6 December 2022 **Victrex plc – Preliminary Results 2022**

'Record revenue & volume; solid underlying PBT growth, despite cost headwinds & currency'

Victrex plc is an innovative world leader in high performance polymer solutions, delivering sustainable products which enable environmental and societal benefit. This announcement covers preliminary (audited) results for the 12 months ended 30 September 2022.

	FY 2022	FY 2021	% change (reported)	% change (constant currency)[1]
Group sales volume	**4,727 tonnes**	4,373 tonnes	+8%	N/A
Group revenue	**£341.0m**	£306.3m	+11%	+10%
Gross profit	**£174.5m**	£165.3m	+6%	+10%
Gross margin	**51.2%**	54.0%	-280bps	N/A
Underlying PBT[1]	**£95.6m**	£91.7m	+4%	+12%
Reported PBT	**£87.7m**	£92.5m	-5%	+2%
Underlying EPS[1]	**95.0p**	83.4p	+14%	N/A
EPS	**87.6p**	84.3p	+4%	N/A
Dividend per share (regular & special dividends)	**59.56p**	109.56p	-46%	N/A

Highlights:

- **Strong core growth; revenue up 11%, volume up 8% & better pricing**
  - *Double-digit growth in Electronics, Energy & Industrial, Value Added Resellers (VAR)*
  - *Aerospace improving; Semiconductor challenges impacting Automotive*
  - *Continued progress in Medical, revenue +14%*
  - *Improved pricing in H2 (H2 2022 ASP up 4% vs H1 & FY 2022 ASP up 3%)*

- **Solid underlying PBT growth, up 4% & 12% in constant currency, offset by cost inflation**
  - *Underlying profit before tax (PBT) up 4% at £95.6m & up 12% in constant currency*
  - *Reported PBT £87.7m, reflecting year 1 ERP investment (exceptional items of £7.9m)*
  - *Gross profit up 6% to £174.5m, despite significantly higher cost of manufacture*
  - *Gross margin impacted by lag in inflation recovery & currency, despite efficiency gains*
  - *Continuing action to mitigate inflation*

- **Strong progress in 'mega-programme' growth pipeline**
  - ***Medical:***
    - *PEEK Knee clinical trial well progressed, 30 implants & 12 patients >12 months*
    - *New development relationship with top 5 Knee company Aesculap*
    - *First implants for In2Bones Trauma plates based on Victrex™ PEEK*
  - ***Industrial:***
    - *New business wins in E-mobility*
    - *1st prototype parts in Aerospace Structures; potential for 10-fold PEEK content increase*
    - *Continuing support to TechnipFMC for Magma, with new scale-up facility in Brazil*

- **Further progress on ESG: enabling environmental & societal benefit**
  - *100% renewable electricity at all UK sites*
  - *Initial Scope 3 emissions assessment completed, with opportunities identified*
  - *Sustainable products represent 48% of Group revenues[1]*

- **Solid cash generation underpins growth investment & returns**
  - *FY 2022 available cash[1] of £66.0m*, post-payment of FY 2021 special dividend*
  - *Commissioning underway for new PEEK facility in China*
  - *Final dividend of 46.14p/share, total FY 2022 dividends 59.56p/share*

[1] **Alternative performance measures and other internal metrics are defined on page 16**

***excludes £2.8m of cash ring-fenced in the Group's Chinese subsidiaries and includes £10.1m in 95-day notice deposit accounts**

Commenting on the Group's results, Jakob Sigurdsson, Chief Executive of Victrex, said:
"This was a record year for revenue and volume. We delivered good progress across the majority of our end-markets, new application growth and improved pricing, as we continue to recover cost inflation. It was also pleasing to see double-digit growth in Medical. We are prioritising investment in this business, with the intention of Medical contributing over one-third of Group revenues in the longer term.

Underlying PBT up 4% and 12% in constant currency, offset by lag in inflation recovery
"Victrex continues to face unprecedented energy and raw material inflation, which we will help mitigate through price and efficiency. Despite this, the Group delivered solid growth in underlying PBT, which was up 4% and 12% in constant currency. Higher year-on-year production also helped improve operating efficiency.

Increasing commercialisation in mega-programme portfolio
"Looking towards our future growth, we made strong progress in our mega-programmes. Thirty patients are now implanted with a PEEK Knee as part of the clinical trial, including twelve post-12 months. We will also now be working with Aesculap, a top 5 Knee company, in a collaboration which offers significant potential. In Trauma, In2Bones saw patient surgeries using our PEEK composite trauma plates. We also gained new E-mobility business and saw the first sizeable structural parts exhibited by Airbus as part of the Aerospace Structures programme. These offer the potential for a 10-fold increase in PEEK content for future aircraft.

Sustainable products enabling environmental & societal benefit for customers and the planet
"Victrex is closely aligned to future megatrends and ESG is at the heart of our business model. Our sustainable products represent 48% of revenues and enable environmental & societal benefits by supporting CO2 reduction, energy efficiency and improved patient outcomes.

Strong financial position
"With a strong financial position, we can support growth investment, which is our priority, as well as attractive shareholder returns. As part of these results, we will engage with shareholders on a proposed update to our capital allocation framework, specifically share buybacks and special dividends.

Outlook
"Several end-markets are yet to fully recover from the effects of the pandemic and we continue to see good growth opportunities across the Group. However, we are mindful of the uncertain macro-economic outlook for 2023 and some signs that VAR volumes are edging down slightly, to more normalised levels. This means the opportunity to improve on last year's record Group volume is likely to be challenging. We also face further and significant year-on-year energy and raw material inflation, although additional pricing actions are in progress, with a timing lag.

"Overall, we have seen a steady start to the year and are focused on modest revenue and profit growth. This includes the benefit from pricing, an improved sales mix and currency tailwinds. We will also see further investment in our long-term growth programmes, as they progress towards greater commercialisation."

About Victrex:

Victrex is an innovative world leader in high performance polymer solutions, focused on the strategic markets of automotive, aerospace, energy & industrial, electronics and medical. Every day, millions of people use products and applications which contain our sustainable materials – from smartphones, aeroplanes and cars to energy production 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, enable environmental and societal benefits, and drive value for our shareholders. Find out more at www.victrexplc.com

A presentation for investors and analysts will be held at 9.00am (GMT) this morning at JP Morgan, 1 John Carpenter Street, London EC4Y 0JP. A conference call facility is available, to register, please follow the link: https://cossprereg.btci.com/prereg/key.process?key=P4CX3XD7P

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.

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Preliminary results statement for the 12 months ended 30 September 2022

'Record revenue & volume; solid underlying PBT growth despite cost headwinds & currency'

Operating review

Strong growth in Group revenue, up 11%; a range of Sustainable products
Group revenue was up 11% at £341.0m (FY 2021: £306.3m), which was driven by a strong performance in most of our Industrial end markets and further improvement in Medical.

In constant currency[1] Group revenue was 10% up on the prior year.

Our measure of sustainable products, primarily for end markets which enable environmental benefit (CO2 reduction), energy efficiency and improving patient outcomes, was stable at 48% of Group revenues (FY 2021: 49%) despite a drop in Automotive revenues. Sustainable products are defined as those which offer a quantifiable environmental or societal benefit. These are primarily in Automotive, Aerospace (supporting CO2 reduction) and Medical, with some applications in Energy and Industrial and Electronics (e.g. wind energy applications, or those which support energy efficiency), with Oil & Gas excluded, as is VAR currently.

FY sales volume up 8%
Group sales volume of 4,727 tonnes was 8% up on the prior year (FY 2021: 4,373 tonnes), driven by a strong performance across a number of end-markets, principally Electronics, Energy & Industrial and VAR, offset by ongoing weakness in Automotive.

Q4 revenue & volume
Q4 revenue of £87.6m (Q4 2021: £74.4m) was 18% ahead of the prior year, whilst Q4 sales volume of 1,140 tonnes saw 5% growth on the prior year (Q4 2021: 1,085 tonnes). The stronger revenue performance in the quarter reflects the benefit of price increases and an improved sales mix, offset by some normalisation in VAR volumes.

Strong growth in Industrial & further progress in Medical
Our Industrial division reported revenues of £282.7m, 11% up on the prior year (FY 2021: £255.2m) and 11% up in constant currency, with growth being driven by Electronics, Energy & Industrial and VAR. Within Transport, Automotive sales volume was down 2%, as a result of the current challenges in Semiconductor impacting the Automotive industry, although we note industry forecasts suggesting car production rates will improve into 2023. In Aerospace, we saw good revenue growth – volumes were up 2% – thanks to an improved sales mix and greater commercialisation of our composite business, including for next generation aircraft. We also note recent build rate increases by both of the key aerospace manufacturers, which should support continued improvement into FY 2023.

Medical revenues were £58.3m, up 14% on the prior year (FY 2021: £51.1m) and 9% ahead in constant currency[1]. We saw strong growth (revenues +40%) in Asia, despite lockdowns during the second half in China. Within Spine, which saw 2% growth in revenue, we are also moving closer to US FDA submission for Porous PEEK spinal cage, supported by our investment in Bond 3D. Our PEEK-OPTIMA™ HA Enhanced product continues to see steady commercial traction, with an increased range of applications beyond Spine. Our non-Spine business also continues to see good growth, particularly in Trauma, Cardio and Drug Delivery. Non-Spine now represents 50% of Medical revenues (FY 2021: 45%).

ASP improvement in H2 2022, reflecting price increases and currency
Our Average Selling Price (ASP) of £72.1/kg was up 3% compared to FY 2021 (FY 2021: £70.0/kg), with H2 2022 ASP of £73.4/kg being 4% ahead of the first half of 2022 (H1 2022: £70.7/kg), as we saw the benefit of price increases to customers kicking in. We also saw some benefit from currency at the revenue level in the second half, as Sterling weakened. Sales mix in FY 2022 was similar to the prior year, with the Industrial based end markets of Electronics, Energy & Industrial and VAR driving much of the growth.

In line with previous guidance, we expect to see the annualised benefit of price increases during FY 2023, with additional inflation recovery actions in progress, to reflect the unprecedented further increases in energy and raw material inflation, leading to a significantly higher cost of manufacture. Price pass through reflected the additional costs borne by Victrex alongside our investment in technical service and innovation, whilst balancing long term customer relationships, particularly customers who we have and continue to build a pipeline of opportunities with. As a material solutions business, the necessity of passing through non-structural costs led us to broaden the mechanisms for passing through cost inflation, which includes surcharge pricing. Whilst a typical timing lag occurs between price increases being agreed and contract renewals, we will continue to strengthen our options for passing through cost inflation.

Cost inflation for FY 2023, based on current energy and raw material prices, could be at a similar year-on year level as FY 2022, at around £20m, although we welcome the benefit of the UK Government's energy price cap for business, which will provide some protection during the first half.

Core business application pipeline
Our core business application pipeline is a good indicator of the health of our core business as we work with Original Equipment Manufacturers (OEMs) and Tier 1 suppliers to develop new applications for PEEK. Our Mature Annualised Revenue[1] (which could occur only if all targets convert) within the core application pipeline is £294 million (FY 2021: £325m), which reflects conversion of previous pipeline targets, as well as some refinement of the growth opportunities we are progressing.

Good progress in mega-programme milestones
FY 2022 saw us deliver a number of key milestones in our portfolio of mega-programmes (seven mega-programmes in total) as we progress towards greater commercialisation. Whilst individual timelines remain subject to change, the long-term prospects in each programme continue to be attractive and with the technical proposition proven in each programme, our focus is on commercial adoption. Highlights include good progress in PEEK Gears, prototype revenue for our Aerospace Composites programme and ongoing revenues in support of qualification pipes for TechnipFMC (Magma).

FY 2022 also saw particularly good progress in Medical, where the PEEK Knee clinical trial saw strong progress, and we saw a 510(k) regulatory approval for PEEK composite Trauma plates in the US and patient implants. In Aerospace, we saw the first large scale PEEK demonstrator parts delivered as part of our Airbus development programme; and in Automotive, we secured new business wins in E-mobility.

Our **PEEK Knee** programme has now seen 30 patients having implants, including 12 who have successfully passed the primary end-point of 12-month clinical stage, with no remedial intervention required. Together with our development partner Maxx Orthopaedics, we are preparing for an additional trial site in the US. We will also be working with Aesculap (a top 5 Knee company) in a development programme to support the route to commercialisation.

Knee remains potentially the most significant of our mega-programmes, with an addressable market of approximately $1 billion, utilising PEEK over Cobalt Chrome.

Our **Trauma** pipeline continues to build, following the agreement with US based In2Bones for composite plates and a 510(k) regulatory approval within the US. We also secured our first Asia customer product launch and are finalising development collaborations to support launches in China. The first patient implants through our In2Bones partnership for PEEK based trauma plates have now been completed.

In our **Aerospace Loaded Brackets** programme, additional orders for composite parts, reflecting mega-trends aligned to light-weighting, CO2 reduction and faster processing, offer a good mid-term opportunity, supported by ongoing recovery in this end market.

We are also working on new partner collaborations via our US composite parts facility, with Aerospace OEMs and Tier 1 companies.

In our **'Aerospace Structures'** programme, which links to our development alliance with Airbus as part of their Clean Sky II programme, we are now delivering prototype revenue via the world's first large scale PEEK test parts. Development and commercialisation of thermoplastic composites in Aerospace continues to offer a sizeable opportunity, across larger primary and secondary Aerospace structures, such as wings and fuselage parts. Aerospace Structures builds on Victrex's Aerospace Loaded Brackets programme, with our AE™250 composites grade being integral to both of these opportunities. A number of significant demonstrator parts were exhibited during the year at the JEC Composites show in Paris, including large engine housing applications and wing ribs, all based on Victrex™ PEEK and our AE™250 composite tape. These opportunities could materially increase PEEK content in next generation aircraft – potentially 10-fold – which are planned for later this decade.

Within PEEK **Gears**, which now have several initial contracts 'on the road' following a first supply agreement in 2018, we improved on last year's milestone of delivering meaningful revenue of >£1m. This year overall PEEK Gear revenue which includes both parts manufactured by Victrex and polymer resin based PEEK gear sales, totalled over £4m. A number of PEEK Gear programmes involved manufacturing by our partners, but with the knowhow and intellectual property ('IP') led by Victrex. PEEK Gears continue to have application uses across both traditional internal combustion engines (ICEs) and electric vehicles (EVs).

FY2022 saw us secure new business wins for our next generation **E-mobility** programme and better than expected progress. This mega-programme focuses on applications across electric vehicles, in particular for high-voltage next generation programmes (800 volt batteries and applications). Business wins include an Aptiv™ film based opportunity. PEEK will be used in specific applications where durability, heat resistance and light-weighting are all key. We have also increased our development programmes as we move closer to greater commercialisation. Our assessment of the potential PEEK content per vehicle is more than 100g (from approximately 10g today), as we focus on the high performance needs of next generation electric vehicles.

As part of our **Magma** composite pipe programme for the energy industry, TechnipFMC is seeking to accelerate the significant opportunities for thermoplastic composite pipe in deepwater fields in Brazil. Victrex continues to work in close collaboration with TechnipFMC as a strategic supply partner, with multi-year supply agreements in place and industry qualifications based on Victrex™ PEEK and our composite tape (Victrex supplies both the polymer resin and composite tape and holds the intellectual property for extrusion of the PEEK pipe). TechnipFMC is currently focusing on manufacturing scale up in Brazil, with a new pipe extrusion facility in Brazil under construction, to support bid programmes which have now been submitted and are awaiting outcomes. FY 2023 will see support for TechnipFMC's preparations and we expect to see continued development revenues during the year as qualification pipes progress – extruded by Victrex – through the supply chain.

Innovation investment

Our culture of innovation and to support application development, means we continue to invest behind our growth programmes. R&D investment represented 5% of revenues[1] and at £15.7m, was slightly above the prior year (FY 2021: £15.5m). Of R&D investment focused on individual projects, approximately 89% of this is now aligned to programmes supporting sustainable products. Going forward, we expect to focus primarily on our total investment in sustainable products or programmes as a proportion of total R&D investment (rather than project-based investment). For FY 2023, we will see a modest investment in a New Product Development (NPD) Centre in Leeds, UK, to support new roles and capability as part of our Medical Acceleration programme.

Financial review

Gross profit 6% ahead despite higher cost of manufacture

Our Polymer & Parts strategy seeks to deliver continued growth in our core polymer business, as well as drive an increasing contribution from our mega-programmes (parts). We have the opportunity to gain additional revenue and profit streams over the medium to long term from selling a semi-finished or finished component or part, despite the higher unit cost of manufacture and slightly lower gross margin percentage in selected parts compared to polymer.

Gross profit was 6% ahead at £174.5m (FY 2021: £165.3m), offset by the higher overall cost of manufacture driven by higher energy and raw material costs.

We made good progress during the year on operating efficiency and asset utilisation, with production volume being much closer to sales volume (compared to FY 2021 where sales volume saw a significant drawdown of inventory). Under absorbed fixed costs continue to reduce, with lower utilisation now being primarily in our newer downstream manufacturing assets (parts), rather than our main polymer plants.

Remain focused on gross margin improvement

Full year Group gross margin of 51.2% was lower than the prior year (FY 2021: 54.0%), with good progress in operating efficiency being offset by the unprecedented energy cost inflation, which spiked in the second half.

Progress in our gross margin, to above a mid 50% level, was therefore impacted by the lag in recovery of cost inflation through price increases, as well as other efficiency programmes. Currency also impacted gross margin.

For the medium term, we remain focused on improving our gross margin, with further opportunities to enhance operating efficiency (primarily driven by asset utilisation). Key drivers of margin improvement include the full benefit of our price recovery programme, continued asset utilisation improvement – including commercialisation of our China facilities, which will be an incremental impact on margin in FY 2023 as we move through commissioning – and sales mix. We are also mindful of the potential costs associated with delivering our Sustainability goals. We recently saw phase 1 of our UK debottlenecking programme completed, which should support enhanced operating efficiency over the medium term.

Gains & losses on foreign currency net hedging
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. In FY 2022, a loss of £2.8m (FY 2021: gain of £4.9m) has been recognised accordingly, largely from contracts where the deal rate obtained (placed up to 12 months in advance in accordance with the Group's hedging policy) was unfavourable to the average exchange rate prevailing at the date of the related hedged transactions, following the devaluation of Sterling during H2 2022.

Currency headwind
FY 2022 saw a currency headwind of approximately £7m at PBT level, reflecting the strengthening of Sterling in the prior year when hedging was put in place. At this early stage, currency for FY 2023 is tracking as a modest tailwind of £4m-£6m at PBT level, driven by weaker Sterling against the US Dollar and Euro, although we note ongoing volatility in currency markets.

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% of our US Dollar and Euro 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. With our hedging programme for FY 2023 largely covered, at more than 80%, average contracted rates for FY 2023 are 1.30 against the US Dollar and 1.16 against the Euro. Current rates imply a further modest tailwind in FY 2024.

Cost focus for operating overheads
Operating overheads[1], which excludes exceptional items of £7.9m, increased to £78.1m (FY 2021; £72.7m) primarily driven by higher innovation investment, offset by a slightly lower bonus pool compared to the prior year. Excluding exceptional items and bonus, overheads increased by 12%.

Our Group All Employee Bonus Scheme is based on a budget-based target, with a cap in place. Last year, we also introduced ESG goals into Executive remuneration targets.

For FY 2023, with wage inflation and some targeted innovation spend, we envisage at least a high single digit % increase in operating overheads, with innovation investment including our NPD facility in Leeds for Medical. We will also have incremental year-on-year costs for our new China manufacturing investments through the commissioning phase. From FY 2023, the Group's All Employee Bonus & Share Schemes will start to – in the case of long-term share programmes – reflect incentive targets put in place from FY 2020, with subsequent good growth post the pandemic. Market based share schemes issued prior to the pandemic have largely failed to vest.

Underlying PBT up 4% and up 12% in constant currency, offset by lag in cost inflation recovery
Reported PBT reduced by 5% reflecting exceptional items of £7.9m (FY 2021: credit of £0.8m), representing the cost of implementing a new ERP software system. In previous years these costs would have been capitalised but are now expensed in line with IFRIC guidance. The implementation will be completed in 2024, with an anticipated total expensed cost of approximately £15m – £20m. This will offer us greater digitalisation across functions, supporting process efficiency and ongoing relationships with customers and suppliers.

Underlying PBT of £95.6m was up 4% on the prior year (FY 2021: £91.7m), offset by currency and the timing lag from inflation recovery. Underlying PBT in constant currency was up 12%.

Earnings per share up 4%
Basic earnings per share (EPS) of 87.6p was 4% up on the prior year (FY 2021: 84.3p per share), reflecting the impact of exceptional items on reported PBT. Underlying EPS was up 14% at 95.0p (FY 2021: 83.4p).

Taxation
Victrex continues to benefit from the reduced tax rate on profits taxed under the UK Government's Patent Box scheme, which incentivises innovation and consequently highly skilled Research & Development jobs within the UK. For FY 2022, the effective tax rate was 13.9%, lower than the prior year (FY 2021: 21.3%), which is primarily a result of the remeasurement of UK deferred tax balances from 19% to 25% in FY 2021, reflecting the increase in the substantively enacted UK Corporation Tax rate applicable from 1 April 2023. Taxation paid was £10.6m (FY 2021: £8.6m). Whilst the UK corporation tax rate is currently 19%, because of the availability of the reduced rate on profits taxed under Patent Box, our mid-term guidance at this stage remains for an effective tax rate of approximately 12%-15%, subject to global taxation developments, which continue to be monitored.

Strong balance sheet
With our strong balance sheet, we underpin our ability to invest and support security of supply for customers. Net assets at 30 September 2022 totalled £490.6m (FY 2021: £511.7m).

Inventory increased on raw material build and cost inflation
With the significant sales inventory unwind during FY 2021, this year has focused on ensuring raw material inventories reached safety stock levels, to support security of supply for customers. Total closing inventory was £86.8m (FY 2021: £70.3m), including the impact of higher energy and raw material costs. In FY 2023 reflecting further recovery of raw material and finished goods stocks, as well as inventory build to support us through shutdowns associated with the UK debottlenecking programme, we anticipate a total inventory position in excess of £100m. These items, in addition to the higher unit cost of manufacture, are expected to be the key drivers of inventory movement.

Pensions
Our UK Defined Benefit (DB) pension scheme closed to future accrual in 2016. The investment strategy, like many companies, has been to hedge interest and inflation risk using Liability Driven Instruments ("LDIs"). As gilt yields have risen, the pension scheme has faced cash calls from the LDI manager which have been met using existing resources within the scheme. The scheme retains sufficient liquid investments to be able to respond to further LDI cash requirements should they be required, with management continuing to work closely with the trustee. The use of LDI's as a hedge to interest rate risk has worked effectively through to 30 September 2022, with the gross assets and liabilities of the scheme reducing by approximately £30m each with the UK net asset increasing by £0.7m to £14.9m. The medium-term target of reaching a buyout position remains, and we expect to continue making an annual voluntary contribution, where required, of £1m to the scheme to support this goal.

Investment in capacity and growth
Growth investment remains the priority, with cash capital investment of £45.5m (FY 2021: £41.9m), of which a significant proportion was to support our China manufacturing investments, which will provide additional capability to support customers in China. For our UK assets, we also commenced a multi-year investment to support efficiency improvement and gain incremental capacity. We anticipate this will be approximately £15m in total, with year 1 now completed. Year 2 has now commenced and we anticipate a further £10m spread over the next three financial years included within the annual capital budget.

Following these investments, and subject to no material large scale capacity investment for several years, our annual capital expenditure guidance is based on approximately 8-10% of sales. This also reflects some in-built investment to support process change aligned to our ESG goals (for example being able to access alternative fuels and adjustments needed to our manufacturing process).

Capital expenditure for FY 2023 is expected to be similar to FY 2022, at approximately £45m-£50m.

Healthy cash generation
The Group's business model and focus on the high performance materials area continues to support good cash generation. Cash generated from operations was £90.7m (FY 2021: £135.5m), giving an operating cash conversion[1] of 49% (FY 2021: 100%). Inventory has increased compared to the prior year period, reflecting

recovery of inventory from much lower levels in the pandemic, as previously communicated. In addition, trade and other receivables have also increased due to a stronger sales performance in FY 2022.

Cash and other financial assets at 30 September 2022 was £68.8m (FY 2021: £112.4m). This includes £2.8m ring-fenced in our China subsidiaries (FY 2021: £12.5m) and other financial assets of £10.1m, representing cash which was held on 95-day deposit (FY 2021: £37.5m). In February 2022 we paid the 2021 full year final dividend of 46.14p/share and a 50p/share special dividend at a cash cost of £83.5m combined. For our China manufacturing facilities, we also have a RMB400m borrowing facility (£45m equivalent) in China in support of our investments there, of which RMB123m (£15.7m at closing rates) was drawn down at 30 September 2022 (30 September 2021: n/a).

Dividends

Reflecting the Group's strong trading performance in FY 2022, whilst balancing the uncertain macro-economic outlook over the coming months, the Board is proposing a final dividend of 46.14p/share (FY 2021: 46.14p/share), giving total dividends for the year of 59.56p/share. The closing available cash balance of £66.0m was below the threshold to pay a special dividend.

Capital allocation update: special dividends & buybacks

Whilst growth investment remains the priority, we are engaging with shareholders as part of this results cycle, to gauge opinion on the opportunity for return options including share buybacks and special dividends within our capital allocation policy. With capital expenditure set to reduce after FY 2023, subject to no additional opportunities to support growth, the medium-term opportunity for incremental returns to shareholders remains attractive.

Sustainability & ESG: enabling environmental & societal benefit

As well as enabling environmental & societal benefit for our customers through our products, we continue to receive good feedback on our Sustainability & ESG strategy and 2030 carbon net zero aspiration (Scope 1 & 2 emissions, based on 2019 manufacturing footprint). During the year we also completed an initial Scope 3 inventory assessment, as well as a Lifecycle Analysis for products which represent approximately two-thirds of Group revenue. Our Lifecycle Analysis assessment – which reviews our carbon footprint – indicates that our main grade of VICTREX™ PEEK is more favourable than the industry average for PEEK manufacturing's global warming potential (GWP).

Outlook

Several end-markets are yet to fully recover from the effects of the pandemic and we continue to see good growth opportunities across the Group. However, we are mindful of the uncertain macro-economic outlook for 2023 and some signs that VAR volumes are edging down slightly, to more normalised levels. This means the opportunity to improve on last year's record Group volume is likely to be challenging. We also face further and significant year-on-year energy and raw material inflation this year, although additional pricing actions are in progress, with a timing lag.

Overall, we have seen a steady start to the year and are focused on modest revenue and profit growth. This includes the benefit from pricing, an improved sales mix and currency tailwinds. We will also see further investment in our long-term growth programmes, as they progress towards greater commercialisation.

Jakob Sigurdsson
Chief Executive, 6 December 2022

[1] **Alternative performance measures and other internal metrics are defined on page 16**

DIVISIONAL REVIEW

Industrial

	12 Months Ended 30 Sept **2022** £m	12 Months Ended 30 Sept 2021 £m	% Change (reported)	% Change (constant currency)
Revenue	282.7	255.2	+11%	+11%
Gross profit	124.8	119.7	+4%	+10%

Divisional performance is reported through Industrial and Medical, although we continue to provide an end market-based summary of our performance and growth opportunities. Within Industrial, we have the end markets of Energy & Industrial, Value Added Resellers (VAR), Transport (Automotive & Aerospace) and Electronics.

The Chief Commercial Officer oversees the Industrial business, including the Industrial based mega-programmes. A summary of all the mega-programmes and the strong progress made during the year, is covered earlier in this report.

The Industrial division saw record revenue of £282.7m (FY 2021: £255.2m), up 11% on the prior year, with double-digit growth across Electronics, Energy & Industrial and VAR. Revenue in constant currency was up 11%. Despite improved asset utilisation and operating efficiency, a softer sales mix, the impact of foreign currency exchange and unprecedented energy and raw material inflation meant that gross margin was down 280bps to 44.1% (FY 2021: 46.9%).

Energy & Industrial
This segment is driven by volumes for oil & gas and new energy applications, including renewables, and a wide range of applications across General Industrial. Energy & Industrial saw sales volume of 830 tonnes, which was up 9% on the prior year (FY 2021: 760 tonnes), with Energy up 19% overall, driven by global activity levels and higher capital investment for exploration and processing. Victrex™ PEEK has a long-standing track record of durability and performance benefit in many demanding applications, where the reliability of PEEK can mean less intervention or downtime, thereby supporting efficiency of operation. More recently, the introduction of cryogenic grades of PEEK – being able to withstand extreme temperatures – has helped to further broaden the portfolio, with new application opportunities in Liquefied Natural Gas (LNG) and some assessment of applications in Hydrogen.

General Industrial focuses on applications across fluid handling, food contact materials and manufacturing robotics. PEEK's unique combination of properties has enabled us to capitalise on the application growth in this end market and metal replacement opportunity, helping drive volume growth of 4% for the Industrial proportion of Energy & Industrial, compared to the prior year. Several applications in this area are also part of our Sustainable Products.

Value Added Resellers (VAR)
VAR shows a similar alignment to our Industrial end-markets, with the exception of Aerospace, where sales volumes are largely direct to OEMs or tier suppliers. VAR is often a good barometer of the general health of the supply chain, with VAR customers processing high volumes of PEEK into stock shapes, or compounds.

In FY 2021, VAR saw a strong recovery, as supply chains restocked following the impact of the COVID-19 pandemic. Despite a challenging comparative, VAR saw 12% growth in volume as several end markets continued to improve. Sales volume was 2,122 tonnes (FY 2021: 1,900 tonnes), with the tailwind of good growth in end markets including Electronics and Energy & Industrial supporting VAR volume.

Transport (Automotive & Aerospace)
Victrex continues to have a strong alignment to the CO2 reduction megatrend, with our materials offering lightweighting, durability, comfort, dielectrical properties and heat resistance. As well as long standing core business within Automotive & Aerospace across a range of application areas, we also made good progress in our Transport related mega-programmes of PEEK Gears, E-mobility, Aerospace Loaded Brackets and Aerospace Structures.

Automotive continued to suffer from the well-publicised shortage of Semiconductor chips, with volume being down 2% compared to the prior year. Latest market indicators suggest some improvement into 2023, including IHS which forecasts 3% growth in car production to 85m cars. Whilst Aerospace volume was only up 2%, we saw much stronger revenue growth of 21%, driven by an improved sales mix as Aptiv™ film made further progress. Long term trends remain supportive, with OEM forecast build rates and the trend towards faster processing and lightweight materials supporting increased content of PEEK (Airbus forecasts 39,000 new or replacement planes by 2040). Build rates have recently increased on models including the Airbus A320neo and Boeing 737 Max, both of which have Victrex™ PEEK content. We also note the recent indications of COMAC's C919 production plan in China, where we have qualifications.

Overall Transport sales volume fell by 1% to 913 tonnes (FY 2021: 926 tonnes), with Aerospace up 2% and Automotive down 2%.

Automotive
In Automotive, core applications include braking systems, bushings & bearings and transmission equipment, with increasing opportunities in electric vehicles, supporting a growing E-mobility business.

Pleasingly, in PEEK Gears, we saw further progress in FY 2022. 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 typical PEEK Gear offers the potential of approximately 20 grams per application.

Within the growing E-mobility sector, we saw new business wins during the year, including those which utilise our Aptiv™ film. Applications include wire coatings and e-motor applications, where PEEK's inert nature, high strength, durability and ability to process faster offer key performance benefits. Our focus remains on the next generation of high-voltage (800 volt) vehicles, where the stringent performance requirements make the choice of material even more critical.

Aerospace
Aerospace volumes were up 2% reflecting some recovery in the first half, with a softer second half as the supply chain was restocked. Revenue was ahead, driven by sales mix and a greater share from composite materials and applications using Aptiv™ film. The opportunity in FY 2023 looks supportive based on industry indicators, as recent build rate increases on key models containing Victrex™ PEEK start to kick in and the industry continues to recover from the effects of the pandemic.

With the lightweighting and CO2 reduction trend, long term opportunities remain strong. Our Loaded Brackets and Aerospace Structures mega-programmes both grew revenues over the period, with Loaded Brackets exceeding £2m revenue for the full year as the use of composites and differentiated products remain in demand. We have also benefited from some retrofit opportunities for composite parts, using our AE™250 low-melt PEEK grade, which supports faster and simpler processing.

The ability to support CO2 reduction through PEEK materials which are typically 60% lighter than metals also remains strong, with our assessment that over 53 million tonnes of CO2 could be saved over the next 15 years if all new single aisle planes were produced with over 50% PEEK composite content.

Electronics
With a buoyant global Semiconductor sector, demand for materials used in Semiconductor manufacturing was strong. Volumes grew 10% at 662 tonnes (FY 2021: 602 tonnes).

Victrex has a broad range of PEEK applications in this end market, including Semiconductor, the internet of 5G applications, cloud computing and core applications like CMP rings and other extended application areas. Our Aptiv™ film business and small space acoustic applications showed good growth this year and we continue to see a positive outlook for this end market into FY 2023, albeit with absolute growth rates expected to be lower.

Home appliances has been an area of growth in recent years and our impeller application business in high-end brands are also performing well across a number of product areas, including vacuum cleaners and hairdryers. These applications, with lighter materials and enhanced durability, also offer the opportunity for improved energy efficiency.

Regional trends & Ukraine/Russia exposure
With the lifting of many COVID-19 restrictions much later in the US, we saw further strength in this region coming through in the second half. Conversely, the impact of some further lockdowns in China meant Asia-Pacific growth was lower. More recently, Europe saw more volatility in the second half, though the strength of VAR in Europe drove good growth for the year as a whole.

Overall by region. Europe was up 5%, at 2,554 tonnes (FY 2021: 2,432 tonnes), reflecting further improvement in VAR, with North America up 18% at 952 tonnes (FY 2021: 807 tonnes), principally driven by VAR and Energy & Industrial. Asia-Pacific was up 8% at 1,221 tonnes (FY 2021: 1,134 tonnes), driven by continued growth in Electronics and VAR.

Prior to the Ukraine conflict, Victrex had no active sales to Ukraine, with Russia and Belarus sales negligible. Victrex has no employees, assets or supply chain within these countries and no direct raw material purchases.

Medical

	12 Months Ended 30 Sep **2022** £m	12 Months Ended 30 Sep 2021 £m	% Change (reported)	% Change (constant currency)
Revenue	58.3	51.1	+14%	+9%
Gross profit	49.7	45.6	+9%	+10%

Revenue in Medical was up 14% at £58.3m (FY 2021: £51.1m) as elective surgeries returned in greater numbers.

In constant currency, Medical revenue was up 9%. Gross profit was £49.7m (FY 2021: £45.6m) and gross margin was down slightly at 85.2% (FY 2021: 89.2%) primarily reflecting a slightly adverse sales mix as we saw faster growth in Non-Spine. Overall Medical volume (implantable and non-implantable) was up 8%, driven by implantable, with non-implantable slightly ahead, despite the tougher year-on year comparison for business gained in COVID-19 related applications. Geographically, Asia-Pacific revenues were up 40% year on year, with Medical revenues in the US up 6% and Europe up 11%.

The Chief Commercial Officer oversees the Medical business, including the Medical based mega-programmes. A summary of all the mega-programmes and the strong progress made during the year is covered earlier in this report.

Medical strategy

Our Medical aspirations are for our solutions to treat a patient every 15-20 seconds by 2027 (from approximately 25-30 seconds now) and the Group is seeking to prioritise investment in Medical, with the aim of driving an increased proportion of revenue from this division over the next ten years, potentially up to one-third of Group revenues.

During the year we commenced investment in a New Product Development Centre of Excellence in Leeds, UK, part of our focus on how we can drive adoption more meaningfully in this area. This is located close to academia who we already have strong links with, together with new partners. We already have Medical manufacturing capability and innovation for our parts businesses – Trauma and Knee – and this new Centre will work to scale up our opportunities. Additionally, the benefit of our solutions lies in the data and we are seeking to utilise this in an improved way with global medical device manufacturers. This will be one of the key overhead investment items in FY 2023, as we build additional capability and skills in this area, with approximately 25 new roles. Whilst we have made good progress in being able to address what Medical device customers require, we will need to continue developing new products to enable a full suite of solutions. An example is in Knee where the PEEK Knee is progressing through a clinical trial, yet opportunities within a cementless knee replacement are becoming more in focus.

Spine and non-Spine

Whilst Spine remains 50% of divisional revenue and saw 2% revenue growth, the importance of next generation Spine products will be key in maintaining PEEK's position in this segment, including the opportunity for Porous PEEK, where a spinal cage can support bone-in growth as well as bone-on growth. Whilst we continue to innovate and develop new products for Spine, usage of 3D printed titanium cages continues to rise, especially in the US. Volume based procurement in China could also impact revenues in Spine, which validates our goal of further growing our non-Spine business.

We also continue to focus on non-Spine areas such as Cranio Maxillo Facial (CMF), Arthroscopy & Sports Medicine and Drug Delivery devices, as well as emerging or incremental opportunities in Cardio, where PEEK is now used in applications within an artificial heart. Non-Spine overall now represents 50% of divisional revenues. Spine is our historic end-market which, whilst it has become more mature in recent years, is one we continue to diversify through focusing on emerging geographies and new innovative products. Our premium and differentiated PEEK-OPTIMA™ HA Enhanced product (POHAE) – to drive next generation Spine procedures – is one part of our strategy to grow our Medical business, with annualised revenues being above £1m and good opportunities globally, and in Asia particularly.

Mega-programmes
As noted elsewhere in this report, our **PEEK Knee** programme saw significant progress, with a total of 30 implants as part of the clinical trial. Twelve patients have successfully passed the 12 month follow up phase with no remedial requirements. As part of the clinical trial with our partner Maxx Orthopaedics, trial sites are now operating in Belgium, India and Italy, with a US trial site also anticipated in FY 2023.

In **Trauma**, beyond our trauma mega-programme, our data shows good indicators on the union rate for PEEK based plates compared to metal plates (data on file, based on Trauma plates in high risk patients). Our solutions for CMF continue to see strong growth, particularly in Asia, with a well-regarded study showing better brain function using PEEK in CMF plates compared to metal (25% improved brain function based on paper by Zhang Q, Yuan Y, Li X, et al, World Neurosurgeon 2018).

Alternative performance measures:

We use alternative performance measures (APMs) 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 2022 are £7.9m, 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;
- FX hedge adjusted gross margin is gross profit / revenue + the impact of FX net hedging gains/losses. Including FX hedging within revenue, rather than as a standalone item as required under IFRS 9, provides a more comparable gross margin over time and helps to show the main non-FX hedging related movements impacting it;
- 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 2022) weighted average spot rates to prior year (FY 2021) transactions;
- 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;
- 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 Chinese subsidiaries which is committed to capital investment or additional capability and therefore not available to the wider group;
- 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 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;
- 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; and
- Operating overheads is made up of sales, marketing and administrative expenses before 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;

Other internal metrics:

In addition to the APM's above there are a number of other internal metrics, which are used by the Board in evaluating performance, and are referenced in this report, but do not meet the definition for an APM. The measures are as follows:

- 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;
- Research and Development spend on sustainable products is calculated as the percentage of project-based R&D spend on sustainable products or sustainable programmes. This metric is used by the Board to assess progress against the sustainability strategy and vision of being Carbon Net Zero by 2030 (scope 1 & 2 emissions). Sustainable products are currently defined as revenue from Aerospace, Automotive and Medical end markets;
- Mature Annualised Revenue is a measure of new application targets within our core business (excluding mega-programmes) and would be realised only if all targets convert to commercial revenues; and
- Sustainable revenues as a % of total revenues is calculated as the % of revenue earned from sustainable products, which are defined as those which offer a quantifiable environmental or societal benefit. These are primarily in automotive and aerospace (supporting CO2 reduction) but also in energy and industrial and electronics (e.g. wind energy applications, or those which support energy efficiency) and medical, supporting better patient outcomes.

Consolidated Income Statement

	Note	**Year ended 30 September 2022 £m**	Year ended 30 September 2021 £m
Revenue	4	**341.0**	306.3
(Losses)/gains on foreign currency net hedging		**(2.8)**	4.9
Cost of sales		**(163.7)**	(145.9)
Gross profit	4	**174.5**	165.3
Sales, marketing and administrative expenses		**(86.0)**	(71.9)
Operating profit before exceptional items		**96.4**	92.6
Exceptional items	5	**(7.9)**	0.8
Operating profit		**88.5**	93.4
Financial income		**0.5**	0.2
Finance costs		**(0.3)**	(0.2)
Share of loss of associate		**(1.0)**	(0.9)
Profit before tax and exceptional items		**95.6**	91.7
Exceptional items	5	**(7.9)**	0.8
Profit before tax		**87.7**	92.5
Income tax expense	6	**(12.2)**	(19.7)
Profit for the period		**75.5**	72.8
Attributable to:			
Owners of the Company		**76.2**	73.2
Non-controlling interests		**(0.7)**	(0.4)
Earnings per share			
Basic	7	**87.6p**	84.3p
Diluted	7	**87.3p**	84.0p

Dividends (pence per share)			
Interim		**13.42**	13.42
Final		**46.14**	46.14
Special		**-**	50.00
		59.56	109.56

A final dividend in respect of FY 2022 of 46.14p per ordinary share has been recommended by the Directors for approval at the Annual General Meeting on 10 February 2023.

Consolidated Statement of Comprehensive Income

	Year ended 30 September 2022 £m	Year ended 30 September 2021 £m
Profit for the period	**75.5**	72.8
Items that will not be reclassified to profit or loss		
Defined benefit pension schemes' actuarial gains	**0.2**	4.5
Income tax on items that will not be reclassified to profit or loss	**(0.1)**	(1.1)
	0.1	3.4
Items that may be subsequently reclassified to profit or loss		
Currency translation differences for foreign operations	**11.1**	(2.0)
Effective portion of changes in fair value of cash flow hedges	**(19.7)**	5.7
Net change in fair value of cash flow hedges transferred to profit or loss	**2.8**	(4.9)
Income tax on items that may be reclassified to profit or loss	**3.2**	(0.2)
	(2.6)	(1.4)
Total other comprehensive (expense)/income for the period	**(2.5)**	2.0
Total comprehensive income for the period	**73.0**	74.8
Total comprehensive income for the period attributable to:		
Owners of the Company	**73.7**	75.2
Non-controlling interests	**(0.7)**	(0.4)

Consolidated Balance Sheet

	Note	**30 September 2022 £m**	30 September 2021 £m
Assets			
Non-current assets			
Property, plant and equipment		**347.2**	305.7
Intangible assets		**20.2**	24.8
Investment in associated undertakings	8	**10.4**	11.4
Financial assets held at fair value through profit and loss	8, 9	**10.1**	12.7
Deferred tax assets		**7.2**	8.9
Retirement benefit asset		**14.9**	14.2
		410.0	377.7
Current assets			
Inventories		**86.8**	70.3
Current income tax assets		**7.9**	2.9
Trade and other receivables		**68.1**	49.1
Derivative financial instruments	11	**-**	2.9
Other financial assets	12	**10.1**	37.5
Cash and cash equivalents		**58.7**	74.9
		231.6	237.6
Total assets		**641.6**	615.3
Liabilities			
Non-current liabilities			
Deferred tax liabilities		**(34.3)**	(31.6)
Borrowings	10	**(21.6)**	(5.9)
Long term lease liabilities		**(7.8)**	(8.2)
Retirement benefit obligations		**(2.7)**	(1.9)
		(66.4)	(47.6)
Current liabilities			
Derivative financial instruments	11	**(19.9)**	(1.9)
Borrowings	10	**(0.9)**	-
Current income tax liabilities		**(2.3)**	(2.9)
Trade and other payables		**(59.7)**	(49.4)
Current lease liabilities		**(1.8)**	(1.8)
		(84.6)	(56.0)
Total liabilities		**(151.0)**	(103.6)
Net assets		**490.6**	511.7
Equity			
Share capital		**0.9**	0.9
Share premium		**61.5**	61.1
Translation reserve		**12.8**	1.7
Hedging reserve		**(13.6)**	0.1
Retained earnings		**427.2**	445.4
Equity attributable to owners of the Company		**488.8**	509.2
Non Controlling Interest	13	**1.8**	2.5
Total equity		**490.6**	511.7

Consolidated Cash Flow Statement

	Note	**Year ended 30 September 2022 £m**	Year ended 30 September 2021 £m
Cash flows from operating activities			
Cash generated from operations	15	**90.7**	135.5
Interest received		**0.3**	0.2
Interest paid		**(0.4)**	-
Net income tax paid		**(10.6)**	(8.6)
Net cash flow generated from operating activities		**80.0**	127.1
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		**(45.5)**	(41.9)
Withdrawal/(deposit) of cash invested for greater than three months		**27.4**	(37.5)
Proceeds from disposal of financial asset held at fair value through profit and loss		**4.2**	-
Loan to associated undertakings		**(2.3)**	(3.8)
Net cash flow used in investing activities		**(16.2)**	(83.2)
Cash flows from financing activities			
Proceeds from issue of ordinary shares exercised under option		**0.4**	6.1
Repayment of lease liabilities		**(2.1)**	(1.8)
Loan received from non-controlling interest		**-**	5.6
Bank borrowings received		**14.5**	-
Dividends paid		**(95.2)**	(51.6)
Net cash flow used in financing activities		**(82.4)**	(41.7)
Net (decrease)/ increase in cash and cash equivalents		**(18.6)**	2.2
Effect of exchange rate fluctuations on cash held		**2.4**	(0.4)
Cash and cash equivalents at beginning of period		**74.9**	73.1
Cash and cash equivalents at end of period		**58.7**	74.9

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 2021	**0.9**	**61.1**	**1.7**	**0.1**	**445.4**	**509.2**	**2.5**	**511.7**
Total comprehensive income for the period								
Profit for the period attributable to the parent	-	-	-	-	76.2	76.2	-	76.2
Profit for the period attributable to non-controlling interest	-	-	-	-	-	-	(0.7)	(0.7)
Other comprehensive (expense)/income								
Currency translation differences for foreign operations	-	-	11.1	-	-	11.1	-	11.1
Effective portion of changes in fair value of cash flow hedges	-	-	-	(19.7)	-	(19.7)	-	(19.7)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	2.8	-	2.8	-	2.8
Defined benefit pension schemes' actuarial gains	-	-	-	-	0.2	0.2	-	0.2
Tax on other comprehensive (expense)/income	-	-	-	3.2	(0.1)	3.1	-	3.1
Total other comprehensive (expense)/income for the period	-	-	11.1	(13.7)	0.1	(2.5)	-	(2.5)
Total comprehensive (expense)/income for the period	-	-	11.1	(13.7)	76.3	73.7	(0.7)	73.0
Contributions by and distributions to owners of the Company								
Share options exercised	-	0.4	-	-	-	0.4	-	0.4
Equity-settled share-based payment transactions	-	-	-	-	1.8	1.8	-	1.8
Tax on equity-settled share-based payment transactions	-	-	-	-	(1.1)	(1.1)	-	(1.1)
Dividends to shareholders	-	-	-	-	(95.2)	(95.2)	-	(95.2)
Equity at 30 September 2022	**0.9**	**61.5**	**12.8**	**(13.6)**	**427.2**	**488.8**	**1.8**	**490.6**

	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 2020	**0.9**	**55.0**	**3.7**	**(0.5)**	**419.0**	**478.1**	**2.9**	**481.0**
Total comprehensive income for the period								
Profit for the period attributable to the parent	-	-	-	-	**73.2**	**73.2**	-	**73.2**
Profit for the period attributable to non-controlling interest	-	-	-	-	-	-	**(0.4)**	**(0.4)**
Other comprehensive (expense)/income								
Currency translation differences for foreign operations	-	-	**(2.0)**	-	-	**(2.0)**	-	**(2.0)**
Effective portion of changes in fair value of cash flow hedges	-	-	-	**5.7**	-	**5.7**	-	**5.7**
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	**(4.9)**	-	**(4.9)**	-	**(4.9)**
Defined benefit pension schemes' actuarial gains	-	-	-	-	**4.5**	**4.5**	-	**4.5**
Tax on other comprehensive (expense)/income	-	-	-	**(0.2)**	**(1.1)**	**(1.3)**	-	**(1.3)**
Total other comprehensive (expense)/income for the period	-	-	**(2.0)**	**0.6**	**3.4**	**2.0**	-	**2.0**
Total comprehensive (expense)/income for the period	-	-	**(2.0)**	**0.6**	**76.6**	**75.2**	**(0.4)**	**74.8**
Contributions by and distributions to owners of the Company								
Share options exercised	-	**6.1**	-	-	-	**6.1**	-	**6.1**
Equity-settled share-based payment transactions	-	-	-	-	**1.4**	**1.4**	-	**1.4**
Dividends to shareholders	-	-	-	-	**(51.6)**	**(51.6)**	-	**(51.6)**
Equity at 30 September 2021	**0.9**	**61.1**	**1.7**	**0.1**	**445.4**	**509.2**	**2.5**	**511.7**

Notes to the Financial Report

1. Reporting entity

Victrex plc (the 'Company') is a public company, which is limited by shares and is listed on the London Stock Exchange. This Company is 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 2022 comprise the Company and its subsidiaries (together referred to as the 'Group').

The consolidated financial statements were approved for issue by the Board of Directors on 6 December 2022.

2. Basis of preparation

Both the consolidated and Company financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with UK-adopted International Accounting Standards. On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 October 2021. This change constitutes a change in accounting framework. However, there is no impact on the recognition, measurement or disclosure in the period as a result of the change in framework. The financial statements have been prepared under the historical cost basis except for derivative financial instruments, defined benefit pension scheme assets and financial assets held at fair value through profit and loss, which are measured at their fair value.

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 16 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 2022 and 30 September 2021 have been reported on by the auditors who issued an unqualified opinion in respect of both years in the auditors' reports for FY 2022 and FY 2021. Statutory accounts for the year ended 30 September 2021 have been filed with the Registrar of Companies. The statutory accounts for the year ended 30 September 2022, will be delivered to the Registrar of Companies within the Companies House accounts filing guidance.

<u>Climate change</u>

In preparing the financial statements of the Group an assessment of the impact of climate change has been made in line with the requirements of TCFD and with specific consideration of the disclosures made in the Sustainability report in the Annual Report starting on page 44. This has specifically incorporated the impact of the physical risks of climate change, transitional risks including the potential impact of government and regulatory actions as well as the Group's stated Net Zero 2030 (Scope 1 & 2 emissions) target. The potential impact has been considered in the following areas:

- the key areas of judgement and estimation
- the expected useful lives of property, plant and equipment
- those areas which rely on future forecasts which have the potential to be impacted by climate change:
    - carrying value of non-current assets
    - going concern
    - viability
- the recoverability of deferred taxation assets
- the recoverability of inventory and trade receivables

The Directors recognise the inherent uncertainty in predicting the impact of climate change and the actions which regulators and governments, both domestic and overseas, will take in order to achieve their various targets. However from the work undertaken to date, outlined in the Sustainability report, the Directors have reached the overall conclusion that there has been no material impact on the financial statements for the current year from the potential impact of climate change.

The Group's analysis on the impact of climate change continues to evolve as more clarity on timings and targets emerges, with Victrex committed to reducing its carbon impact towards Net Zero (Scope 1 & 2 emissions) in 2030.

Going Concern

The Directors have performed a robust going concern assessment including a detailed review of the business' 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 ongoing global economic challenges on the aforementioned forecasts.

The Company maintains a strong balance sheet providing assurance to key stakeholders, including customers, suppliers and employees. The combined cash and other financial assets balance at 30 September 2022 was £68.8m, having reduced from £112.4m at 30 September 2021 following payment of the regular and special dividends of £83.5m in February 2022. Of the £68.8m, £2.8m is held in the Group's subsidiaries in China for the sole purpose of funding the construction of our new manufacturing facilities. Of the remaining £66.0m, approximately 80% is held in the UK where the Company incurs the majority of its expenditure and 85% is held in instant access accounts. The Group has drawn debt of £15.7m in its Chinese subsidiaries (with a total facility of c.£45m available until December 2026) and has unutilised UK banking facilities of £40m through to October 2024, of which £20m is committed and immediately available and £20m is available subject to lender approval.

The 24-month rolling forecast is derived from the Company's Integrated Business Planning ('IBP') process which runs monthly. Each area of the business provides revised forecasts which consider a number of external data sources, triangulating with customer conversations, trends in market and country indices as well forward-looking industry forecasts. For example, forecast aircraft build rates from the two major manufacturers for Aerospace, World Semiconductor Trade Statistics semiconductor market forecasts for Electronics through to 2024 and Needham and IQVIA forecasts for Medical procedures.

The assessment of going concern included conducting scenario analysis on the aforementioned forecast which, given current economic forecasts, focused on the Group's ability to sustain a period of falling demand, whether caused by a pandemic, geo-political event(s) or other global economic challenges. In assessing the severity of the scenario analysis, the scale of the impact experienced during previous economic downturns has been used, including the differing impacts on Industrial versus Medical segments.

Using the IBP data and reference points from previous downturns 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 2024. The impact of climate change and the Group's Net Zero 2030 goal for its own operations (Scope 1 & 2 emissions) has been considered as part of this assessment. Any impact on revenue over the shorter going concern period, either positive or negative, is likely to be insignificant, with the greater risk being that of higher carbon taxes. The current elevated price of gas and electricity included in the 24-month forecast, reflecting current supply side uncertainty, and the government focus on limiting the impact of the current economic slowdown means that additional carbon taxes over the going concern period are considered unlikely, and therefore no additional costs have been included in either the base forecast or the scenarios noted below.

Scenario 1 – the global economy contracts with sales volumes reducing by 30% from the level seen over the past 12 months, to approximately 280 tonnes per month, from January 2023 for a period of 6 months (to mirror the length of the most recent downturn in 2020) before a partial recovery to c.330 tonnes per month for the remainder of the going concern period. Medical revenue remains unchanged from the past 12 months run rate, with the economic situation historically having minimal impact on this segment.

Scenario 2 – in line with scenario 1, c.280 tonnes per month from January 2023, however, the economic contraction lasts for a full 12 months, i.e. throughout the going concern period. This would give an annual volume of c.3,300 tonnes, a level not seen since 2013. Prior to COVID-19, the last recession was the financial crisis in 2008 and 2009 which lasted approximately 12 months. In this scenario Medical revenue is reduced by 10% during the second six months to reflect a limited impact from a longer lasting slowdown. The Group considers 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. Under scenario 2 there is minimal cash generation through the going concern period and there is potential that the committed facility would be required to manage intra-month cash flows. 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 indicate 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 capital investment over the next 12 months is approximately £50m as major projects are completed in China and the UK. This could be reduced significantly by limiting expenditure to essential projects, deferring all other projects later into 2024, with the exception of completing the manufacturing facilities in China 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 dividend payable in June 2023 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.

Reverse stress testing was performed to identify the level that sales would need to drop by in order for the Group to run out of cash by the end of the going concern assessment period. Sales volumes would need to consistently drop materially below the low point in scenario 2 which is not considered plausible.

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 current economic uncertainty as a number of global economies close to/in recession and the war in Ukraine continues, 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 the date of this report. For this reason, they continue to adopt the going concern basis for preparing the 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 2021 except for the application of relevant new standards and IFRIC – Configuration or customisation costs in cloud computing arrangements. None of the new standards have had a material impact on the Group's consolidated result or financial position.

IFRIC – Configuration or customisation costs in cloud computing arrangements
The Group has changed its accounting policy related to the capitalisation of configuration and customisation costs in a cloud computing (Software as a Service, 'SaaS') arrangement, with costs now being expensed as incurred. This change is as a result of the IFRS Interpretations Committee's agenda decision published in April 2021. The Group's accounting policy has historically been, where the criteria within IAS 38 have been met, to capitalise costs directly attributable to the implementation, including configuration and customisation of cloud computing arrangements, as intangible assets in the Balance sheet. Following the publication of the above IFRIC agenda decision, current cloud computing arrangements were identified and assessed to determine if the Group has control of the software. For those arrangements where the group does not have control of the developed software, the intangible assets previously capitalised as at 1 October 2021 have been derecognised. On the basis that the carrying value of these intangibles is not material the criteria in IAS 8 to restate the comparative financial statements has not been met and therefore the intangibles have been expensed in the current financial year.

4. Segment reporting

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

	Year ended 30 September 2022			Year ended 30 September 2021		
	Industrial	**Medical**	**Group**	Industrial	Medical	Group
	£m	**£m**	**£m**	£m	£m	£m
Segment revenue	**285.8**	**58.3**	**344.1**	257.4	51.1	308.5
Internal revenue	**(3.1)**	**-**	**(3.1)**	(2.2)	-	(2.2)
Revenue from external sales	**282.7**	**58.3**	**341.0**	255.2	51.1	306.3
Segment gross profit	**124.8**	**49.7**	**174.5**	119.7	45.6	165.3

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 2022 £m	Year ended 30 September 2021 £m
Included within sales, marketing and administrative expenses		
Implementation of SaaS ERP system	**7.9**	-
Restructuring costs	**-**	(0.8)
Exceptional items before tax	**7.9**	(0.8)
Tax on exceptional items	**(1.5)**	-
Exceptional items after tax	**6.4**	(0.8)

Implementation of SaaS ERP system

The Group has commenced a multi-year implementation of a new cloud-based ERP system. The Group forecasts to spend approximately £15m-£20m on the implementation, including process redesign, customisation and configuration of the system, change management and training, which will deliver benefits to both customer interactions and internal business processes.

The IFRS Interpretations Committee issued its decision clarifying how arrangements in respect of cloud based software as a service (SaaS) systems should be accounted for. The new ERP system does not meet the criteria for capitalisation (as the majority of costs relating to past systems have) and therefore the cost is being expensed rather than capitalised and amortised. Given the size of the project and its impact on the reported profit-based metrics, the fact the system is evergreen and thus this level and nature of cost will not happen again, it meets the Group's criteria to be presented as exceptional. The ERP system is expected to be completed in 2024.

Restructuring costs

During FY 2020, the Group reviewed cost actions and efficiencies required to support profitability in a lower production environment. The credit in FY 2021 related to more favourable settlements being reached on finalisation than assumed when making the restructuring charge in FY 2020 when the Group commenced consultation. These costs were treated as non-tax deductible in FY 2020 and the corresponding credit was treated as non-chargeable in FY 2021 accordingly, which resulted in a credit in income tax expenses for expenses not deductible for tax purposes in FY 2021 (see note 6).

The cash flow in the year associated with exceptional items was a £5.6m outflow (FY 2021: £1.9m outflow).

6. Income tax expense

	Year ended 30 September 2022 £m	Year ended 30 September 2021 £m
UK corporation tax	**9.0**	10.4
Overseas tax	**2.4**	1.7
Deferred tax	**1.7**	7.5
Tax adjustments relating to prior years	**(0.9)**	0.1
Total tax expense in income statement	**12.2**	19.7
Effective tax rate	**13.9%**	21.3%

Deferred tax assets/liabilities have been recognised at the rate they are expected to reverse. For UK assets/liabilities this is 25% for the majority of assets and liabilities (30 September 2021: 25%), being the UK tax rate effective from 1 April 2023, in accordance with the Finance Bill 2021, which was substantively enacted on 24 May 2021. The impact of remeasuring the deferred tax assets and liabilities accordingly increased the tax charge in FY 2021 by £6.1m. For overseas assets/ liabilities the corresponding overseas tax rate has been applied.

7. Earnings per share

		Year ended 30 September 2022	Year ended 30 September 2021
Earnings per share	– basic	**87.6p**	84.3p
	– diluted	**87.3p**	84.0p
Profit for the financial period attributable to the owners of the company (£m)		**76.2**	73.2
Weighted average number of shares used	– basic	**86,897,353**	86,704,789
	– diluted	**87,239,312**	87,045,353

8. Investment in associated undertakings

Bond 3D High Performance Technology BV ("Bond")

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 investment in the ordinary share capital of Bond at 30 September 2022 is €14.7m/£12.9m (24.5%) at cost (30 September 2021: same), with a carrying value of £10.4m (30 September 2021: £11.4m) which includes the impact of the Group's share of losses since investment. 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.

In line with the agreed programme of further investments into Bond by Victrex and another investor, LaLune, Bond has received cash injections of €4.5m in the current financial year, of which €2.7m /£2.3m was made by Victrex in the form of convertible loans. The loans are convertible into ordinary shares of the entity, at the Group's option, or are to be repaid by Bond on or before the end of the five year agreed term. Of the convertible loan balance of €7.4m /£6.6m at 30 September 2022, €2.0m /£1.8m is interest free, €0.3m /£0.2m is accruing interest at 3%, and the remainder is accruing interest at a rate of 6% per annum. These convertible loans are held as financial assets held at fair value through profit and loss (see note 9 below).

The Group's share of the loss of Bond in FY 2022 is £1.0m (FY 2021 loss of £0.9m).

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

At 30 Sept 2022, financial assets held at fair value through profit and loss relate to:

- Investment in Surface Generation Limited at £3.5m (FY 2021: £3.5m)
- Convertible loans in Bond at £6.6m (FY 2021: £3.8m). See also note 8 above.

On 13 October 2021, the Group sold its investment in Magma Global Limited to TechnipFMC. This investment was recognised as a financial asset held at fair value through the profit and loss, with a fair value of £5.4m at 30 September 2021. The Group received cash of £4.2m at the point of disposal with £1.2m deferred consideration received on 13 October 2022.

10. Borrowings

	Year ended 30 September 2022 £m	Year ended 30 September 2021 £m
Due within one year		
Bank loans	**0.9**	-
Total due within one year	**0.9**	**-**
Due after one year		
Bank loans	**14.8**	-
Loan payable to Non-controlling interest	**6.8**	5.9
Total due after one year	**21.6**	5.9

Bank loans are repayable in line with an agreed schedule up to December 2026. Interest is charged at the five-year Loan Prime Rate of People's Republic of China, which has been in the range of 4.3%–4.65% in the period between the initial draw-down and 30 September 2022.

The loan from the Non-Controlling Interest, Yingkou Xingfu Chemical Co. Ltd ('YX'), is unsecured and is repayable on 30 September 2026 or such date as may be mutually agreed by YX and Victrex Hong Kong Limited. Interest is charged at 4% per annum. Interest payable on the loan payable is rolled up into the value of the loan, until repayment occurs.

The purpose of both loans is the funding of capital expenditure in China, with the interest payable on both capitalised as part of that qualifying capital expenditure within Property, Plant and Equipment. During the year, interest of £0.5m (£0.3m and £0.2m respectively), has been capitalised accordingly.

11. 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 2022		As at 30 September 2021	
	Notional contract amount	**Carrying amount and fair value**	Notional contract amount	Carrying amount and fair value
	£m	**£m**	£m	£m
Current assets	**-**	**-**	61.2	2.9
Current liabilities	**197.5**	**(19.9)**	106.9	(1.9)
	197.5	**(19.9)**	168.1	1.0

The fair values have been calculated by applying (where relevant), for equivalent maturity profiles, the rate at which forward 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. Fair value losses on foreign currency contracts of £2.8m has been recognised in the period (FY 2021 – gains of £4.9m).

12. Other financial assets

At 30 September 2022 the Group had £10.1m of cash on 95-day deposit (30 September 2021: £37.5m). This is included in the Available Cash metric (see APM's above).

13. Non-controlling interest

The non-controlling interest recognised relates to the Group's subsidiary company, Panjin VYX High Performance Materials Co. Ltd ('PVYX'), where the Group continues to hold a 75% equity interest with the remaining 25% held by Yingkou Xingfu Chemical Co. Ltd ('YX'). PVYX is a limited liability company set up for the purpose of the manufacture of PAEK polymer powder and granules, based in mainland China. 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 this company was made by the Group via Victrex Hong Kong Limited, in March 2020. During FY 2021, the Group has made further cash injections in to PVYX, totalling £24.5m, split in the form of loans £22.0m and further equity investment of £2.5m. YX also made loans to PVYX of £5.6m during FY 2021. The loan is denominated in Chinese Renminbi and had a sterling value of £6.8m at 30 September 2022, which includes interest rolled up of £0.2m (see note 10), that was also capitalised in the period as part of the qualifying capital expenditure within Property, Plant and Equipment.

In the year to 30 September 2022 the subsidiary incurred a loss of £2.9m (FY 2021: loss of £1.4m), of which £0.7m (FY 2021: £0.4m) is attributable to the non-controlling interest. Total non-controlling interest as at 30 September 2022 is £1.8m (FY 2021: £2.5m).

14. Exchange rates

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

	Year ended 30 September 2022		Year ended 30 September 2021	
	Average	**Closing**	Average	Closing
US Dollar	**1.30**	**1.10**	1.36	1.34
Euro	**1.16**	**1.13**	1.14	1.18

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.

15. Reconciliation of profit to cash generated from operations

	Year ended 30 September 2022 £m	Year ended 30 September 2021 £m
Profit after tax for the year	**75.5**	72.8
Income tax expense	**12.2**	19.7
Share of loss of associate	**1.0**	0.9
Net financing income	**(0.2)**	-
Operating profit	**88.5**	93.4
Adjustments for:		
Depreciation	**19.0**	18.5
Amortisation	**2.6**	3.4
Loss on disposal of non-current assets	**2.4**	0.8
Equity-settled share-based payment transactions	**1.8**	1.4
Losses/(gains) on derivatives recognised in income statement that have not yet settled	**4.0**	(0.5)
Gain on financial asset held at fair value	**(0.3)**	(0.9)
(Increase)/decrease in inventories	**(13.4)**	26.0
Increase in trade and other receivables	**(16.9)**	(18.3)
Increase in trade and other payables	**2.8**	11.9
Retirement benefit obligations charge less contributions	**0.2**	(0.2)
Cash generated from operations	**90.7**	135.5

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:

Ex-dividend date	19 January 2023
Record date#	20 January 2023
AGM	10 February 2023
Payment of final dividend	17 February 2023
Announcement of half-year results	May 2023
Payment of interim dividend	June/July 2023

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

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