
* Regular & special dividends shown are based on the financial year those dividends are declared (rather than paid)

MARGIN BRIDGE & MARGIN RECOVERY

DRIVERS OF MARGIN RECOVERY

Operational efficiency & asset utilisation; sales mix; China commercialisation

Investment in green energy/alternative fuels & processes



OPERATIONAL IMPROVEMENTS DRIVING GM RECOVERY (OFFSET BY COST INFLATION)

#1 PEEK EXPERTS

First to commercialise PEEK, with unmatched knowledge and experience



INFORMATION & CONTACTS

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AEROSPACE



ELECTRONICS



ENERGY &
INDUSTRIAL



MEDICAL



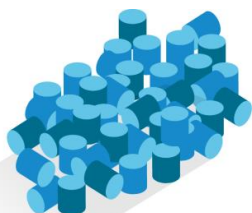
AUTOMOTIVE

POLYMER MANUFACTURING

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

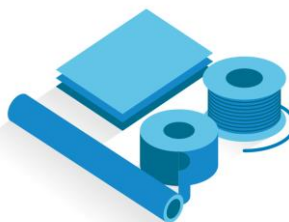


DIFFERENTIATE THROUGH INNOVATION TO CREATE NEW MARKETS



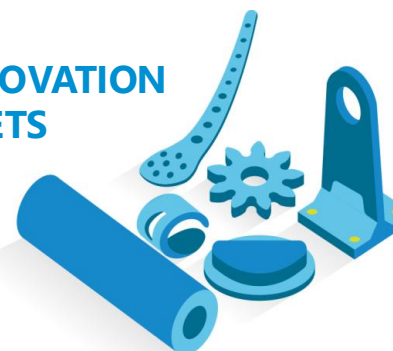
POLYMER

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